WealthRx
wealth and wellness tips to help you live better

December 2016

Wm WEALTH MANAGEMENT

Financial data security checkup

You can buy a lock for your valuables… but what about protection for your financial data? When it comes to protecting your intangible valuables like credit card information, bank statements and Social Security data, you are your own best line of defense. Use this quick list to make sure your info is protected from financial data thieves' sticky fingers:

Know your credit report

You can get one free annual credit report from each of the three main credit bureaus (Experian, Equifax, Transunion)—space them out so you catch any fraudulent activity throughout the year.

Put your wallet on a diet

Keep only the credit cards you need with you, and don't keep your Social Security card in there unless you absolutely need the hard copy that day.

Read first, then pay

Make sure you read through your credit card bill each month, scanning for any charges that don't look familiar.

Don't be bait for phishing

Phishing scams create fake websites or emails that impersonate legitimate companies. Never click on links from suspicious emails and always go to your bank's website by typing its address into your browser.

Use a credit card online

Credit cards generally offer higher fraud liability protection than debit cards. Take good care of your passwords. Change them often, don't use the same one for all your accounts, and keep them in a secure place.

Forget your phone etiquette

Say no to giving out payment or personal information on a call that you didn't initiate, and avoid giving your Social Security number unless absolutely necessary.

Use another pair of eyes

Most banks offer email or even text message services that alert you when there's been certain activity on your account.

Know when to shred

A good rule of thumb is to shred anything with your Social Security number and account information on it.

the November market

at a glance

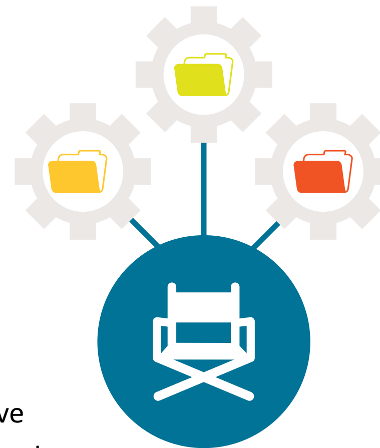
U.S. Large Cap	U.S. Mid/Small	Foreign Large	Bond Market
(S&P 500)	(Russell 2000 Index)	(NYSE International 100)	(Barclays US Aggregate)
2,198.81	**1,322.34**	**4,753.45**	**1,973.59**
3.42%	**10.99%**	**0.18%**	**2.37%**

November 2016 market data

in action

- The presidential election of Donald Trump, which defied most projections, sends shockwaves through the world economy as markets scramble to prepare for possible changes to America's fiscal, monetary and trade policies.
- The Dow Jones industrial average surpasses 19,000 for the first time on November 22.
- India's prime minister Narendra Modi unexpectedly declares the immediate abandonment of the existing 500 and 1,000 rupee banknotes, with new 500 and 2,000 rupee notes entering circulation a few days later. The surprise change was intended to help fight corruption and force offshore accounts to repatriate—and pay taxes—on their cash holdings.
- Automaker Volkswagen AG announces plans to cut 30,000 jobs (mostly in Germany) in an attempt to grow profitability following the $15B fine issued by U.S. authorities for its emissions-cheating diesel engines.
- The World Trade Organization (WTO) rules that a tax break offered to Boeing Co. by the state of Washington is a prohibited subsidy. The complaint was originated by Boeing's European competitor, Airbus, which claims the tax subsidies give Boeing an unfair advantage in the development of new aircraft. The WTO had issued a similar ruling against Eurozone tax breaks for Airbus in September.
- Automaker Tesla Motors agrees to acquire solar energy company SolarCity. Controversy and suspicion surrounded the acquisition because it was proposed by Elon Musk—CEO of Tesla, chairman of SolarCity and the primary shareholder at both companies. Musk, however, declined to vote on the deal.
- Samsung Electronics issues a recall for 2.8M of its washing machines following complaints that major components can become detached during use. News of the recall comes just weeks after Samsung's highly publicized recall of its Galaxy Note 7 smartphones.
- Major U.S. banks ask the Supreme Court to provide a ruling that will prevent municipal governments from suing them for predatory lending during the housing bubble. The action comes in response to a number of cities making the claim that subprime mortgages led to lost property tax revenue when home values collapsed.

