



Wealth Care LLC Monthly Commentary-April 2018

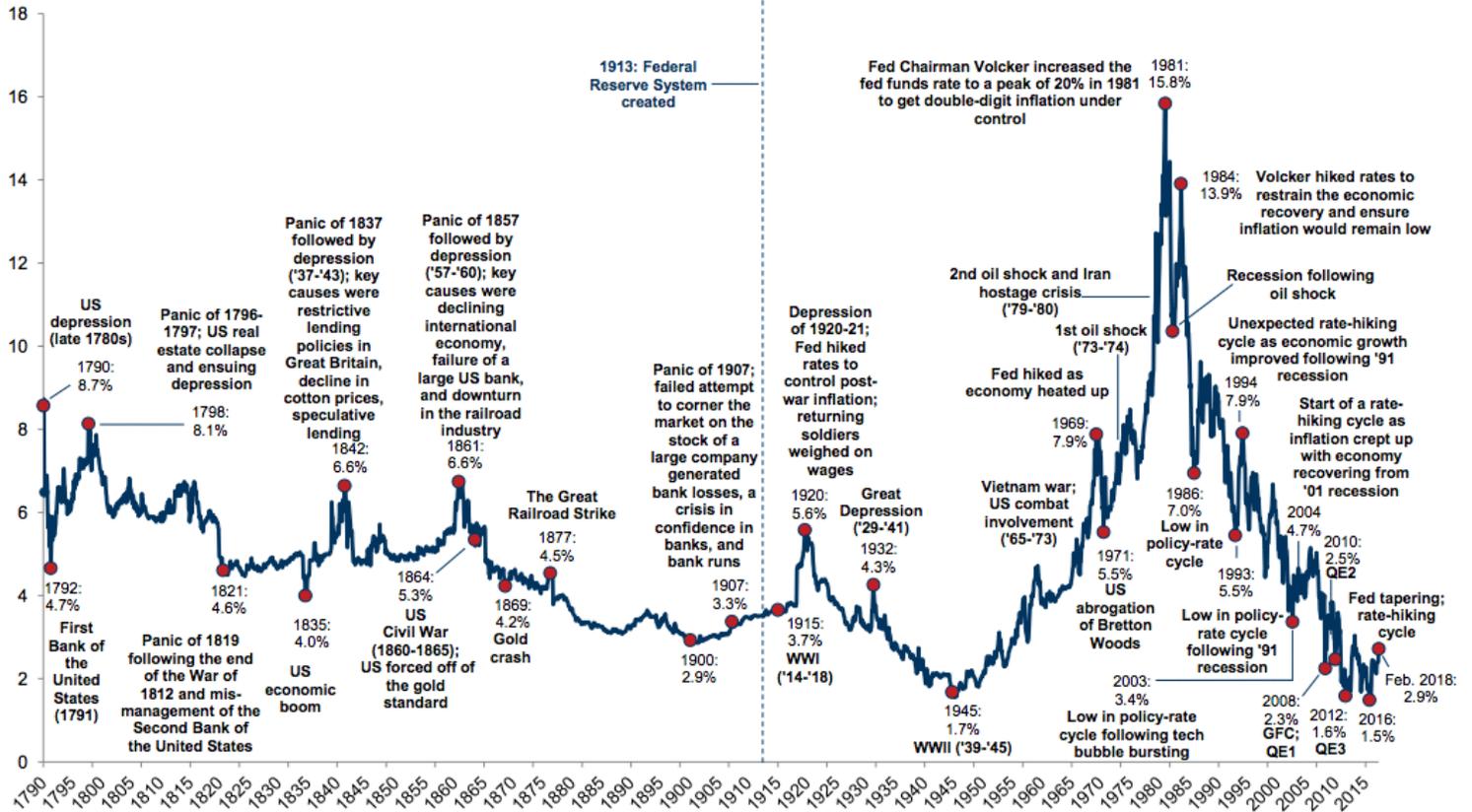
Investment Thoughts

History of Interest Rates in the US

The chart below is the interest paid on a 10-year US Treasury bond over the last 200+ years! Note how low we are. When interest rates rise back up to a normal level, intermediate and long-term US bonds will lose value. Our Wealth Care LLC portfolios continue to avoid these bonds and use a mixture of mostly short-term US fixed income, non US fixed income, and some non-conventional domestic fixed income (Convertible bonds and Preferred stock funds).



