Alton Securities

& Asset Advisors

May 2017

Don't forget to register for your opportunity to win a special 4 course dinner for 2 prepared by Ryan Gentelin at Gentelin's On Broadway or a VISA Gift Card (valued at $75). The last day to enter is May 31, 2017. Register on our web-site: www.altonsecuritiesandassetadvisors.com. *Alternate entry method: visit Gentelin's On Broadway and complete an entry form.*

One winner will be selected at random on June 2, 2017.

Please be sure to share this opportunity with your friends and family– age 18 & older, limit one entry per person/household. All rules are available on the contest page.

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

Content:

Asset Allocation

The combination of Investments you choose can be as important as your specific investments. The mix of various asset classes, such as stocks, bonds, and cash alternatives, account for most of the ups and downs of a portfolio's returns. Deciding how much of each you should include is one of your most important tasks as an investor. That balance between potential for growth, income, and stability is called your asset allocation. It doesn't guarantee a profit or insure against a loss, but it does help you manage the level and type of risks you face.

Balancing risk and return

Ideally, you should strive for an overall combination of investments that can help to minimize the risk you take in trying to achieve a targeted rate of return. This often means balancing more conservative investments against others that are designed to provide a higher return but that also involve more risk. For example, let's say you want to get a 7.5% return on your money. Your financial professional tells you that in the past, stock market returns have averaged about 10% annually, and bonds roughly 5%. One way to try to achieve your 7.5% return would be to choose a 50-50 mix of stocks and bonds. It might not work out that way, of course. This is only a hypothetical illustration, not a real portfolio, and there's no guarantee that either stocks or bonds will preform as they have in the past. But asset allocation gives you a place to start.

Many publications feature model investment portfolios that recommend generic asset allocations based on an investor's age. These can help jump-start your thinking about how to divide up your investments. However, because they're based on averages and hypothetical situations, they shouldn't be seen as definitive. Your asset allocation is—or should be— as unique as you are. Even if two people are the same age and have similar incomes, they may have very different needs and goals. You should make sure your asset allocation is tailored to your individual circumstances.

Many ways to diversify

When financial professionals refer to asset allocation, they're usually talking about overall classes: stocks, bonds, and cash or cash alternatives. However, there are others that also can be used to compliment the major asset classes once you've got those basics covered. They include real estate and alternative investments such as hedge funds, private equity, metals, or collectibles. Because their returns don't necessarily correlate closely with returns from major asset classes, they can provide additional diversification and balance in a portfolio.

Even within an asset class, consider how your assets are allocated. For example, if you're investing in stocks, you could allocate a certain amount to large-cap stocks and a different percentage to stocks of smaller companies, allocate based on geography. Bond investments might be allocated by various maturities, with some money in bonds that mature quickly and some in longer-term bonds. Or you might favor tax-free bonds over taxable ones, depending on your tax status and the type of account in which the bonds are held.

Monitoring your portfolio

Even if you've chosen an asset allocation, market forces may quickly begin to tweak it. For example, if stock prices go up, you may eventually find yourself with a greater percentage of stocks in your portfolio than you want. If they go down, you might worry that you won't be able to reach your financial goals. The same is true for bonds and other in vestments.

Do you have a strategy for dealing with those changes? Of course you'll probably want to look at your individual investments, but you'll also want to think about your asset allocation. Just like your initial investing strategy, your game plan for fine-tuning your portfolio periodically should reflect your investing personality.

Even if you're happy with your asset allocation, remember that your circumstances will change over time. Those changes may affect how well your investments match your goals. At a minimum, you should periodically review the reasons for your initial choices to make sure they're still valid. Also, some investments, such as mutual funds, may actually change over time; make sure they're still a good fit.

Time Can Be a Strong Ally in Saving for Retirement

Father Time doesn't always have a good reputation, particularly when it comes to birthdays. But when it comes to saving for retirement, time might be one of your strongest allies. Why? When time teams up with the growth potential of compounding, the results can be powerful.

Time and money can work together

The premise behind compounding is fairly simple. Your retirement plan contributions are deducted from your paycheck and invested whether in the options you select or in your plan's default investments. Your contribution dollars may earn returns from those investments, then those returns may earn returns themselves—and so on. That's compounding.

Compounding in action

To see the process at work, consider the following hypothetical example: Say you invest $1,000 and earn a return of 7%—or $70—in one year. You now have $1,070 in your account. In year two, that $1,070 earns another 7%, and this time the amount earned is $74.90, bringing the total value of your account to $1,144.90. Over time, if your account continues to earn positive returns, the process can gather steam and add up.

