

IN YOUR BEST INTEREST

FALL 2017



A QUARTERLY FINANCIAL PUBLICATION
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PRESIDENT'S MESSAGE

I nearly always begin my newsletter with a joyful statement. Not so much today. As I write this, the world is reeling in the aftermath of the Las Vegas shooting. It's one more tragic event in a year that has brought so much sadness and loss around the world. I hope you and the people you hold close to your heart are safe and sound and that you're finding a way to discover some level of peace amidst the chaos. It seems the only good news is that the financial markets seem impervious to world events. Of course, that doesn't mean financial complacency is in order. If something changes in your own life, let me know so we can work together to be sure your plan stays on track toward your financial goals. And when the market climate shifts (yes, it always does), know that I'm here to help steady the ship.

Best,

Lauren Klein

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MARKET HIGHLIGHTS: Q3 2017

Thinking back over the quarter—and the entire year to date—I feel... breathless. Amid the whirlwind of global events, at least the economic and market news remains a bright spot, so let's start the quarter review with some good news:

In Q3, equity markets experienced gains, fueled by a late-August rally that pushed security prices upward. As the quarter came to an end, the benchmark indexes continued to rise. The Nasdaq and the Russell 2000 posted gains of more than

5.0%, followed closely by the Global Dow and the Dow. The S&P 500 trailed the other indexes listed here, yet still managed to increase by almost 4.0% since the end of Q2.

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 **MARKET HIGHLIGHTS: Q3 2017** *continued from page 1*

	2016 Close	As of September 29	Quarter Change	Year to Date Change
DJIA	19762.60	22405.09	4.94%	13.37%
NASDAQ	5383.12	6495.96	5.79%	20.67%
S&P 500	2238.83	2519.36	3.96%	12.53%
RUSSELL 2000	1357.13	1490.86	5.33%	9.85%
Global Dow	2528.21	2907.67	4.99%	15.01%
Fed. Funds	0.50%-0.75%	1.00%-1.25%	0 bps	50 bps
10-year Treasuries	2.44%	2.33%	3 bps	-11 bps

Performance data based on data reported in the WSJ Market Data Center as reported by Forefield, Inc.

In September, the Federal Open Market Committee (FOMC) decided to hold the benchmark interest rate between 1 and 1.25% while setting expectations for an increase next quarter. The Fed noted that the labor market is continuing to strengthen, economic activity has been rising, job gains have remained solid, and unemployment rates are low. At the same time, household spending has expanded moderately, growth in business fixed investment has picked up, and inflation is running below 2%.

In the rest of the news, the world is a mess. Donald Trump remains in the White House amid an accelerating Russia investigation, a frightening standoff with North Korea, and another failed attempt by Republicans to repeal the ACA. The Equifax data breach and the company's inadequate response had everyone scrambling to secure their personal information. Protesters

clashed in Charlottesville, Colin Kaepernick triggered a national debate, terrorist attacks escalated across Europe, and the US witnessed another mass shooting. Nature, too, was ill-tempered, with hurricanes devastating the Southern US, Cuba, Puerto Rico, and other regions; earthquakes in Mexico killing hundreds, and flooding causing record deaths around the globe. It's been a year for the record books, and not in a good way.

As we enter the final three months of 2017, it's important to stay focused on what truly matters: love, health, and happiness. Know that our team will be doing our part by continuing to monitor your plan and your portfolio closely. For your part, do what you can to focus on what you can control... and to finally, hopefully, catch your breath.

 **RECENT NEWS**

Top financial publications continue to reach out to Lauren to leverage her expertise on a variety of financial topics. Get all the details on our website under ‘Klein News.’



Lauren was quoted in the Investor’s Business Daily article *Here Is How Wealthy Women Are Getting Smarter Pitches From Financial Advisors.*

“Women-focused or not, robos are not sufficient,” holds Klein, of Newport Beach, Calif. “At their kernel, robos focus particularly on the tech side of money. But that is not where decisions are

made, comfort levels achieved and knowledge owned. The essence of a robo is what can be mapped. But a map,” she says, “doesn’t always describe the territory.” ■

 **FROM THE BLOG**

The readership of Lauren’s blog—both on our site and on IRIS.xyz—continues to grow. It’s exciting to see more people reading and engaging in the conversation. Don’t miss **Lauren’s blog** on our website to stay informed on topics that impact your finances, your family, and your future.



Rethinking retirement in the “gig economy”



When grandma fights back: the challenge of caring for combative dementia patients



Security vs. Freedom (and the magnificent merits of flying business class)

Is there a topic you’d like Lauren to tackle? Send us an email with your thoughts. We’d love your suggestions and feedback. ■

CONNECT WITH US ON SOCIAL MEDIA

Add Klein Financial Advisors news to your feeds by connecting with us on LinkedIn , Facebook , and Twitter . Our content is always carefully selected with the goal of offering valuable financial education and guidance. And watch for our Saturday emails for an easy roundup of all the news!

