

NEWS LETTER

Special Annual Update

2017 in Review

January 2, 2018

In the final trading days of a strong 2017, U.S. indexes lost some ground. During the holiday-shortened week, the S&P 500 dropped by 0.36%, the Dow lost 0.14%, and the NASDAQ gave back 0.81%.¹ A selloff toward the end of the day on Friday contributed to the domestic indexes' weekly losses.² International stocks in the MSCI EAFE ended the week in positive territory, gaining 0.89%.³

Despite the losses, all three major domestic indexes experienced their best year since 2013.⁴ During 2017, the Dow hit 71 record highs, and the NASDAQ gained in all but 1 month for the first time ever.⁵

Overall, indexes posted the following growth for the year:

- **S&P 500 up 19.42%**⁶
- **Dow up 25.08%**⁷
- **NASDAQ up 28.24%**⁸
- **MSCI EAFE up 21.78%**⁹

In addition to sizeable gains, there was also very little market volatility in 2017. The S&P 500 only had 8 days when it lost or gained 1% or more. In 2016, the index had 48 days with at least 1% movement, and 2015 had 71 such days.¹⁰

With high growth and low volatility, it's little wonder that consumer confidence has reached its highest levels in 17 years. However, considering we are almost 9 years into this historic bull market, can the growth continue?¹¹ Let's take a look at a few economic indicators to examine where we are and what might be on the horizon.

Economic Highlights

- **Gross Domestic Product:** Economic growth picked up in the 2nd and 3rd quarters, and analysts believe the expansion could continue in 2018.¹²
- **Labor:** The unemployment rate dropped to 4.1% by October 2017, and some analysts believe it could fall even more in 2018.¹³

- **Inflation:** While inflation is below the Federal Reserve's 2% goal, the most recent readings show a healthy increase. If inflation continues on this path, the Fed will likely continue to slowly increase interest rates in 2018.¹⁴

Tax Changes in 2018

Many people are wondering how the new tax plan will affect markets and the economy in 2018.

On January 1, a number of changes went into effect, including new tax brackets for citizens and a permanent tax rate reduction for corporations.¹⁵ As a result, this law may impact both economic performance and your individual bottom line.

If you have any questions about how to prepare for what lies ahead—or want more details on what we expect in 2018—contact us any time.

ECONOMIC CALENDAR

Monday: Markets Closed for New Year's Day

Tuesday: PMI Manufacturing Index

Wednesday: Motor Vehicle Sales, ISM Mfg Index, Construction Spending

Thursday: ADP Employment Report, Jobless Claims

Friday: Employment Situation, Factory Orders, ISM Non-Mfg Index

DATA AS OF 12/29/2017	1 WEEK	SINCE 1/1/17	1 YEAR	5 YEAR	10 YEAR
STANDARD & POOR'S 500	-0.36%	19.42%	19.42%	13.39%	6.18%
DOW	-0.14%	25.08%	25.08%	13.53%	6.42%
NASDAQ	-0.81%	28.24%	28.24%	17.98%	10.04%
INTERNATIONAL	0.89%	21.78%	21.78%	5.04%	-0.94%
DATA AS OF 12/29/2017	1 MONTH	6 MONTHS	1 YEAR	5 YEAR	10 YEAR
TREASURY YIELDS (CMT)	1.28%	1.53%	1.76%	2.20%	2.40%

Notes: All index returns (except S&P 500) exclude reinvested dividends, and the 5-year and 10-year returns are annualized. The total returns for the S&P 500 assume reinvestment of dividends on the last day of the month. This may account for differences between the index returns published on Morningstar.com and the index returns published elsewhere. International performance is represented by the MSCI EAFE Index. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly.

QUOTE OF THE WEEK



*"Every individual matters. Every individual has a role to play.
Every individual makes a difference."*

— Jane Goodall

RECIPE OF THE WEEK



Ohio Turkey Chili

Serves 4

Ingredients:

- 2 tablespoons vegetable oil
- 1 yellow onion, finely chopped
- 2 cloves garlic, minced
- 1 pound ground turkey (80% lean)
- Kosher salt
- Black pepper, freshly ground
- 2 tablespoons tomato paste
- 1 tablespoon chili powder
- 1 tablespoon paprika
- 1 teaspoon allspice, ground
- 1 teaspoon cinnamon, ground
- 1 teaspoon coriander, ground
- 1 teaspoon cumin, ground
- ¼ teaspoon cloves, ground
- 1 can (15 ounces) diced tomatoes
- 1 tablespoon cider vinegar
- 2 teaspoons Worcestershire sauce
- 1 ounce unsweetened chocolate, finely chopped
- 12 ounces spaghetti
- 8 ounces cheddar cheese, shredded
- Green onions, thinly sliced (optional)



Directions:

1. Warm vegetable oil over medium-high heat, in Dutch oven or large saucepan.
2. Toss in garlic and onions, and stir until browned (about 6 minutes).

3. Add ground turkey, ¼ teaspoon pepper, and 1 teaspoon salt. Break up clumps as you stir items together until turkey browns (about 5 minutes).
4. Add tomato paste, and then include chili powder, paprika, allspice, cinnamon, coriander, cumin, and cloves. Stir together constantly for 1 minute.
5. Stir in diced tomatoes and 1 ½ cups water, and simmer uncovered for about 10 minutes.
6. Add vinegar, Worcestershire, and chocolate, and continue simmering until chili starts to thicken (about 10 minutes).
7. Add more salt and pepper to taste.
8. Bring to boil a large saucepan of water while chili cooks, and cook spaghetti according to package directions.
9. Serve chili over cooked spaghetti, and garnish with shredded cheese and sliced green onions.