Now consider how compounding might work in your retirement plan. Say $120 is automatically deducted from your paycheck and contributed to your plan account on a biweekly basis. Assuming you earn a 7% rate of return each year, after 10 years, you would have invested $31,200 and your account would be worth $45,100. That's not too bad. If you kept investing the same amount, after 20 years , you'd have invested $62,400 and your account would be worth $135,835. And after just 10 more years—for a total investment time horizon of 30 years and a total invested amount of $93,600—you'd have $318,381. That's the power of compounding at work.

Keep in mind that these examples are hypothetical, for illustrative purposes only, and do not represent the performance of any actual investment. Returns will change from year to year, and are not guaranteed. You may also lose money in your retirement plan investments. But that's why when you're saving for retirement, it's important to stay focused on long-term results.

Also, these examples do not take into account plan fees, which will impact total returns, and taxes. When you withdraw money form your traditional retirement plan account, you will have to pay taxes on your withdrawals at then –current rates. Early withdrawals before age 59 1/2 (age 55 for certain distributions from employer plans) may be subject to a 10% penalty tax, unless an exception applies. Nonqualified withdrawals from a Roth account may also be subject to regular income and penalty taxes (on the earnings only—you receive your Roth contributions tax free).

Safeguarding Your Financial Information

Reports of lost laptops or security breaches at financial institutions can spark fears about identity theft. But these aren't the only ways identity theft can happen. Use this checklist to safeguard your sensitive information and help keep identity thieves at bay.

Protect Usernames, Passwords and PINs

* Keep your usernames, passwords and PINs private– and don't store them on your hard drive.
* Create tough-to-crack passwords and PINs, using a minimum of 8 letters and numbers and, if possible, special symbols.
* Change your passwords often, and avoid using the same password for multiple accounts.

Safeguard Your Computer

* Install a personal firewall and an up-to-date security software package.
* Configure your security setting to receive automatic updates for your anti-virus, anti-spam, and spyware detection programs.
* If authorized, use a Virtual Private Network (VPN) which offers protections that standard networks do not.

Be Smart When Accessing Your Brokerage Account Online

* Use your own computer rather than a public or shared computer.
* Confirm that you have a secure web connection throughout your session by looking for:

  A web address starting with https://.

  A secure symbol such as a padlock or key on your status bar.

Use Wireless Connections Wisely

* Use encryption software to secure your wireless connection at home.
* Shut off wireless connectivity or remove the wireless network card if you leave your computer unattended.
* When visiting a hot-spot or using an unencrypted wireless connection, disable wireless ad hoc mode to prevent unknown or rogue connections, and disable file and printer sharing capabilities when visiting hotspots.

Avoid Inviting Trouble

* Never respond to an email that asks you to reveal personal information, such as account numbers, your Social Security number, or passwords or PINs.
* Keep your Social Security number private, and avoid using it as a username, password, or PIN.
* Use care when downloading files from Internet sites or clicking links in pop-up ads.

Keep an Eye on Your Finances

* Always read your monthly account statements, and alert your brokerage firm or other financial institutions if you see a transaction you didn't authorize or if your statement doesn't arrive.
* Check your credit report using AnnualCreditReport.com.
* Store financial records in a safe place, and shred—never simply toss out—documents containing sensitive information.

Your brokerage firm or other financial institution should always be your first call if you suspect your account has been compromised or your identity has been stolen. For more information and resources on preventing identity theft, visit the Federal Trade Commission's Identity Theft website: https://www.consumer.ftc.gov/features/feature-0014-identity-theft.

Michelle's Recipe Corner

With summer time just around the corner, here is a cool, quick and easy pasta recipe for your summer gatherings. You can make it the night before and just add more dressing to your liking before serving.

<u>GREEK PASTA SALAD</u>

1 box of pasta (I use bow tie or spiral)

1 container crumbled feta cheese

2 sm. Cans of sliced black olives

1 container of cherry tomatoes (sliced or cut in half)

Purple onion—chopped fine (amount to your liking)

DRESSING * (see note below)

2-3 tablespoons Cavender's Greek seasoning

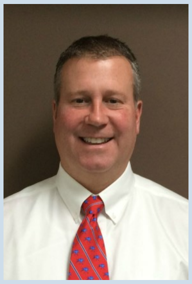
3 tablespoons mayonnaise (not Miracle Whip)

3 tablespoons lemon juice

1/2 cup olive oil

Cook pasta and rinse in cold water to cool. Add remaining top ingredients. Pour in dressing and mix together. Chill a few hours or overnight.

*(I double the dressing recipe because the noodles tend to soak it up. I start out pouring half of a double batch of dressing and after it sits for a few hours or overnight, then I add more depending on how much the noodles have absorbed or how much dressing you like.)



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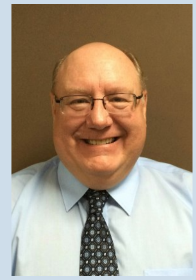

Matt Maberry

Augie Wuellner

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