Alton Securities
& Asset Advisors

October/November 2016

A Time to Give Thanks

At this time of year we often reflect on the things that we are thankful for. All of us at Alton Securities & Asset Advisors are thankful for many things—our families, our health, and of course, our clients.

We hope that you all have a wonderful and safe Thanksgiving holiday.

Holiday Hours:

Thursday November 24th — OFFICE CLOSED

Friday November 25th — 8:00am-12:00pm.

Matt Maberry & Augie Wuellner
111 E. 4th St. Suite 100
Alton, IL 62002
618-466-9700
mmaberry@bbgrahamco.com
awuellner@bbgrahamco.com

Content:

Setting and Targeting Investment Goals

How do you set investment goals?

Setting Investment goals means defining your dreams for the future. When you're setting goals, it's best to be as specific as possible. For instance, you know you want to retire, but when? You know you want to send your child to college, but to an Ivy League school or to the community college down the street? Writing down and prioritizing your investment goals is an important first step toward developing an investment plan.

What is your time horizon?

Your investment time horizon is the number of years you have to invest toward a specific goal. Each investment goal you set will have a different time horizon. For example, some of your investment goals will be long term (e.g., you have more that 15 years to plan), some will be short term (e.g., you have 5 years or less to plan), and some will be intermediate (e.g. you have between 5 and 15 years to plan). Establishing time horizons will help you to determine how aggressively you will need to invest to accumulate the amount needed to meet your goals.

How much will you need to invest?

Although you can invest a lump sum of cash, many people find that regular, systematic investing is also a great way to build wealth over time.

Start by determining how much you'll need to set aside monthly or annually to meet each goal. Although you'll want to invest as much as possible, choose a realistic amount that takes into account your other financial obligations, so that you can easily stick with your plan. But always be on the lookout for opportunities to increase the amount you're investing, such as participating in an automatic investment program that boosts your contribution by a certain percentage each year, or by dedicating a portion of your every raise, bonus, cash gift, or tax refund you receive to your investment objectives.

Which investments should you choose?

Regardless of your financial goals, you'll need to decide how to best allocate your investment dollars. One important consideration is your tolerance for risk. All investment involve some risk, but some involve more than others. How well can you handle market ups and downs? Are you willing to accept a higher degree of risk in exchange for the opportunity to earn a higher rate or return?

Whether you're investing for retirement, college, or another financial goal, your overall objective is to maximize returns without taking on more risk that you can bear. But no matter what level of risk you're comfortable with, make sure to choose investments that are consistent with your goals and time horizon, A financial professional can help you construct a diversified investment portfolio that takes these factors into account.

Investing for retirement

After a hard day at the office, do you ask yourself, "Is it time to retire yet?" Retirement may seem a long way off, but it's never too early to start planning, especially if you want retirement to be the good life that you imagine.

For example, let's say that your goal is to retire at age 65. At age 20 you begin contributing $3,000 per month to your tax-deferred 401(k) account. If your investment earns 6% per year, compounded annually, you'll have approximately $679,000 in your investment account when you retire.

But what would happen if you left things to chance instead? Let's say that you're not really worried about retirement, so you wait until you're 35 to begin investing. Assuming you contribute the same amount to your 401(k) and the rate of return was the same, you would end up with approximately $254,400. And if you wait until age 45 to begin investing for retirement, you would end up with about $120,000 by the time you retire.

Review and revise

Over time, you may need to update your investment strategy. Get in the habit of checking your portfolio at least once a year—more frequently if the market is particularly volatile or when there have been significant changes in your life. You may need to rebalance your portfolio to bring it back in line with your investment goals and risk tolerance. If you need help, a financial professional can help.

Explore the Benefits of Asset Consolidation

As you know, diversification can play a key role in long-term investment success. After all, owning a variety of investments – mutual funds, domestic stocks, international stocks, corporate bonds, government securities, real estate and so on – may both expand your exposure to upside potential and limit your exposure to risk. With such clear benefits to your financial well-being, you might be tempted to take this line of reasoning to its extreme. You might think it would be prudent to further apply the principles of diversification by maintaining multiple accounts with multiple financial advisors at multiple institutions. If some diversification is good, more must be better. But is this actually a good idea? In the case of having multiple advisors, the answer is often "no." The fact is, consolidating your investments with a single wealth manager can offer important advantages you cannot enjoy any other way.

Improve portfolio efficiency

If your investments are spread among different accounts at different financial services providers, you are responsible for managing your "overall portfolio." In addition to putting yourself at potentially greater risk of an accidental wash sale (see "Year-end tips for charitable giving and tax planning" on page 4), you have to watch for duplication of assets that may result in an over weighted position. Or worse, you have to watch for assets that are a poor "fit" with each other that may result in less-than optimal performance. Plus, you need to determine whether assets are held in taxable or nontaxable accounts. These asset allocation and management decisions are not simple. They are ongoing tasks best left to an investment professional with the expertise, discipline and tools necessary to help ensure your portfolio is structured properly to follow a single, unified investment strategy through market ups and downs.

Enjoy greater cost savings

If you have accounts at several different locations, you might be paying multiple fees and maintenance charges. Individually, each of these fees or charges may not seem like much, but they can add up – and eat away at investment returns.

Reduce paperwork and simplify administration

When you consolidate your investments with one provider, you will receive fewer brokerage statements and 1099 forms. As a result, the tax reporting on investment income and withdrawals may be more manageable and accurate. This may possibly help lower your tax preparation expenses as well.

