# YOUR FINANCIAL FUTURE

Your Guide to Life Planning

December 2016

**Michael Majhanovich & Doran James**
Wyoming Wealth Management
2620 Commercial Way Ste 100
Rock Springs, WY 82901
307-382-1177
Fax: 307-382-1133
kathy.hickman@lpl.com
wyomingwealthmanagement.org

In This Issue

## Ten Investment Mistakes to Avoid

There are many ways to lose money. Here's a look at 10 proven ways to manage your stock portfolio into the ground in no time.

## Bond Market Perspectives | Week of December 12, 2016

Investment-grade (IG) corporate bonds are performing well year to date, beating most fixed-income asset classes.

## Weekly Market Commentary | Week of December 12, 2016

Surging bond yields have not spooked stock market investors.

The temptation to sell is always highest when the market drops the furthest.

## Ten Investment Mistakes to Avoid

Who needs a pyramid scheme or a crooked money manager when you can lose money in the stock market all by yourself. If you want to help curb your loss potential, avoid these 10 strategies.

1. **Go with the herd.** If everyone else is buying it, it must be good, right? Wrong. Investors tend to do what everyone else is doing and are overly optimistic when the market goes up and overly pessimistic when the market goes down. For instance, in 2008, the largest monthly outflow of U.S. domestic equity funds occurred after the market had fallen over 25% from its peak. And in 2011, the only time net inflows were recorded was before the market slid over 10%.[1]
2. **Put all of your bets on one high-flying stock.** If only you had invested all your money in Apple 10 years ago, you'd be a millionaire today. Perhaps, but what if, instead, you had invested in Enron, Conseco, CIT, WorldCom, Washington Mutual, or Lehman Brothers? All were high flyers at one point, yet all have since filed for bankruptcy, making them perfect candidates for the downwardly mobile investor.
3. **Buy when the market is up.** If the market is on a tear, how can you lose? Just ask the hordes of investors who flocked to stocks in 1999 and early 2000 -- and then lost their shirts in the ensuing bear market.
4. **Sell when the market is down.** The temptation to sell is always highest when the market drops the furthest. And it's what many inexperienced investors tend to do, locking in losses and precluding future recoveries.
5. **Stay on the sidelines until markets calm down.** Since markets almost never "calm down," this is the perfect rationale to never get in. In today's world, that means settling for a miniscule return that may not even keep pace with inflation.
6. **Buy on tips from friends.** Who needs professional advice when your new buddy from the gym can give you some great tips? If his stock suggestions are as good as his abs workout tips, you can't go wrong.
7. **Rely on the pundits for advice.** With all the experts out there crowding the airwaves with their recommendations, why not take their advice? But which advice should you follow? Cramer may say buy, while Buffett says sell. And remember that what pundits sell best is themselves.
8. **Go with your gut.** Fundamental research may be OK for the pros, but it's much easier to buy or sell based on what your gut tells you. Had problems with your laptop lately? Maybe you should sell that IBM stock. When it comes to hunches, irrationality rules.
9. **React frequently to market volatility.** Responding to the market's daily ups and downs is a surefire way to lock in losses. Even professional traders have a poor track record of guessing the market's bigger shifts, let alone daily fluctuations.
10. **Set it and forget it.** Ignoring your portfolio until you're ready to cash it in gives it the perfect opportunity to go completely out of balance, with past winners dominating. It also makes for a major misalignment of original investing goals and shifting life-stage priorities.

[1] *Sources: ICI; Standard & Poor's. The stock market is represented by the S&P 500, an unmanaged index considered representative of large-cap U.S. stocks. These hypothetical examples are for illustrative purposes only, and are not intended as investment advice.*

© 2020 DST Systems Inc. All rights reserved.

1-106886

Bond Market Perspectives | Week of December 12, 2016

## Highlights

- Investment-grade (IG) corporate bonds are performing well year to date, beating most fixed-income asset classes with the exception of lower-rated and higher risk segments of fixed income.
- The Bloomberg Barclays U.S. Aggregate Corporate bond spread relative to U.S. Treasuries is narrow relative to history, so excess returns from tighter spreads may be harder to come by than earlier in 2016.
- Supply has been robust with five consecutive years of new issuance above $1 trillion per year, well above the average yearly supply from 1996 to 2011 of $650 billion, which could weigh on the secondary market.