10-Year US Treasury Yield, %



Source: Global Financial Data, Inc., Federal Reserve Board, Haver Analytics, Goldman Sachs Global Investment Research.

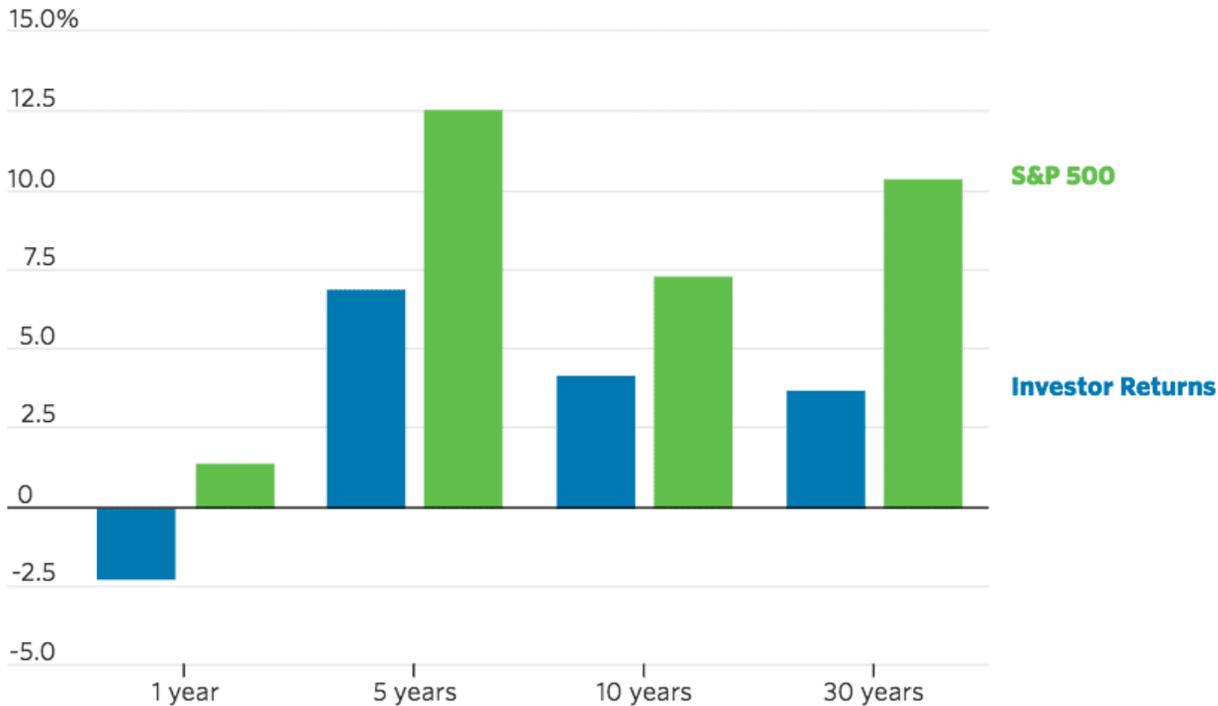
More Buy and Hold Evidence

I mentioned studies a few years ago that compare the long term returns of average investors that are in the US stock market versus how the markets themselves do. See below:



Missing Out

Annual returns, average U.S. equity mutual fund investor and S&P 500



Figures are as of Dec. 31, 2015. S&P 500 performance include dividends
Source: Dalbar

THE WALL STREET JOURNAL

The take home message is that just holding the investment long term beats what your neighbors are doing. Why? People tend to sell out of fear when markets drop in price and buy out of greed when they are going up. As we've discussed before-this is the opposite of what you do in response to price drops at your favorite store. Also, many US stock funds have high fees that erode returns year after year (funds used by brokerages usually average costs well above 1.5% a year-if not more. Funds inside insurance produces like variable annuities can easily cost 3-5% a year!).