Retire with confidence

Once you reach age 70-1/2, you will need to take annual required minimum distributions (RMDs) from your 401(k) and your traditional IRA. Calculating the correct amount to withdraw may be complex if you have multiple accounts. Get your RMD wrong and you could face a financial penalty if you withdraw too little. With all your accounts in the same place, your provider can calculate the RMD you will need to take each year. He or she can also help you make well-informed choices about how to draw down your assets efficiently over the course of your retirement and even advise you on whether you can, or should, take out more when your portfolio is up.

Ease estate settlement

Consolidation streamlines estate administration, simplifies matters for your executor and potentially lowers settlement costs. Another important benefit is that you enjoy peace of mind knowing your loved ones will have one point of contact you trust to manage their inheritance and help ensure they are provided for adequately. Two other key advantages include having one main contact for questions and one single liaison to consult with tax and legal professionals. So as you can see, there are many practical reasons to NOT take the diversification strategy any further than the securities in your investment portfolio.

Should you have questions or care for assistance, please call your financial advisor.

Four Ways Your Hobby May Contribute to Well-being in Retirement

Are you a ballroom dancer? Do you paint with watercolors? Have you played competitive bridge? If you have a special passion you have pursued throughout your working years, you may well have developed some enviable talents. And if you continue to exercise these skills during your retirement, you may find that they can fulfill you in several different ways.

1.) Fill Time Meaningfully

After three or four decades spent building your career, leaving the professional world behind can be quite a change in your daily schedule – and it may suddenly seem that the hours make you yearn for something of significance to occupy them. As you might imagine, your favorite activities may fill many of the hours of the day in a productive and enjoyable manner.

2.) Maintain Social Relationships

During your working years, your job provides you with a regular source of social engagement. Apart from your normal conversations about business matters, you probably enjoy coffee breaks, lunches and happy hours that help establish personal relationships with co-workers. In fact, you may spend almost as much time with these people as you do with your own family.

Once you retire, your social network may shrink considerably – creating a void that could be filled by sharing your talents with individuals or groups that have similar interests. Enriching the lives of others can be deeply rewarding personally as well.

3.) Stay Active— Physically and Mentally

It is no secret that staying physically and mentally active can benefit you in many ways – from helping you maintain a positive outlook on life to keeping you fit enough to chase after your grandchildren. When you retire, you do not want to sit around, risking declines in your health and your mental acuity. Pursuing your passion may help you keep your body and mind in good shape.

4.) Earn Money

You may never have thought much about whether your favorite activity could have monetary value – but you might be surprised. Did you know cruise ships sometimes hire dance instructors and bridge teachers? You could see the world and earn money while pursuing your passion. And if you are a painter, you could sell your work at art fairs – which may offer travel destinations and a means to help fund the trips.

Depending on your expertise, you may have other opportunities. If you are a history or literature buff, you could teach classes in local community education programs. The possibilities are abundant. And to restate the second half of a well known adage, if you do what you love, *it may not feel like work.*

By earning money during retirement, you may be able to withdraw less from your IRA and 401(k) each year, potentially helping these accounts last longer. If you earn enough, you may even be able to delay starting Social Security – which will increase the predictable monthly payments you receive for the rest of your life after you begin taking benefits.

(Important caveats: Increases in your benefit stop at age 70, and once you start collecting Social Security, any earned income you receive may lower your benefit, at least until you reach your “full” retirement age, which will likely be 66 or 67 if you have not already retired.)

In many ways, your career gives meaning to your life and even helps define who you are. So when you retire, you may need to “repurpose” yourself – and an increased focus on the skills you have developed outside the professional world could do just that.

Amy's Recipe Corner

November is a special month for me. Thanksgiving is one of the few times of year that I am able to spend time with my extended family. November is also my dad's birthday month. Dad was never a huge fan of sweets, but he would sometimes make a special request for a 7-Up Cake. In honor of my dad, I decided to share the recipe with you. I hope you all enjoy it as much as my family does. -Amy

Amy Kulish

Administrative Assistant

7-Up Cake

1 Yellow Cake Mix

1 Box Instant Vanilla Pudding

1 12oz. Can 7-Up

4 Eggs

3/4 Cup Oil

Mix cake mix. Pudding, oil and eggs. Add soda a little at a time. Mix well. Place in a greased 9x13 pan. Bake at 350 for according to time recommended on cake mix box.

Topping:

1Cup Sugar

2 TBSP Flour

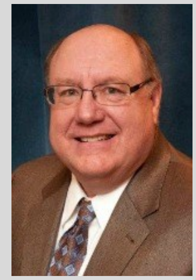
1/2 Stick Margarine

2 Egg Yolks

1 Can Pineapple in Juice—undrained

Mix all ingredients in a small sauce pan. Cook until thick. Spread over cooled cake.

Alton Securities
&
Asset Advisors



Matt Maberry

Augie Wuellner

These materials are provided for general information and educational purposes based upon publicly available information from sources believed to be reliable—we cannot assure the accuracy or completeness of these materials. The information in these materials may change at any time and without notice.

Alton Securities & Asset Advisors does not offer tax or legal advice. The information presented here is not specific to any individual's personal circumstances. To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances.

Securities and Investment Advisory services offered through B.B. Graham & Co. Member FINRA/SIPC. Alton Securities & Asset Advisors, Inc. & B.B. Graham & Co. are separate and unrelated companies.

Alton Securities & Asset Advisors
1 1 1 E. 4th Street Suite 100
Alton, IL 62002