## IG Corporate Bonds-What Now?

Investment-grade (IG) corporate bonds were not spared from the selloff that occurred in fixed-income assets since the U.S. election on November 8, 2016. Year to date, however, they are outperforming the broader bond market as measured by the Barclays U.S. Aggregate Bond Index by 2.9%. Only the more risky, lower-quality segments of the bond market such as high yield, emerging market debt, and bank loans indices have been able to beat the 5.0% return of the Bloomberg Barclays U.S. Corporate Index year to date.

### LOOKING FORWARD

The demand for bonds from international buyers seeking positive yields has been robust all year; as central banks in the Eurozone and Japan drove their yields lower with corporate bond buying programs, investors reached for the yield and relative safety of investment-grade U.S. corporate bonds. This demand, coupled with proposed corporate tax cuts discussed by the President-elect, has the potential to be beneficial to corporations and the sector moving forward. Additionally, rising interest rates may serve to reduce supply, as higher rates make it more costly to issue new bonds in the market. These factors are net positives for IG corporates, but it's important to realize the sector faces short term headwinds. These include the sector's elevated interest rate sensitivity, the tight spreads (additional compensation investors receive for investing in bonds that are riskier than U.S. Treasuries) relative to U.S. Treasury bonds, and the record supply brought to market from 2010 through 2016 potentially weighing on the secondary market. As with any investment, risk cannot be eliminated entirely, but careful diversification that includes an allocation to IG corporate bonds may help suitable investors manage volatility.

### DURATION PROFILE

The IG corporate bond market is more interest rate sensitive than the broad bond market. The duration of the Barclays U.S. Corporate Bond Index, at 7.3 years, is longer than the Barclays U.S. Treasury Bond Index at 6.1 years and longer than the broad bond market, represented by the Barclays U.S. Aggregate Bond Index at 5.9 years. Duration is a measure of the price sensitivity of a bond to changes in interest rates. For example, in the case of the IG index with a duration of 7.3 years, for every increase in interest rates of 1%, the index would fall 7.3% in price. When dissecting the performance of individual bond sectors over the last four weeks, duration was the main driver of underperformance. The Bloomberg Barclays U.S. High Yield Index, with its duration of 4.2 years and lower average credit quality relative to the IG index, outperformed the high-quality IG index by 4.2% (-2.8% vs. 1.4%). Not only is high yield's duration shorter by three years, its yield per duration (yield of the index divided by its duration) is much higher at 1.25% versus the investment-grade index at 0.46%. Generally, the higher the number, the more investors are compensated with yield per unit of interest rate risk. This risk can be addressed by shortening the duration of IG corporate exposure until fixed-income markets stabilize.

*Duration is a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates. It is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. The bigger the duration number, the greater the interest rate risk or reward for bond prices.*

### WHAT'S IN A SPREAD?

IG corporate bonds, like other high-quality bonds, depend on the creditworthiness of the issuing company. Bonds within the IG corporate bond universe are issued by a corporation and are investment grade, meaning they are rated by rating

agencies at Baa3/BBB-/BBB- or higher. Because of this, there is some degree of risk that the corporation may not be able to pay back the debt. Although IG defaults are low (less than 0.1% per year over the last 30 years) they do occur, and investors tend to buy corporate bonds with lower prices than comparable U.S. Treasury bonds to compensate for the additional risk. This compensation comes in the form of additional yield and is known in the market as a credit spread. During periods of high risk such as in 2007 and 2008, investors demanded more yield for the higher perceived risk of defaults. At the height of the financial crisis in December 2008, corporate bond spreads were 6.2% [Figure 1]. Since then, credit spreads have tightened substantially and investors have driven yields lower by buying corporate bonds at a record pace. The current spread for the index is 1.27%, well below the 1.63% 25-year average.