Active versus passive management



Find out what distinguishes actively managed funds from passively managed funds and learn what benefits each has to offer.

Investment funds are perhaps the greatest financial invention of all time. By pooling their money and putting it under the watch of a professional manager, ordinary people are able to access market profits without making serious commitments or taking on huge levels of risk. Though this ease of use has made investment funds widely popular, the professional managers have not received default admiration. Many investors question whether a fund needs the attention of a manager to be a success.

Active and Passive

The difference between an actively managed fund and a passively managed fund is exactly what the name suggests: the managers of active funds make decisions that require attention and planning to earn profits. The fund’s portfolio is closely monitored and regularly adjusted for what the managers believe is the optimal configuration.

On the opposite end of things, a passive fund has its initial investments chosen and then is left to grow without any regular or significant changes. Essentially, an investor’s money is divided between several assets and then left on autopilot. The majority of passive funds are “index funds” that match a specific market index, such as the Dow Jones Industrial Average.

Why Choose Passive Funds?

When an investor buys shares in an index fund, the fund manager divides the money among some or all of the different assets that make up the index. The assets are generally not purchased in equal quantities, but rather in amounts according to how much market influence each has. This allows the fund to better track the general movements of the market. In most cases, fund shares will rise and fall in proportion to the index. When the fund makes profits from asset returns (dividends, interest, etc.), they are passed on to the investors.

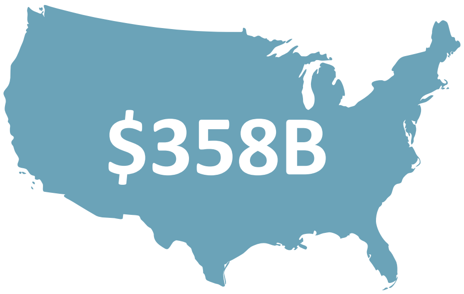
Historically, passive funds have outperformed actively managed funds on average. The biggest reason for this higher performance is that passive funds do not charge as much in fees. Active funds may have dozens of managers and analysts trying to predict which stocks will do well. To pay these analysts, the actively managed fund must take a percentage of each investor’s profits or total value. Though taking a small fee off the top of any profits may not seem like much, the compounded loss could be significant enough to put an active fund behind a similar index fund.

Why Choose Active Funds?

Actively managed funds can be very useful for the right investor. The biggest benefit is that an actively managed fund can provide a specific type of volatility or exposure an investor wants. For instance, a person may not like the volatility of technology companies, so he or she will search for an actively managed fund that excludes those types of investments. Alternatively, a different investor might want more volatility than an index fund offers, so he or she will seek out an active fund that uses riskier companies for investments.

The past performance of a fund can give some insight into how efficiently it is managed, but investors should always remember that historical performance does not guarantee anything about future gains.

The season of giving



Americans donated an estimated $358B to charitable causes in 2014

Roughly $258B of that total (72%) was given by individuals

The United States has the highest percentage of giving in the world, as measured by percentage of the economy and by total dollars. The majority of our giving comes from individuals.

Instead of random giving, many donors choose to give strategically. What does that mean? Strategic charitable giving means moving away from making donations to varied causes as they come to your attention and concentrating on specific definable charitable goals.

Why should you consider it? It can help you:

- Regulate the amount you give year to year
- Minimize your taxable income
- Improve the effectiveness of your donations

Reach out to your financial advisor to discuss how to develop a strategy that suits your needs.

December

is a great month to . . .

December 4-10 was National Handwashing Awareness Week. Washing your hands frequently is one of the easiest and most effective ways to prevent the spread of germs. Washing your hands well and often are key and good old soap and water is still the best way to get your hands clean. As cold and flu season approaches, make sure you know the best solutions for washing your hands.

To learn more go to **CDC.org**

planadviser's 2016 TOP100 RETIREMENT PLAN ADVISERS

About Hooker & Holcombe Wealth Management

Contact:

Jonathan Gruber, RICP®, AAMS®
Director, Wealth Management
860.856.2128
JGruber@hhconsultants.com

Katerina Nikolaou, CFP®
Financial Advisor
860.856.2067
KNikolaou@hhconsultants.com

h&h®
hooker & holcombe