Recipe adapted from Food Network¹⁶



Keep Your Data Safe Online

As more and more of our lives go online, we must take measures to actively protect ourselves. From credit card information to Social Security numbers, and more, a trove of data exists that can put you at risk. Here are some tips to help you keep your data safe online.

1. **Shop on secure websites:** A website has better safety measures in place when it lists an “s” in its website address (URL). Shop safely online by only using websites that start with “https.”
2. **Avoid financial transactions on unsecured WiFi:** Public wireless accounts can be helpful to use when you need to access the internet, but they can leave you vulnerable. To protect your data, never do any financial transactions on unsecured public WiFi.
3. **Sign up for alerts:** Many accounts allow you to sign up for alerts in order to receive notifications on any suspicious activity. Make sure you opt into these communications to stay ahead of odd account behavior.

Other details may apply, and you can find more information on the [IRS website](#).

** This information is not intended to be a substitute for specific individualized tax advice. We suggest you discuss your specific tax issues with a qualified tax advisor.*

Tip adapted from IRS.gov¹⁷



Hinge Your Stroke for a Better Roll

Do you hinge your shots? Maybe you come up short or find that your putts move a little too far to the right. If so, then the secret sauce may lie in hinging your stroke to fix your roll. Follow these tips:

1. Set up normally.
2. Hinge your right wrist backward when starting your takeaway. You should feel like your club's butt end stays mostly in place as your putterhead swings.
3. Complete the "backstroke."
4. Try on your other hand by bending your left wrist backward. A smooth motion will keep your club's butt end in place.
5. Repeat this technique multiple times.

You will need more hinge for longer putts. By perfecting the move and squaring correctly, you'll gain the necessary power to roll your putts with each stroke.

Tip adapted from Golf Magazine¹⁸



Understand Canker Sores

Canker sores are ulcers that form in the mouth, affecting as many as 20% of Americans. This ailment is different than the cold sores people get on the outside of their lips. Here are some tips to help you better understand and care for canker sores:

What causes them?

The medical community does not fully know why people get canker sores. However, they are more common in women, and may result from:

- Eating acidic foods like tomatoes
- Eating gluten
- Experiencing physical or emotional stress
- Using some toothpastes with ingredients that trigger the sores

Are they contagious?

No, you cannot get canker sores from other people. With that said, some studies show that people can get them more easily when you have parents that also develop canker sores.

Tips adapted from WebMD¹⁹



Simple Tips That Make a Green Difference

Sometimes, the small actions we take each day are the ones that add up to make a real difference in our green lifestyles. Here are some simple ways you can help the earth without having to make a huge change in how you live:

- **Pick up litter:** Even though you didn't make the trash, you can help take it away from our parks, streams, and roadways. Take a bag with you on walks and pick up litter along the way.
- **Avoid releasing balloons:** Sending balloons off into the air may seem fun, but the plastic eventually falls back down to earth. Animals that mistake deflated balloons for food can die from choking or intestinal blocks. Marine animals are especially vulnerable.
- **Fix water leaks:** Households waste about 13.7% of water due to leaks. Check your water meter regularly while no one is using the water; if the meter moves, then you have a leak somewhere.

Tip adapted from Global Stewards²⁰

Share the Wealth of Knowledge!

*Please share this market update with family, friends, or colleagues.
We love being introduced!*





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The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

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You cannot invest directly in an index.

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¹ <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=SPX®ion=usa&culture=en-US>

<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=%21DJI®ion=usa&culture=en-US>

<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=@CCO>

² <https://www.cnbc.com/2017/12/29/us-stocks-open-higher-sp-500-tracking-for-best-year-since-2013.html>

³ <https://www.msci.com/end-of-day-data-search>

⁴ <http://money.cnn.com/2017/12/29/investing/stocks-2017-wall-street/index.html>

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- ⁵ <https://www.cnbc.com/2017/12/29/us-stocks-open-higher-sp-500-tracking-for-best-year-since-2013.html>
- ⁶ <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=SPX®ion=usa&culture=en-US>
- ⁷ <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=%21DJI®ion=usa&culture=en-US>
- ⁸ <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=@CCO>
- ⁹ <https://www.msci.com/end-of-day-data-search>
- ¹⁰ <https://www.cnbc.com/2017/12/29/us-stocks-open-higher-sp-500-tracking-for-best-year-since-2013.html>
- ¹¹ <http://money.cnn.com/2017/12/29/investing/stocks-2017-wall-street/index.html>
- ¹² <https://www.cnbc.com/2017/12/21/us-final-reading-on-q3-2017-gdp.html>
- ¹³ <https://data.bls.gov/timeseries/LNS14000000>
<https://www.thebalance.com/us-economic-outlook-3305669>
- ¹⁴ <https://www.bloomberg.com/news/articles/2017-12-22/u-s-consumer-spending-tops-forecasts-as-inflation-accelerates>
- ¹⁵ <https://www.cnbc.com/2017/12/28/tax-changes-are-coming-monday-heres-when-it-will-affect-you.html>
- ¹⁶ <http://www.foodnetwork.com/recipes/valerie-bertinelli/ohio-turkey-chili-4483566>
- ¹⁷ <https://www.irs.gov/newsroom/national-tax-security-awareness-week-eight-steps-to-keep-online-data-safe>
- ¹⁸ <http://www.golf.com/instruction/2017/10/05/looking-better-roll-try-hinge-stroke>
- ¹⁹ <https://www.webmd.com/oral-health/understanding-canker-sores-basics>
- ²⁰ <http://www.globalstewards.org/ecotips.htm>