



THE \$TRATEGIST



Cash Is an Asset Class

By Tom Wargin CFP®, CFA

When the market was only going up, volatility was just a 50-point move in the Dow, interest rates were zilch, and cash was something to be avoided—which we tried to do. The times “they are a changing!” Interest rates are going up, volatility as defined has returned, and the stock market can, and has, gone down—as we have been expecting for some time.

While the economy is chugging along, some indicators of market fundamentals have started to show weakness and a possible larger downturn ahead. As we have said before: our crystal ball is always cloudy. We don't believe the downturn is imminent *but it will come*.

As a result of these observations and others as well, we may build up larger cash positions in your portfolios to have some dry powder when the downturn does occur. We are not trying to time the markets, but feel that current valuations have become stretched to the point where making new investments is much more difficult.

To all of the above, you can add tariff tantrums by the U.S. and China and maybe other countries as well. Whether this will erupt into actual tariffs being applied is anyone's guess, but it is another element of uncertainty, to which markets usually do not take kindly.

The confusing part of all this is that corporate earnings should increase nicely and unemployment is getting to the point of non-existence. However, when you are in the 10th year of a Bull Market Run, you have to start wondering how long can this go on? The easy answer to that is, *longer than the consensus estimates*. The more difficult answer is *when the Fed raises rates too much*. We will only know in hindsight.

The good part now about having larger cash positions is that it is actually paying something: 3-month Treasury bills yield 1.85% as of this writing, 2-year Treasuries yield 2.49%, and 10-year Treasuries yield 3.02% and a 30-day CD yields 1.55% while a 1-year CD yields 2.25%.

It is up to the Fed if any of those yields approach a 3% or 4% number. We shall wait and see.

Planning Notes

By June Ann Schroeder, R.N. CFP®

April is National Social Security Month, designed to highlight the agency's mission and purpose. Expanded online services help you plan for the future and keep you in control of your benefits. We encourage you to open your personal “*my Social Security*” account. It is a powerful tool to help you stay in control of your Social Security record before or after you begin to receive benefits.

If you haven't started your benefits yet, you can get your Social Security Statement to review your earnings, make sure they're recorded correctly, request a replacement Social Security card and more.

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Client Alerts

By Shannon Nook, FPQP™

Investment Policy Statement Review

As you know, we continue to manage your accounts in accordance with your most recent designated investment objectives or IPS. We place this issue on your meeting agendas regularly.

NOTE: However, it is your responsibility to advise us if there has been a change in your financial situation, investment objectives, or if you would like to impose, add, or modify any reasonable restrictions to the management of your accounts. Please contact us to discuss this further.

It's Regulation Time Again!

If you're interested in a free copy of any of the following LFG documents, please contact Info@lfgwi.com or our office directly:

- Proxy Procedure & Guidelines
- ADV
- Business Continuity Plan

Summer Hours (Memorial-Labor Day)

Monday-Thursday from 9 am to 5 pm
Friday from 9 am to 2 pm
Evenings by request

Liberty & Habitat

We are ready to roll up our sleeves, strap on a tool belt, and build a house! Once again, Liberty Financial team members are scheduled to participate in Habitat for Humanity of Waukesha Women Build 2018. (Guys are helping too!) On May 12th we will help build two new homes at 1129 & 1123 White Rock Avenue in Waukesha. Additionally, the dedication for the homes we helped build last year will be on April 28th. We will get to meet the new homeowners, which will be the most rewarding part of Liberty Gives Back!



Planning Notes *continued*

If you receive benefits, you can change your address and phone number, start a deposit or change it at any time, get a replacement Medicare card, and more.

If you own a business, you can also use the Business Services Online suite to report employee wages and verify names and Social Security numbers for W-2s.

Traveling Abroad? A New Foreign Travel Warning System has been instituted by the U.S. State Department. Clearer than the previous system, it rates every country on a scale from Levels 1 to 4, with 4 meaning “do not travel.” Go to Travel.State.gov and click on “Travel Advisories.” Pay attention to English language online media as well. Travel safely.

Where Will You Live? This is one of the questions we discuss with clients in planning for the future. Not unlike many of you, my hubby and I are finding our original attitude and plan to “age in place” changing and we are

exploring other options. There are so many great alternatives in our state, including condos, continuing care communities, shared housing, and model villages. Home maintenance never ends; along with the expense of finding and paying others to do work we no longer can and/or want to do.

My brother and his wife moved into a condo over a year ago and they love it! We are more inclined toward the village concept, like Cedar Community offers. No matter where you decide to live, think ahead to “the you whom you will become” in the process of aging and future needs. We don't expect to move for a few more years, but it is somewhat comforting to know that we are choosing to plan ahead now before we are faced with no choice but to relocate due to circumstances. Some people don't think of moving because of all their “stuff.” I'm glad I have time to sell, save, gift, and donate before an emergency relocation puts much of my “stuff” into a dumpster!



Featured Artist: Amy Austin



Amy is an acrylic artist. At four years of age, she was already creating art by copying a picture of a Raggedy Ann doll. Her passion for creating grew and high school art classes made her realize that a career in art was her future.

She achieved a Bachelor of Arts from the University of North Carolina at Charlotte, where she entered the world of acrylics and oils. She has lived in several states, and now Wisconsin, with each state's own natural beauty giving her inspiration.

Her paintings offer a sense of movement designed to capture the energy of the subject central to the canvas—whether it is in a realistic or impressionistic style. Her favorite pieces are animals, plants and people. Stop in at our office or go to www.amyaustinartwork.com to see samples of her work.

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