



WEALTH ADVISORS GROUP

W E A L T H A D V I S O R Q U A R T E R L Y

YTD Returns Through September 30, 2018

Dow Jones Inds.	+8.51
S&P 500	+10.56
Barclays Aggregate Bond	-1.60
MSCI EAFE	-1.36
MSCI Emerging Mkts.	-8.31



WAG on the Move

Welcome Logan Timbrook to the WAG Team

WAG would like to welcome Logan Timbrook to the WAG family! Logan is the newest member of our operations team. At WAG Logan is in charge of opening new accounts, processing distributions and working on projects throughout the office. Logan hails from the small-town of Hicksville, Ohio, but is now a devoted Hoosier. While at IPFW,



he received both accounting and finance bachelor degrees. Last October, Logan was married to the love of his life, Amber, right here in Fort Wayne. Through many internships, Logan's found that the financial services industry is where he'd like to build a career. His ultimate

goal is to become an advisor – to walk alongside others as they pursue their passions. Logan's currently studying for the CFP® exam and is scheduled to take the test in March 2019. In his free time, he enjoys new experiences, traveling, playing/listening to music, and time with family and friends. Please join us in welcoming Logan to the team! ■

DFA Communications Workshop Ann Arbor, Michigan



Three of our WAG advisors, Mark Vanderhagen, Chris Slyby and Alex Budzon, were fortunate to attend DFAs “Applied Communications Workshop” in late August this year. This day-long seminar in Ann Arbor, Michigan, was designed to assist advisors in structuring more effective communication strategies with clients. This workshop provided a framework

that can be applied to a variety of conversations and questions, focusing on methods that resonate with different

> continued on next page

learning styles. This conference highlighted some new ideas we can use in our continual pursuit to improve our client communication via education. ■

Redtail University Conference Schaumburg, Illinois



Katie Austin, Director of Operations and Marketing for WAG, recently attended Redtail University (RTU) in Schaumburg, IL. Redtail is a Customer Relationship Manager (CRM) software that we use to keep track of our client's personal information and preferences, as well as WAG's daily activities. At RTU Katie attended training sessions on ways to use their technology to make our interactions with our clients more efficient and meaningful. RTU is designed to share the improvements that Redtail is making in their software and our industry, as well as feature some of their newer integration partners. ■

Tax & Legislation Corner

Indiana Residents – 529 Contributions and Tax Credit

As we near the end of the year, please remember that to be eligible for the Indiana 529 tax credit, all contributions must be received by December 31, 2018. We ask that you get these contributions to our office by December 17, 2018 to ensure timely processing. As a reminder, Indiana residents who contribute to the state sponsored 529 college savings plan will receive a 20% state income tax credit for every dollar contributed, up to a \$1,000 credit. For example, a \$5,000 contribution would maximize your state tax credit, assuming your Indiana tax liability is at least \$1,000 (excluding County tax liability). ■

Tax Reform

As we head into tax season, we will be sure to keep you updated as new information becomes available. Legislators are still working on further tax bills, which could make certain provisions of the Tax Cuts and Jobs Act permanent. We will continue to stay informed

on these updates. Please feel free to reach out to our office if you have any questions. ■

Medicare Open Enrollment

It's the final countdown to Medicare's Open Enrollment. Open Enrollment, which starts October 15 and runs through December 7, is when participants can change their Medicare Part D Prescription Drug plan and doctor and hospitalization plans for the next year. Because plans, premiums and drug formularies can change annually, reviewing a plan is a key step in managing health care costs throughout retirement. Please contact your advisor if you would like us to review your situation. They can help spot any changes that could be costly, compare plans from various companies and explore ways to save money. ■

Tech Corner

Charles Schwab App

The Charles Schwab Mobile App is a great way to have 24-7 mobile access to your accounts on your phone, iPad, Apple Watch, or other device. While the app has all the same capabilities of Schwab Alliance online access, the app is specifically designed to be user-friendly for mobile use. To download, visit your preferred application store (iTunes, Amazon, or Google) and log-in using your Schwab Alliance username and password. If you plan on using the app for e-signature or other requests, we suggest navigating to the application's settings and turning on "Multitasking". This allows you to move to other apps without having to re-sign in to Schwab Mobile. Lastly, consider going to your device's settings and turning on notifications to receive alerts from the Schwab app.



The Schwab Mobile App provides for most of the same features that Schwab Alliance does.

> continued on next page

Did You Know

Sweet and Sticky Taxes

It's almost time to fill those trick-or-treat baskets full of goodies. If buying candying in Illinois, you'll be taxed on candy, but only if it meets the state's definition of candy. According to Illinois, if something is made with flour, it's not candy. So, you'll be taxed on a 3 Musketeers bar, but not on a Kit Kat.

