



Wealth Care LLC Monthly Commentary-February 2017

Investment Thoughts

It was fun to see the Dow hit 20,000 in January, continuing a healthy upward market for the last three months. But any given “number” or benchmark means nothing in the short term. At Wealth Care LLC, we’ll keep working to help our clients stay invested for the long term in a way that makes sense towards achieving each family’s goals.

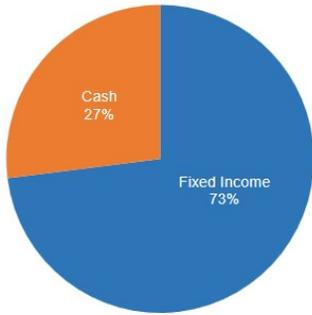
It’s not easy to make a buck.

Per the chart below, in the absence of bonds that yield 6% plus, we have to find other asset classes that make money. Since they won’t all do so at the same time, we need several asset classes that move differently to accomplish our goal of at least a relatively small after tax/after inflation return. The change of fixed income from almost 3/4s of a portfolio to barely over 10% is astounding.

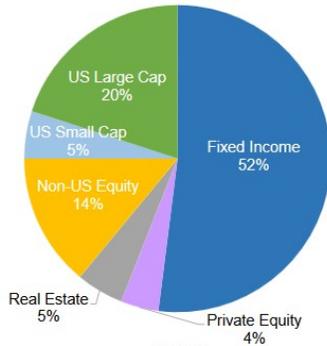
STEVEN PODNOS MD, MBA, CFP®



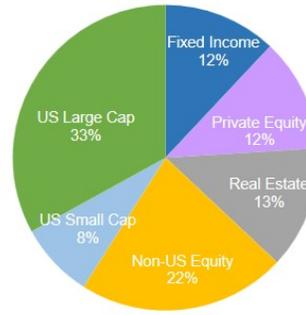
Recommended Asset Allocation Needed to Generate a 7.5% Return



1995



2005



2016

Over the last twenty years, individuals focused on retirement have been forced into multiple (often illiquid) asset classes in an effort to generate current yield / higher total returns

Source: Callan Investments Institute



- Secure your social security number (SSN). Don't carry your social security card in your wallet or write your number on your checks. Only give out your SSN when absolutely necessary.
- Don't respond to unsolicited requests for personal information (your name, birthdate, social security number, or bank account number) by phone, mail, or online.
- Watch out for "shoulder surfers." Shield the keypad when typing your passwords on computers and at ATMs.
- Collect mail promptly. Ask the post office to put your mail on hold when you are away from home for several days.
- Pay attention to your billing cycles. If bills or financial statements are late, contact the sender.
- Review your receipts. Promptly compare receipts with account statements. Watch for unauthorized transactions.
- Shred receipts, credit offers, account statements, and expired cards, to prevent "dumpster divers" from getting your personal information.
- Store personal information in a safe place at home and at work.
- Install firewalls and virus-detection software on your home computer.
- Create complex passwords that identity thieves cannot guess easily. Change your passwords if a company that you do business with has a breach of its databases
- Order your credit report a year and review to be certain that it doesn't include accounts that you have not opened. Check it more frequently if you suspect someone has gained access to your account information.
- If you do not need credit, it is a great idea to ask all of the three credit reporting agencies to put a security freeze on your credit report. This keeps potential creditors from seeing a credit report and prevents anyone from opening a new line of credit in your name until you lift the freeze. Doing this has no effect on your credit rating.



Miscellaneous

Whenever I travel I google my destination at the [Atlas Obscura](#) website. It will yield dozens of very obscure, very offbeat attractions in the area. How else can you find a nearby museum of parasites, or trail of doll heads, or a restaurant of robots, underground tunnels, or a store for time travel? — from email list “Recommendo”

When you go to [Recommend Me a Book](#) you are presented with the first page of a novel, but you are not told the name of the book or the author. If you don’t like what you’ve read, click “Next Book.” If you do like it, click “Reveal Title & Author,” and buy it from Amazon. I wish it let you buy a book without finding out who wrote it, so it was a surprise when it arrived in the mail. — MF

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Random Notes

Volatility isn't risk unless you react to it-Nick Murray

You don't need the big plays to win, you just need to avoid the dumb ones – Coach Lou Holtz

Does it seem probable to you that my advice will *either* (a) cause your lifetime return to rise more than one percent per year because of more appropriate investment choices, *and/or* (b) save you the equivalent of more than one percent per year in time, worry and record-keeping, *and/or* (c) save you one percent per year *if not much more* in the cost of mistakes I might help you avoid making?"-question to client by advisor Nick Murray

"Gathering information is a science. Filtering out noise is an art."-Morgan Housel

Steven Podnos MD CFP for Wealth Care LLC February 1, 2017