Click here Figure 1: IG Corporate Bond Spreads to Comparable Treasuries Are Below Long-Term Average

**SUPPLY/DEMAND**

According to data from the Securities Industry and Financial Markets Association (SIFMA), a widely recognized provider of issuance data, U.S. corporate bond issuance averaged $650 billion from 1996 through 2011. In 2012, investors were clamoring for yield and demand was high at wider than historical spreads (IG corporate spreads started 2012 at 2.33% and averaged 1.78% over the course of the year). Issuers answered the increased appetite for IG corporate bonds with five consecutive years of over $1 trillion in new supply. In addition, issuers extended their average maturity of their new debt from 13 years in 2011 to 17 years in 2016. Locking in lower rates for longer made financial sense and also freed up cash flows for operations, perhaps even allowing for stock buy-backs.

Click here Figure 2: IG Corporate Issuance Over Last Five Years Is Elevated Relative to History

For now the supply is placed in investors' hands, but if interest rates spike substantially higher then liquidity could become an issue as investors all attempt to sell simultaneously. This is not our base case scenario, as we are expecting more demand from foreign investors as the European Central Bank (ECB) agreed to continue its bond buying program. Central bank buying in Europe may crowd other investors out and push them to U.S. markets. Also, the President-elect's proposed corporate tax cuts could reduce new issue supply as corporations would have additional cash flow from lower taxes and may not want to tap the new issue market at higher interest rates.

**CONCLUSION**

In conclusion, suitable investors can address interest rate sensitivity by buying shorter-duration IG corporate bonds, which target an average duration of three to five years. Supply could be manageable, if proposed lower corporate tax rates reduce the need to issue bonds overseas. Additionally, this may also add to IG corporate credit quality as corporations would have additional capital available to invest in new products and services. Dual effects of reducing defaults and supply may be a long term positive for the sector. Risks exist: a potential selloff in U.S. equities, which could potentially drag down the high yield corporate bond sector and hurt longer duration IG corporates. Well diversified investors, however, with shorter than benchmark duration, may be able to manage this risk and potentially buy bonds at wider spreads. We remain generally constructive on IG corporates but will be following events especially related to the risks mentioned above.

*IMPORTANT DISCLOSURES*

*The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance reference is historical and is no guarantee of future results. All indexes are unmanaged and cannot be invested into directly.*

*The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.*

*Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise, and bonds are subject to availability and change in price.*

*Government bonds and Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.*

*Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate, and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.*

*High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.*

*International debt securities involves special additional risks. These risks include, but are not limited to, currency risk, geopolitical and regulatory risk, and risk associated with varying settlement standards. These risks are often heightened for investments in emerging markets.*

*Bank loans are loans issued by below-investment-grade companies for short-term funding purposes, with higher yield than short-term debt, and involve risk. These Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.*

*Yield spread is the difference between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. The spread can be measured between debt instruments of differing maturities, credit ratings, and risk.*

*The credit ratings are published rankings based on detailed financial analyses by a credit bureau specifically as it relates the bond issue's ability to meet debt obligations. The highest rating is AAA, and the lowest is D. Securities with credit ratings of BBB and above are considered investment grade.*

*INDEX DESCRIPTIONS*

*The Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS (agency and non-agency).*

*The Barclays U.S. Corporate Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate, taxable corporate bond market.*

*The Barclays U.S. Treasury Index is an unmanaged index of public debt obligations of the U.S. Treasury with a remaining maturity of one year or more. The index does not include T-bills (due to the maturity constraint), zero coupon bonds (strips), or Treasury Inflation-Protected Securities (TIPS).*

*The Barclays U.S. Corporate High-Yield Index measures the market of USD-denominated, noninvestment-grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt.*

*RES 5721 1216 | Tracking #1-563629 (Exp. 12/17)*

Weekly Market Commentary | Week of December 12, 2016

## HIGHLIGHTS

- Stocks and the 10-year Treasury yield have historically moved in the same direction when the yield has been below 5% as it is currently.
- Stocks have mostly interpreted rising interest rates as a signal of better economic growth, rather than harmful inflation, and have historically risen during periods of rising rates.
- We believe the bull market in stocks can coexist with the bear market in bonds.

