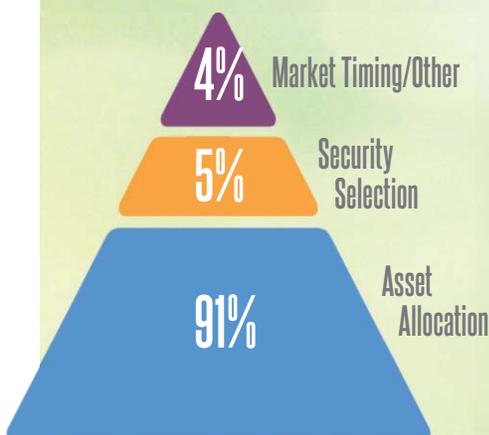


The Importance of Asset Allocation

Asset allocation, or choosing a mix of different asset classes in a portfolio, spreads investments across many different types to help increase returns and decrease risk. Studies show that asset allocation is one of the most important determinants and should be a major focus of developing an investment plan.

Neither asset allocation nor diversification guarantee a profit or protect against a loss.

Determinants of Portfolio Returns

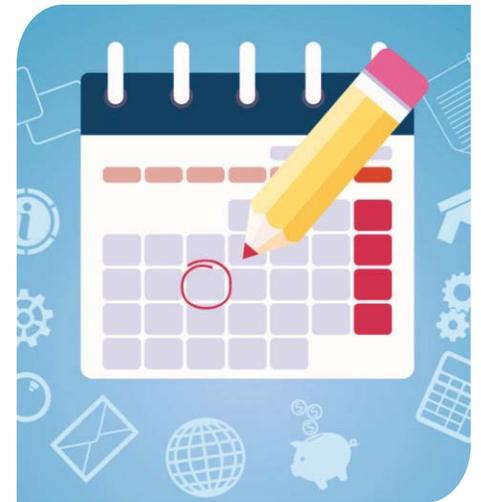


Source: Investopedia

It's Time to Schedule a Year-End Portfolio Review

One of the keys to building a successful investment portfolio – whether you are a beginner or an experienced investor – is an annual portfolio review. No matter how the market is performing, it's essential to evaluate asset allocation, assess the performance of investments, and select a new investment strategy, if necessary.

A good time to review your portfolio is at year-end when you're getting your financial house in order to prepare for the upcoming tax season. Here are some of the questions that you will answer during a year-end portfolio review:



- ▶ **Have I had any significant changes in my life?** Marriage, divorce, birth and death are the major life events that affect investing plans.
- ▶ **Has my investment allocation changed?** Asset allocations sometimes shift, and you may find your retirement plan account more aggressive or more conservative than you intended. This is also time to review your risk level to see if you should dial it up or down.
- ▶ **How well have my investments performed?** While it is true that your investments are likely to reflect market performance, it's critical to know whether they are performing in line with their benchmark indices and their peers.
- ▶ **How much should I save next year and where should I invest?** The amount you save and the way in which you invest your savings could have a tremendous impact on the value of your retirement savings down the road. We can discuss your goals, review how tax-deferred savings can help lower your current income taxes¹ and cover your options for investing your plan contributions in the new year.
- ▶ **Should I change my investment strategy?** If you've been thinking about making a change in the way you invest, discussing it with an objective professional may help take away some of the emotion from investment decision-making.

If you haven't scheduled your year-end portfolio review, call to make an appointment. It could give you a new outlook for 2018. ■

¹ Withdrawals would be subject to federal income tax in the year they are withdrawn. A penalty tax may be imposed for early withdrawals.

Tips from IRS for Year-End Gifts to Charity



Americans are committed to making a difference in the world by supporting causes that matter to them. During 2016 alone, we gave more than \$390 billion, setting a record high for the third consecutive year.²

Aside from the help these contributions provide to the community, they also offer tax deductions that offset income to

those who qualify. If you plan to make any donations by December 31, 2017, you may be able to deduct that donation on this year's tax return, thus lowering your adjusted gross income.

Here are a few tips from the IRS, if you plan to make a donation³:

- ▶ **You can deduct gifts made to a qualified charity.** Use the IRS Select Check Tool to confirm it is a qualified charity. You'll find it on its website at www.irs.gov.
- ▶ **Keep a record of all gifts.** You must have a bank record or written statement from the charity to deduct any gift of money on your return.
- ▶ **Deduct contributions in the year you make them.** If you charge your credit card to make a donation before the year ends, it will count for 2017, even if you don't pay the bill until 2018.
- ▶ **Special rules may apply.** If you claim a deduction of more than \$500 for a noncash contribution, such as a car or boat, you will need to file Form 8283 with your return.

For more tips, visit www.irs.gov. ■

² GivingUSA, '2016 Was America's Most-Generous Year Ever.' June 12, 2017.

³ IRS Tax Tips for Deducting Gifts to Charity, Updated August 17, 2017.

None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.

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