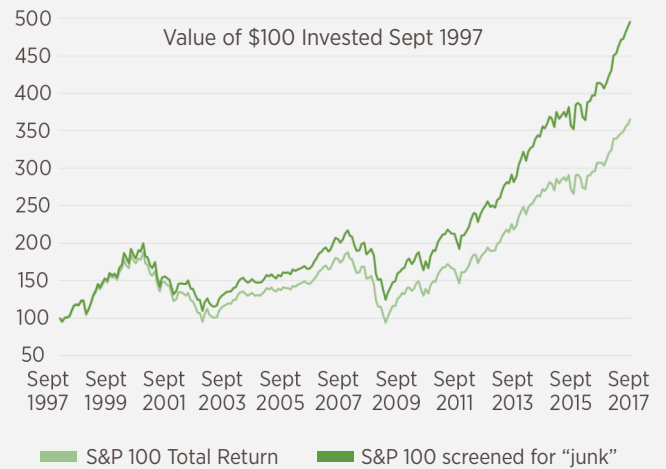


Chart of the Month →

In life we are taught that certain traits people possess are more desirable than others. Given the choice, it is probably better to surround yourself with kind and generous people as opposed to mean and selfish people. As it turns out, companies also have traits and some are well documented to result in better outcomes for investors. One important trait is the financial quality of a company. Stocks of companies with poor financial quality tend to underperform relative to the market. Some components of the measure of quality include safety, payout, growth and profitability. Simply excluding the stocks that score poorly on those measures would have improved performance. The chart at right shows the value of \$100 invested in the S&P 100 index and the same \$100 invested in the index but screened to exclude these “junk” companies. Over a 20 year time period the S&P 100 compounded at 6.7% per year, but the basket of higher-quality stocks compounded at 8.3% per year resulting in considerably higher values.



Source: FactSet
 Screened portfolio re-weighted semi-annually using CompuStat market capitalization data. Screening methodology available upon request.



The Advisor Survey:

Margaret Dechant, CFP®, Chief Executive Officer

Lifestyle question: What strategies are you implementing to increase your financial safety?

We often get questions from clients around the issue of security and identity theft. When discussing this issue recently with a client, she recommended a service from the United States Postal Service called Informed Delivery®. Knowing first-hand that mail theft has been on the rise resulting in identity theft, I quickly researched the service and signed up. Every day I receive a scanned image via email of the mail scheduled to be delivered the following day so I would know if something is missing. This is an easy and proactive step to take toward combating identity theft and increasing financial safety.

	Source: FactSet 2017	October	YTD	2016	Benchmark
Stocks	United States	2.3%	16.9%	12.0%	S&P 500
	Intl Developed	1.5%	22.3%	1.5%	MSCI EAFE
	Emerging Markets	3.5%	32.6%	11.6%	MSCI Emerging Markets
Bonds	US Investment Grade	0.1%	3.2%	2.6%	Barclays US Aggregate
	Intl Investment Grade	-0.7%	7.9%	1.5%	Barclays Global Aggregate xUSD
	Global High Yield	0.4%	9.9%	14.3%	Barclays Global High Yield
	Emerging Markets \$	0.4%	7.9%	9.9%	Barclays Emerging Markets USD Aggregate
Other	Commodities	2.1%	-0.8%	11.8%	Bloomberg Commodity
	Gold	-0.7%	10.4%	8.5%	Gold New York Spot (\$/oz)
	Oil	5.2%	1.1%	44.8%	Crude Oil WTI/Global Spot NYMEX

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