For example, you can check the balances of your accounts as well as complete most account servicing requests. Have some money you'd like to deposit? The Schwab app lets you write and deposit a check directly into an account of your choosing. Have a bank you would like to hook up to your account? Good news! On the app, you can quickly establish and verify an external bank account Moneylink transaction. You can also approve requests and complete e-authorizations on the app, allowing for flexibility and timeliness in account servicing.

Of course, security is a major concern when viewing account and financial information. The Schwab Mobile app uses industry-standard encryption technology to transport data from Schwab to your device. Schwab does not store any personal information on your mobile device. For extra security, be sure to access only password-protected Wi-Fi networks that you trust while you're on the app. ■

Financial Planning

Does Your Risk Tolerance Change Over Time?

What's your likely response to a sudden 10% drop in the value of an investment? Would you sell all or some of your shares? Do nothing? Would you ever consider buying more?

Your answers to questions like these could provide important insights into your true risk tolerance. Risk tolerance is an essential consideration when determining how to construct and maintain your portfolio over time. Unfortunately, investors aren't always the best judges of their own appetites for risk.

For one thing, many people don't consider the difference between risk tolerance and risk capacity. Understanding how these two qualities differ—and how they interact in your life—can help you maintain an investment strategy that may enable you to better achieve your goals.

In the most basic sense, risk tolerance is your ability to stomach wide market swings in exchange for potential higher returns in the future. But being able to accurately gauge your taste for risk can be tricky. When the market is doing well, you may

think your risk tolerance is high. But when the market falls, you forget about that and your appetite for risk drops. This is basic human nature, a phenomenon that psychologists refer to as loss aversion—the concept that losses trigger a greater emotional impact than equivalent gains. That's why investors often end up buying high and selling low—never a good strategy for success.

To get a better understanding of your ability to tolerate risk, it helps to look more broadly at the type of person you are. In fact, risk tolerance can be more of a life-long behavioral preference and may not change much over your lifetime. Risk tolerance is a personality trait, similar to being an extrovert or an introvert.

That said, a person's risk tolerance may vary across different areas of his or her life. Risk-taking behavior is divided into different domains, and there are no correlations between them. For example, some people who enjoy high-risk hobbies, such as skiing or rock climbing, may prefer very conservative investments. It depends on the person. And risk tolerance can also vary by gender. On average, men may have a higher risk tolerance than females.

What does shift over time is your capacity to take on financial risk—that is, your ability to withstand a financial shock. Your risk capacity can be influenced by a variety of financial factors throughout your life, including loss of a job, saving for your children's education or a health crisis that leads to unexpected medical bills—changes that will likely lead you to revisit both personal and financial goals and your timeline for achieving them.

Thus, it's important to understand how your capacity and your tolerance for financial risk may interact.

A high tolerance for risk doesn't mean you should take on more risk than necessary to achieve specific goals. Consider your time horizon. If you have a goal of sending your kids to college, and the time horizon before they start is 15 years or more from now, it's likely that you'd have time to recover from volatility in the market—so you could take on more risk. But as you move closer to your goal, your risk capacity may change because you may not have time to recover from a market drop.

Your level of wealth could also impact your capacity for risk. It may seem obvious that the more you've accumulated, the more easily you could weather a downturn in your portfolio without it affecting your goals or lifestyle. And while that's perhaps true when you still have a long-time horizon, you may eventually want to think about protecting your wealth for future generations.

> continued on next page

Know Thyself

We always suggest new clients take a risk tolerance survey, like the survey from Hidden Levers, which can help you understand your tolerance for risk—and also guide you in determining your risk capacity when constructing a portfolio. You may even consider revisiting the questionnaire if you believe your goals, priorities or time horizon have shifted.

Wealth Advisors Group has added a new risk tolerance survey on our website under our login page. If you haven't taken a risk survey in a while we encourage you to check out the following link to our new risk tolerance survey by Hidden Levers or go directly to our website. <https://www.hiddenlevers.com/l/survey/external?advisor=markv%40wealthag.com> We will evaluate your survey results and communicate them to you. WAG is dedicated to managing your portfolio with the appropriate level of risk associated with your risk tolerance. ■

Client Spotlight

Chuck & Bev Tippmann Fulfilling their Retirement Dreams

We thought it would be fun to highlight one of our clients each quarter. We found that many of our clients have interesting hobbies, careers or stories to tell. This quarter the spotlight is on retirees Chuck and Bev Tippmann. Chuck and Bev are fulfilling their retirement dreams one beautiful mile at a time.

Chuck and Bev are passionate about nature and this beautiful world we were given. As retirees they like to spend time seeing the beauty that the United States and Canada have to offer. Their recent trip took them to Alaska, Canada and Montana- and into some of the most picturesque places they've ever been.

You may have heard of the Alaskan highway which stretches over 1300 miles. It starts in Dawson Creek, British Columbia and ends in Delta Junction, Alaska. Chuck and



Left to Right: Bev, Chuck, Peggy and Dale

Bev decided that they wanted to travel this trail, via their motorhome from Coldwater, MI a year prior to their trip. The adventure was just this past summer and it covered over 9,000 miles of roads. Chuck shared with us that this is truly the last frontier- the only place left in North America that has this much wilderness including the gorgeous Glacier National Park in Montana, Canada and of course Alaska itself.