## CAN'T STOCKS AND BOND YIELDS JUST GET ALONG?

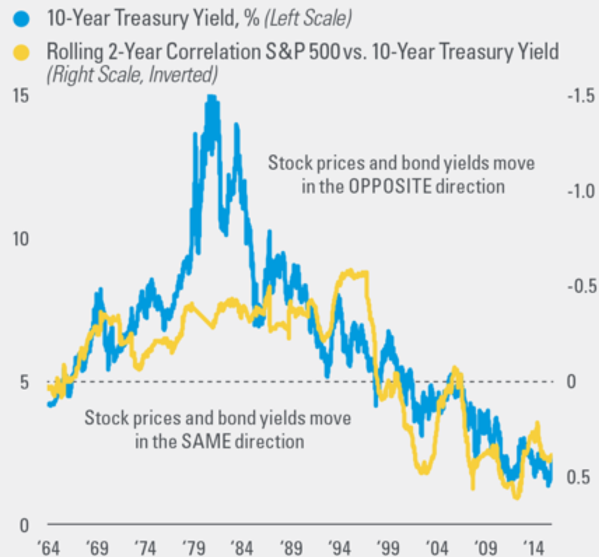
Surging bond yields have not spooked stock market investors. The latest sharp move higher in bond yields has caused stock market investors to ask the question, At what point do higher interest rates potentially begin to hurt stock prices? It is logical to think higher interest rates will eventually slow the economy. Borrowing costs rise and higher inflation--which has accompanied higher interest rates in the past--erodes purchasing power. These are all reasonable points to make when evaluating the relationship between stocks and bond yields. Here we look at this relationship and make the case that, given the still low rate environment, rising interest rates do not put the aging bull market at risk.

### IS 5% A MAGIC NUMBER?

The 10-year Treasury yield has risen about 110 basis points (1.10%) over the past five months to 2.46%. That move in rates has certainly not spooked the stock market, as the S&P 500 is up 130 points, or 6.1%, during that period and 4.2% during the fourth quarter alone.

One of the reasons stocks have done well as bond yields rose is that the absolute level of yields is still low. We see in **Figure 1** that, at a 10-year yield of 5%, the correlation between stocks and bond yields has historically changed. When the 10-year yield has been above 5%, as it was throughout the 1970s and 1980s, stocks tended to move in the opposite direction of bond yields (so when rates rose, stocks fell, i.e., negative correlation). Conversely, over much of the past two decades, the yield on the 10-year Treasury has been below 5%, and stocks and bond yields have exhibited positive correlation (stocks have tended to rise as bond yields have risen).

**1 5% LEVEL HAS HISTORICALLY SIGNALED A CHANGING RELATIONSHIP BETWEEN STOCKS AND BONDS**




Source: LPL Research, Factset, Haver Analytics 12/09/16

The S&P 500 is an unmanaged index which cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

Correlation ranges between -1 and +1. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

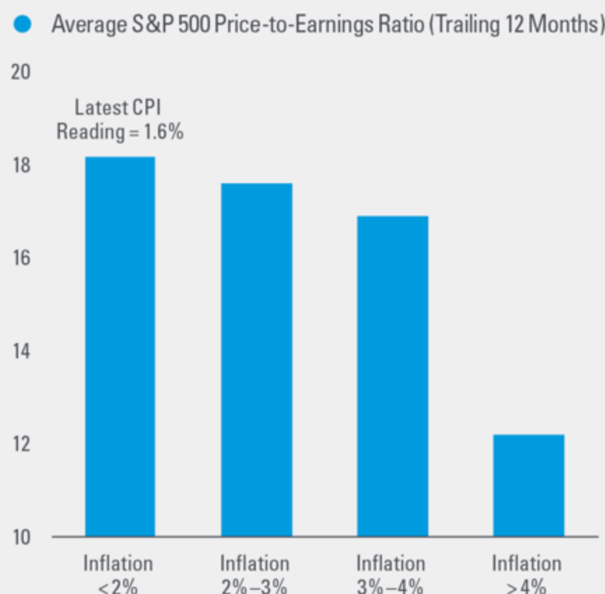
This relationship suggests that, with the 10-year yield currently near 2.5% and well below the 5% mark, rising bond yields may not disrupt the stock market's ascent. So, while we would certainly not consider 5% a magic number, we do think yields have room to move before they become worrisome for the stock market.

We believe the change in the stock-bond yield relationship reflects the different growth and inflation signals reflected by the high and low levels of interest rates. Starting from low yield levels, rising interest rates tend to reflect rising economic growth expectations and ebbing deflation fears. And bond market losses may make investors sell bonds to buy stocks.

