



October 23, 2017

Please enjoy our 2017 3rd quarter newsletter, including:

- The start of a new series, "Longevity: Living Long AND Living Well".
- "Phillips Financial in the Community" highlighting a Phillips Associate and his or her community involvement. This issue we focus on Shannon Hardiek and her work with the Community Foundation.

Longevity: Living Long AND Living Well

In our [previous series](#), we looked at financial concerns specific to seniors and their family members. Starting with this issue, we will be looking at longevity; specifically, the factors that can lead to our later years being years of high-quality and enjoyment.

It's important to note that this is not information geared only to older individuals. The entire life span affects how we can thrive at an older age; and it's best to take action toward this goal as early as possible.

The Stanford Center for Longevity (SCL) at Stanford University has been studying factors related to longevity for over a decade, and reports on their research [here](#). The main lesson learned by the participating scientists, experts and researchers, so far, is that there are "three overarching areas that are critical to well-being across the life span: healthy living, financial security and social engagement."

In upcoming issues of our newsletter, we'll explore each of these critical areas in greater detail - summarizing results from the SCL, as well as offering advice from other experts. Look for our January issue in which we'll address "healthy living": including activity levels, nutrition, your physical environment, and brain health.

For now, we'll leave you with the "Four Key Takeaways" from the Stanford report:

1. Anticipate living into your 80s and 90s, and raise your children to be centenarians.
2. Think about health broadly as physical, financial and social wellness.
3. Continue learning new ways to be healthy, make good financial choices and connect to others throughout your life in formal or informal settings.
4. Explore ways to be actively engaged in paid or unpaid work for most of your life.

End of Year Tasks

As 2017 rolls to a close, here are some tax related activities that you may need to tend to by year-end, depending on your situation. (Don't wait until the last minute, unless your tax adviser specifically directs you to wait.):

- Make charitable donations
- Look for unrealized losses to take or unrealized gains to take (depending on your tax situation)
- Max out retirement contributions
- Spend any Flexible Spending Account (FSA) funds
- Make 529 contributions
- Make Health Spending Account contributions
- Take required minimum distributions
- Consider converting a traditional IRA to a Roth IRA

Most importantly: Schedule a conversation with your financial adviser if you have questions about any of the above; an appointment with your accountant may also be worthwhile, to make sure all your "ducks are in a row" before tax preparation season.

For a more detailed explanation of each of the above tasks, visit [Fidelity's 2017 Year End Financial Housekeeping](#).



Phillips Financial in the Community Shannon Hardiek and the Community Foundation

Shannon Hardiek, Phillips Financial's Chief Operations Officer, became involved with the Community Foundation of Greater Fort Wayne in 2009 when she was invited to join its Grant Review Committee. She recently became President of the Community Foundation's Board of Directors. Shannon continues to serve on the Grant Review Committee, and is also on the Executive Committee, the Governance Committee, and the Executive Program Review Committee -- the committee that reviews concept letters from organizations requesting funding.

Shannon explains the importance to our community of the Community Foundation: "It has a deep knowledge and understanding of the most pressing needs, and supports initiatives that address these. The Community Foundation enables anyone with philanthropic interests to support the needs of our community today, and long into the future. Donors can support specific issues or organizations, or create their own scholarships or endowment funds. The Community Foundation also serves as an advisor to our local non-profit community. Its mission is to serve as a community leader and to improve the quality of life in Fort Wayne by building permanent endowments, promoting effective grant-making, fostering philanthropy, stimulating community dialogue, and helping donors achieve their charitable goals."

Shannon has particularly enjoyed learning about the various non-profit organizations working to improve the lives of those in our community. "There is so much offered in our community in the way of health and human services, education and literacy,



and arts and culture!" she says. "It's exciting to see these programs continue to grow and evolve. It has been rewarding to see some major projects, in which we played a role, begin to come to fruition. We helped raise funds for riverfront development efforts, and were the first organization to pledge funds to this project. The groundbreaking was this summer and work is underway. The Foundation has also loaned over \$1 million to The Landing redevelopment project downtown, which helped the developers secure additional funds to begin work on this project. It's also exciting to be a part of the grant-making process. Last year, the Community Foundation made over \$10 million in grants to local organizations, all of which work to make Allen County a place where people want to live, work, and play."

For more information about the Community Foundation of Greater Fort Wayne, visit www.cfgfw.org.

3rd Quarter Market Recap

Continued positive economic trends contributed to strong performance across all asset classes during the third quarter. The combination of strong corporate earnings, continued low inflation, lack of market volatility, expansion of global economic activity and accommodative monetary policies helped propel the S&P 500 and many other major indexes to record highs during the quarter. The S&P 500 has now experienced positive returns for eight quarters in a row and for eighteen of the last nineteen quarters.