In their adventure, Chuck and Bev caravanned with their good friends, Dale and Peggy Woodward, about 7-8 hours a day through the beautiful National Parks. They would find a place to stay and park for the night. Along the highway there was a gas station about every 100 miles, with a modest RV camping grounds and maybe a restaurant. At their stops they would drop off their RV and load up their Jeep Wrangler to travel to the closest trailhead. Chuck and Bev love to hike, so they were able to spend many days hiking into the parks and exploring the land. While hiking you must keep watch for grizzly bears- as these areas are the grizzly bear capital of the world.

Besides keeping their walking stick and bear spray on hand, Bev also kept a paint brush ready. Bev is an avid painter and traveling the Alaskan Highway proved to provide many moments of inspiration. The view included snowcapped mountains as far as you could see. Sitting in the sun, looking out onto a snowcap mountain and taking in the beauty was always a great way to start any day.

Bev and Chuck welcomed some very special loved ones in their lives on this adventure. They picked up their son Neal Tippmann, who flew in to Anchorage, Alaska and traveled with them for a week on this adventure. In addition to Neal and their friends the Woodwards, Bev and Chuck included their 3 cats on their trip. Bev enjoyed having these sweet additions with them and added that they were super the entire way.

> continued on next page

Most people take 3 months to travel the Alaskan Highway, which is why Chuck shared that this trip is the perfect retirement trip. Chuck and Bev completed the trip a little faster in about 7 weeks – which left Bev wanting more. Their advice would be to take the time enjoying the beautiful country. Traveling the Alaskan Highway instead of flying in allowed them to see the places away from the big cities and tourists and just enjoy this area the way God had made it.

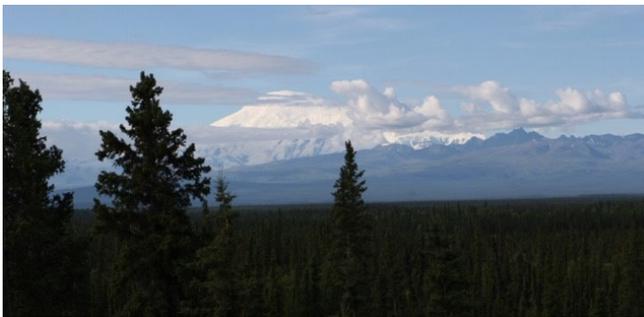
Chuck and Bev look forward to seeing many more places in their near future, including touring the Rockies with their son who also has a RV. We wish Chuck and Bev many more inspiring adventures. ■



Canadian Rockies, Alberta, Canada



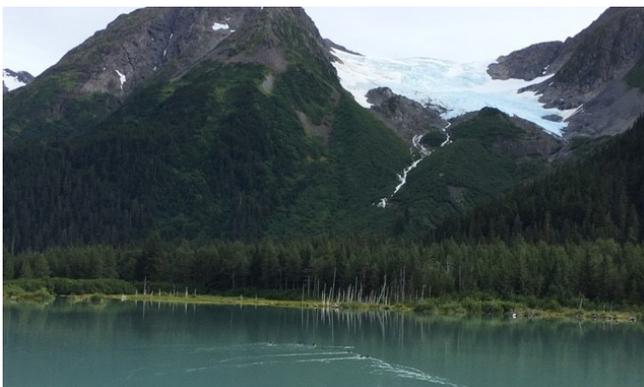
Left to Right: Bev, Neal, Chuck



Alaskan scenery



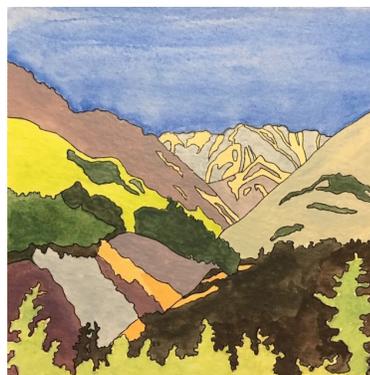
One of many hiking trails



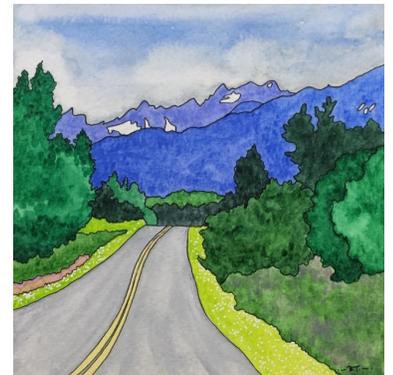
Glacier



One of many glaciers in Whittier, Alaska



Watercolor done on site at campground in Yukon, Canada



Watercolor of Canadian Rockies

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. No strategy assures success or protects against loss.