Conversely, at high interest rate levels, economic growth has been accompanied by high inflation, which can negatively impact economic growth and erode the present value of future earnings, a negative for stock prices such as was observed in the late 1970s.

The negative impact of high inflation on stocks is evident in **Figure 2**, which shows the stock valuations have historically been lower at high levels of inflation, as measured by annual changes in the consumer price index (CPI). The latest reading on the CPI (October 2016) is below 2% (1.6% year over year), which has corresponded to average price-to-earnings (PE) ratio of just over 18, which happens to be where the S&P 500 PE is currently.

**2 HIGH INFLATION HAS HISTORICALLY MEANT LOW STOCK VALUATIONS**




Source: LPL Research, Thomson Reuters, Factset 12/09/16

Data 1962–Present.

CPI October 2016 1.6% year over year.

Inflation represented by Consumer Price Index year-over-year change.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

The PE ratio (price-to-earnings ratio) is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share. It is a financial ratio used for valuation: a higher PE ratio means that investors are paying more for each unit of net income, so the stock is more expensive compared to one with lower PE ratio.

Similarly, high interest rate levels (above a 6% 10-year Treasury yield) have historically corresponded to lower stock valuations. Based on data back to 1962, above 6% the S&P 500 PE has averaged 13.7, compared with an average PE of 18 at 10-year Treasury yields below 6%. High interest rates can also put upward pressure on the U.S. dollar and, at least temporarily, negatively impact export growth and overseas corporate profits.

**A LOOK AT HISTORY**

It is also instructive to look back at historical periods of rising interest rates to see how stocks reacted. **Figure 3** shows all of the rising interest rate periods over the past 55 years (minimum of 100 basis point rise in the 10-year yield). The results offer generally good news, as stocks have mostly interpreted rising interest rates as a signal of better economic growth rather than harmful inflation. During the 23 periods analyzed, the average gain in the S&P 500, excluding dividends, has been 5.7% (median 3.8%). The average duration of the periods is 1.06 years and stocks rose in 83% of the periods.

Some of the circumstances surrounding markets during the rising rate periods when stocks fell most allow us to differentiate those periods from the current environment:

- **Late 1973-early 1974.** The U.S. was in the midst of an oil crisis from the Arab oil embargo and inflation fears were rampant. The S&P 500 fell 22% as interest rates rose from December 1973 through August 1974.
- **Late 1983-early 1984.** Soviet Union's military buildup, along with terrorist bombings in Lebanon, and military conflicts in Libya and elsewhere, put geopolitical risk at the forefront. Inflation picked up and oil prices rose, prompting the Fed to raise rates aggressively. Stocks fell 7.9% from May 1983 through May 1984.

- **December 1989-May 1990.** The U.S. economy was on the verge of a recession, which began later that year in July of 1990. Inflation, based on the CPI, had steadily marched higher, averaging 4.1% in 1988, 4.8% in 1989, and 5.6% in 1990. Stocks fell 3% from December 1989 through May 1990.
- **October 1993-November 1994.** The Fed raised interest rates aggressively in 1994 after rates had been taken down substantially to combat the Savings and Loan crisis and the 1990-1991 recession. Stocks dipped 1.4% from October 1993 through November 1994.

Recent history has been better in general, as stocks have risen in all 11 rising rate periods since 1996, with an average gain of 9% (median 5.4%). These periods have been shorter in duration (average half a year) and seen slightly smaller rate moves, a reflection of the low inflation and low interest rate environment over the past 20 years.

While this analysis only goes back to the early 1960s, and going further back risks erroneous comparisons, the 1950s provide another example of stocks performing well in a rising interest rate environment. Bottom line, we believe the bull market in stocks can coexist with the bear market in bonds and we interpret the move in rates as an indication of improving economic growth prospects rather than of worrisome inflation.