CFPs will be True Fiduciaries!

www.WealthCareLLC.com | F. 815.301.3777

Steven Podnos MD, MBA, CFP® P. 321.543.1099 E. Steven@wealthcarellc.com • Rachel Podnos J.D., CFP® P. 321-505-7592 E. Rachel@wealthcarellc.com

Lauren Podnos, CFP® P. 321-537-7502 E. Lauren@wealthcarellc.com



The CFP® Board announced this week that they will be holding all CFP® certificants to a Fiduciary standard within 18 months. Up till now, CFP® certificants could evade the standard by stating that only their financial planning was as a Fiduciary, and that their financial/investing advice was not (so that they could sell products that were clearly not in client's interests). The majority (overwhelmingly in my area for example) of CFP certificants are salespeople/brokers with only a small percentage being fee only Fiduciaries. This has been a source of great aggravation to those of us that hold that the CFP mark should equal integrity and a Fiduciary standard.

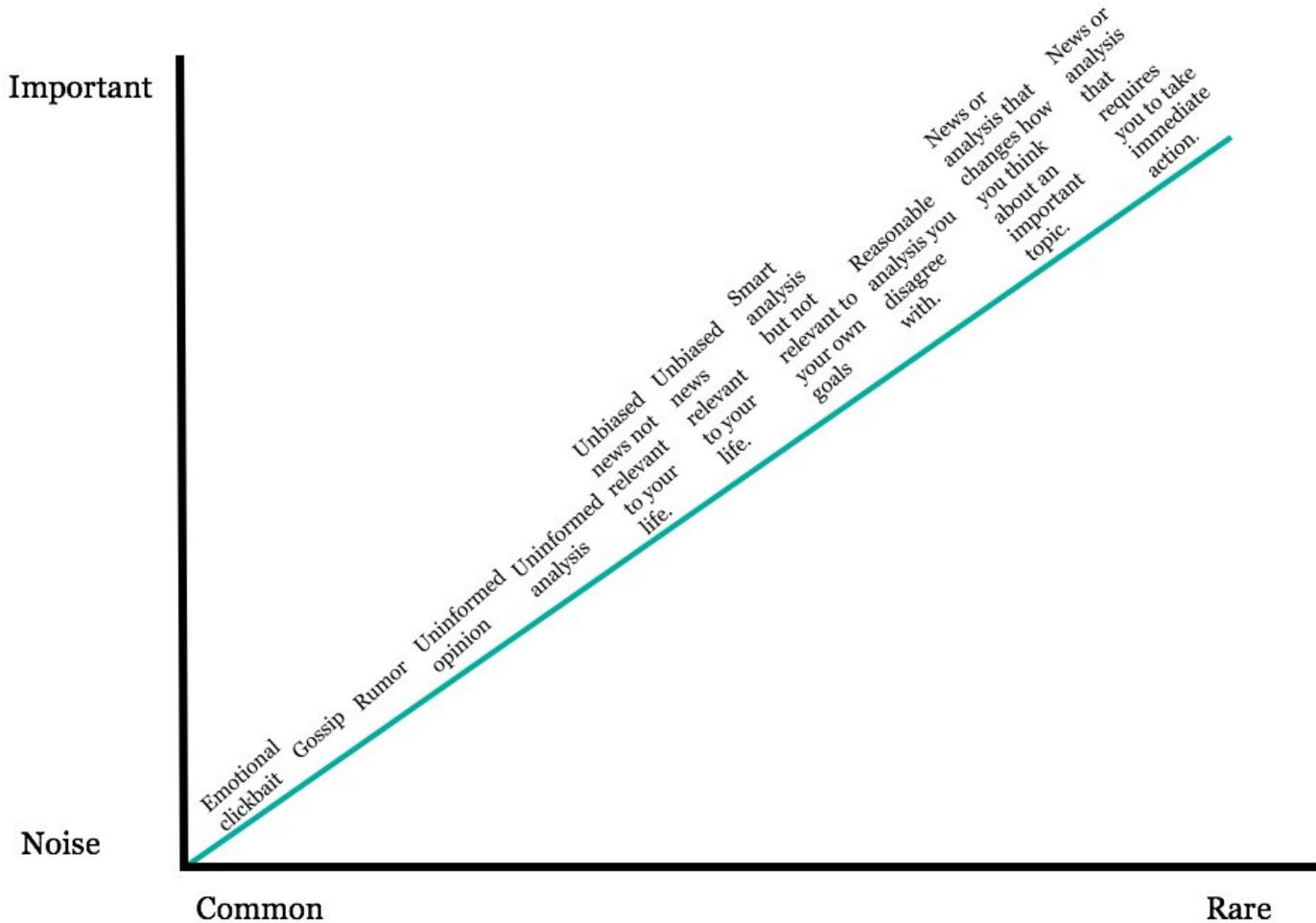
My guess is that we'll see the salespeople abandon the CFP mark, and our numbers will shrink. But quality will win out and that's good for all of us.