At Phillips Financial our investment philosophy has always reflected a tilt towards Mid and Small Cap domestic equities. After trailing most other asset classes earlier in the year, performance improved during the third quarter, better reflecting the longer term out-performance of those asset classes.

While we certainly can't guarantee that recent positive performance across all asset classes will continue, we do strongly maintain our belief that a diversified portfolio will best ensure that your long-term investment goals can be realized.

The following table shows the total return performance (price movement plus dividends) over various time periods. See end of newsletter for definitions and disclosures.

Index	% Last Quarter Return 07/01/17 – 09/30/17	% Year-to-Date Return 1/01/17 – 09/30/17	% Cumulative 1 Year Avg. 10/01/16 – 09/30/17	% Cumulative 3 Year Avg. 10/01/14 – 09/30/17	% Cumulative 5 Year Avg. 10/01/12 – 09/31/17	% Cumulative 10 Year Avg. 10/01/07 – 09/30/17
Barclays Aggregate Bond Index	0.85	3.14	0.07	2.71	2.06	4.27
S&P 500 Index	4.48	14.24	18.61	10.81	14.22	7.44
S&P 500 Value Index	3.48	8.49	16.47	8.93	13.21	5.57
S&P Mid Cap 400 Index	3.22	9.40	17.52	11.18	14.43	9.00
S&P Small Cap Index	5.96	8.92	21.05	14.07	15.60	9.27
S&P Small Cap 600 Value Index	6.28	7.20	20.71	13.21	15.33	8.77
MSCI EAFE Index	5.40	19.96	19.10	5.04	8.38	1.34
MSCI Emerging Markets Index	7.89	27.78	22.46	4.90	3.99	1.32
Wilshire REIT Index	0.61	2.44	0.10	9.65	9.51	5.55
S&P GSCI Commodities Index	7.22	-3.76	1.79	-19.56	-14.38	-10.02

Source: Standard & Poor's, Bloomberg, Morgan Stanley Capital International, Wilshire Associates, Fidelity Investments, BlackRock, Inc.

Green = best performing asset class

Red = worst performing asset class

Definitions and Disclosures:

- **Bloomberg Barclays Aggregate Bond Index.** An index managed by Bloomberg to track the general performance of the domestic taxable investment grade bond market.
- **S&P 500 Index.** An index that measures the large-capitalization sector including roughly 500 leading companies representing over 80% of the largest market capitalization in the U.S. equity markets. It is a capitalization-weighted index from a range of securities chosen by Standard & Poor's for liquidity and industry group representation.
- **S&P 500 Value Index.** Contains those securities from the S&P 500 Index with lower-than-average sales and growth rates and that generally reflect lower price-to-earnings and price-to-book ratios.
- **S&P MidCap 400 Index.** An index that measures the mid-capitalization sector including roughly 400 leading companies representing about 7% of the U.S. equity market. It is a capitalization weighted index from a range of securities chosen by Standard & Poor's for liquidity and industry group representation.
- **S&P SmallCap 600 Index.** An index that measures the small-capitalization sector including roughly 600 leading companies representing about 3% of the U.S. equity market. It is a capitalization-weighted index from a range of securities chosen by Standard & Poor's for liquidity and industry group representation.
- **S&P SmallCap 600 Value Index.** Contains those securities from the S&P SmallCap 600 Index with lower-than-average sales and earnings growth rates and that generally reflect lower price-to-earnings and price-to-book ratios.
- **MSCI EAFE Index.** An index developed by Morgan Stanley Capital International Inc. as an equity benchmark for performance of publicly traded securities in developed international markets.
- **MSCI Emerging Markets Index.** An index developed by Morgan Stanley Capital International Inc. as an equity benchmark for performance of publicly traded securities in emerging markets.
- **Wilshire REIT Index.** An index developed by Wilshire Associates to track the general performance of Real Estate Investment Trusts (REITs) traded on domestic equity markets.
- **The S&P GSCI Commodities Index.** An index developed by Standard & Poor's and Goldman Sachs that is based on a production-weighted basket of principal physical commodities that reflects the level of commodities prices at a given time and is designed to be a measure of the performance over time of the market for these commodities.

Index returns are for illustrative purposes only, and do not reflect any management fees, transaction costs or expenses. The performance of an unmanaged index is not indicative of the performance of any particular investment. It is not possible to invest directly in any index. Past performance is no guarantee of future results.

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