**3 STOCKS HAVE HISTORICALLY DONE WELL DURING PERIODS OF RISING INTEREST RATES**

| Rising Rates Start Date | Rising Rates End Date | Duration (Years) | Change in 10-Year Treasury Yield (bps) | S&P 500 Gain/ Loss |
|---|---|---|---|---|
| 12/26/62 | 08/29/66 | 3.68 | 172 | 18.3% |
| 03/16/67 | 12/29/69 | 2.79 | 360 | 1.3% |
| 03/23/71 | 08/7/73 | 2.38 | 220 | 6.3% |
| 12/17/73 | 08/26/74 | 0.69 | 149 | -22.2% |
| 12/19/74 | 09/16/75 | 0.74 | 134 | 22.5% |
| 12/30/76 | 02/27/80 | 3.16 | 685 | 5.1% |
| 06/16/80 | 09/30/81 | 1.29 | 637 | 0.1% |
| 05/04/83 | 05/30/84 | 1.07 | 387 | -7.9% |
| 08/29/86 | 10/16/87 | 1.13 | 328 | 11.8% |
| 02/10/88 | 08/25/88 | 0.54 | 130 | 1.0% |
| 12/21/89 | 05/02/90 | 0.36 | 131 | -3.0% |
| 10/15/93 | 11/07/94 | 1.06 | 286 | -1.4% |
| 01/19/96 | 07/08/96 | 0.47 | 152 | 6.7% |
| 10/05/98 | 01/21/00 | 1.30 | 263 | 45.8% |
| 11/07/01 | 04/01/02 | 0.40 | 122 | 2.8% |
| 06/13/03 | 09/03/03 | 0.22 | 149 | 3.8% |
| 03/16/04 | 06/14/04 | 0.25 | 118 | 1.3% |
| 06/01/05 | 06/28/06 | 1.07 | 134 | 3.6% |
| 03/17/08 | 06/16/08 | 0.25 | 96 | 6.5% |
| 12/30/08 | 06/10/09 | 0.44 | 185 | 5.4% |
| 10/08/10 | 02/08/11 | 0.34 | 134 | 13.7% |
| 05/02/13 | 09/05/13 | 0.35 | 137 | 3.6% |
| 07/08/16 | 12/09/16 | 0.42 | 111 | 6.1% |
| All periods: 23 Instances | Average | 1.06 | 227 | 5.7% |
| | Median | 0.69 | 149 | 3.8% |
| | Percent Positive | | | 83% |
| Post 1996: 11 Instances | Average | 0.50 | 146 | 9.0% |
| | Median | 0.40 | 134 | 5.4% |
| | Percent Positive | | | 100% |

Source: LPL Research, FactSet, Haver Analytics 12/09/16

The S&P 500 is an unmanaged index and cannot be invested in directly. Past performance is no guarantee of future results.

**CONCLUSION**

The sharp move higher in bond yields has not spooked stock market investors. With the low level of interest rates and inflation, the market is interpreting higher interest rates as a signal of improving growth expectations. We think this is the right interpretation, while the stock market's solid track record of performance in rising interest rate environments offers reassurance. Overall we do not expect higher interest rates to derail the ongoing bull market. Look for more from us on this topic in our *Outlook 2017* publication due out on December 22, 2016.

*IMPORTANT DISCLOSURES*

*The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results.*

*The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.*

*Investing in stock includes numerous specific risks including: the fluctuation of dividend, loss of principal, and potential liquidity of the investment in a falling market.*

*Government bonds and Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.*

*All investing involves risk including loss of principal.*

*The PE ratio (price-to-earnings ratio) is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share. It is a financial ratio used for valuation: a higher PE ratio means that investors are paying more for each unit of net income, so the stock is more expensive compared to one with lower PE ratio.*

*INDEX DESCRIPTIONS*

*The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.*

*The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.*

*This research material has been prepared by LPL Financial LLC.*

*To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of and makes no representation with respect to such entity.*

*Not FDIC or NCUA/NCUSIF Insured | No Bank or Credit Union Guarantee | May Lose Value | Not Guaranteed by Any Government Agency | Not a Bank/Credit Union Deposit*

*Tracking #1-563138 (Exp. 12/17)*

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

Michael Majhanovich & Doran James is a Registered Representative with and Securities are offered through LPL Financial, member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates.

Wyoming Wealth Management is not a registered Broker/Dealer and is not affiliated with LPL Financial

| Not FDIC/NCUA Insured | Not Bank/Credit Union Guaranteed | May Lose Value |
| --- | --- | --- |
| Not Insured by any Federal Government Agency | | Not a Bank Deposit |

This newsletter was created using Newsletter OnDemand, powered by Wealth Management Systems Inc.