Miscellaneous

Free Money?

<https://www.unclaimed.org/>

The Spectrum of Information (Morgan Housel)



Scams

There are increasingly sophisticated criminals attempting to get personal identity information on the phone. They have the ability to call you with your local area code and can even call your contacts “looking” like you are calling them. A simple rule of thumb is to never ever give out personal identification unless you are certain who you are talking to.

Along the same lines, we are seeing increasingly “authentic” looking emails coming from (supposedly) Pay Pal and other sites asking you to update or correct information. If this is the



case, don't hit the link, but login separately. Make sure that any financial site has their web address starting with https (a secure address).

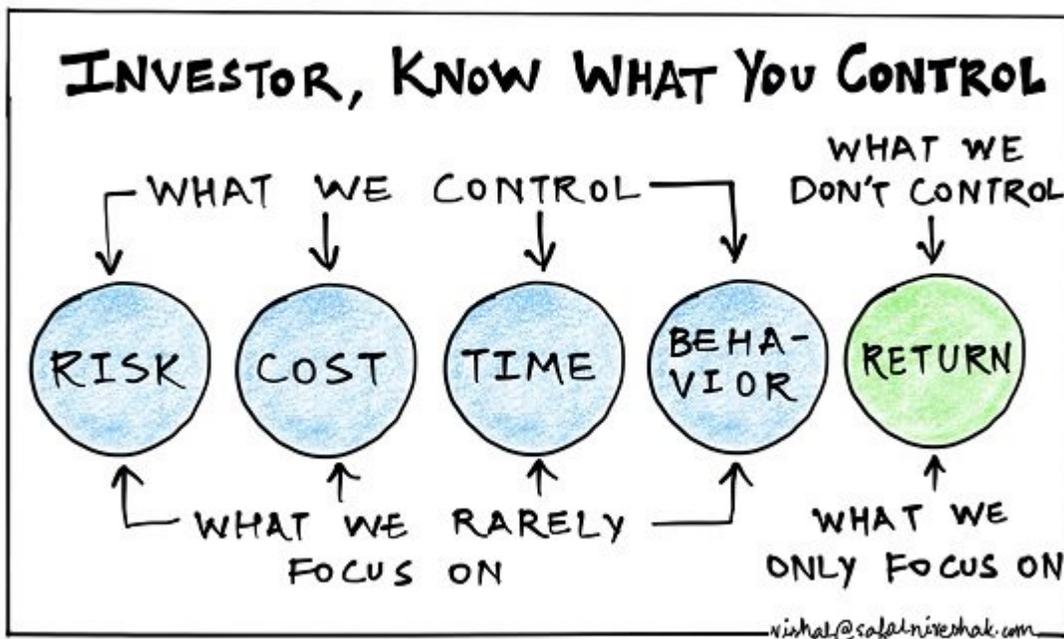
To go further, some web pages will interrupt your browsing with a voiceover telling you that you have a virus and need to call Microsoft or another vendor with a phone number. These are all fake. Just close your browser and move on.

Random Notes

If your kids can borrow it or your friends can admire it, it doesn't count as an investment.-
Jonathan Clements

Growing old is mandatory; growing up
is optional.-anon

If you cannot explain something in simple terms, you don't understand it. —Professor Richard Feynman



Steven Podnos MD CFP® for Wealth Care LLC 4-1-2018