 **DATES TO REMEMBER**

OCTOBER

16

OCTOBER 16

- Final deadline to:
- File individual tax returns for 2016
 - Fund a SEP-IRA or solo 401(k) for tax year 2016 (if an extension was filed)
 - File extended returns for C-Corporations (IRS Form 1120)

NOVEMBER

5

NOVEMBER 5

Daylight Savings Time ends

NOVEMBER

23

NOVEMBER 23

Thanksgiving

DECEMBER

12

DECEMBER 12–20

Hanukkah

DECEMBER

25

DECEMBER 25

Christmas Day

DECEMBER

31

DECEMBER 31

- Last day to:
- Establish Keogh or Solo 401(k) plan
 - Make 401(k) contributions
 - Sell stock to realize gains/losses
 - Take RMDs
 - Pay expenses for tax deductions
 - Make tax-deductible gifts to charities
 - Make annual tax-free gifts

Note: Klein Financial Advisors will be closed for the holidays on November 23–24, December 25, and January 1.

SPOTLIGHT on DISASTER PREPARATION

Lately it seems like there is a new disaster in the news every day, from hurricanes and floods to earthquakes and fires. It's a good wakeup call to build a solid emergency plan that can help you recover from the worst, both physically and financially. Take these steps today to help protect your family and your financial security:



• Pack up basics.

Create an emergency kit with enough food and water for every member of your family for at least one week. Include one gallon per person per day of water, a stash of non-perishable, high-protein foods like peanut butter and nutrition bars, plus canned juices and non-perishable pasteurized milk. For a complete list of what to include in emergency kits for your home and car, visit the [Build a Kit](#) guide at ready.gov.

• Protect what's important.

Review your homeowner's insurance to be sure your home and valuables are protected. Earthquake insurance is often optional, but it may be the only way to protect your home and your lifestyle in the aftermath of "the big one." Have your home appraised periodically to ensure proper coverage, and consider adding policy riders to cover items such as jewelry, artwork, or electronics.

• Create a family emergency plan.

Outline specific steps to take in a variety of emergencies. What should each person do if a fire breaks out, the earth starts shaking, or a storm strikes? Be sure every family member—even young children—understands what action to take, including where to go immediately to stay as safe as possible. Post emergency phone numbers in a central location and add emergency contacts to every cell phone. Establish a central meeting place, and choose an out-of-area contact to receive and communicate your family's location, safety, or need for help.

TIPS & TOOLS FOR YEAR-END PLANNING

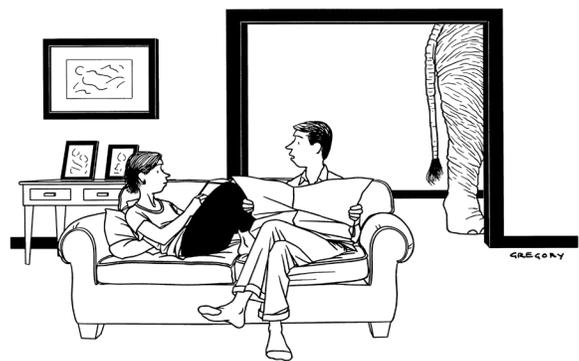
Careful year-end planning can have a significant impact on your financial outlook well into the coming year (and especially at tax time!). In addition to paying attention to upcoming deadlines (see 'Dates to Remember'), consider tackling these items in the coming months.

- ✓ **Project 2017 and 2018 income** for tax planning opportunities
- ✓ **Make charitable donations** and keep good records
- ✓ **Review unrealized gains and losses** on securities
- ✓ **Max out 401(k) contributions** including 'catch-up' contributions
- ✓ **Consider Roth conversions** to diversify future taxes
- ✓ **Make annual gifts** to family members (talk to me about the level of gifting that is most appropriate for you)

Need help? Let's schedule a time as soon as possible to be sure everything is handled before year-end.

• Safeguard your financial house.

Be sure you have an emergency fund that includes accessible funds to cover normal household expenses for up to six months, and include a spare ATM card for the account in your emergency kit. Also include copies of your will, insurance policies, retirement account statements, loan statements, deeds, and other important papers, as well as a minimum of \$500 in cash in small bills to make purchasing supplies as easy as possible.



"Before interest rates get any higher, maybe we should start thinking about investing in a second elephant."

Cartoon credit: Alex Gregory/The New Yorker Collection/The Cartoon Bank

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