

# 2017 Outlook

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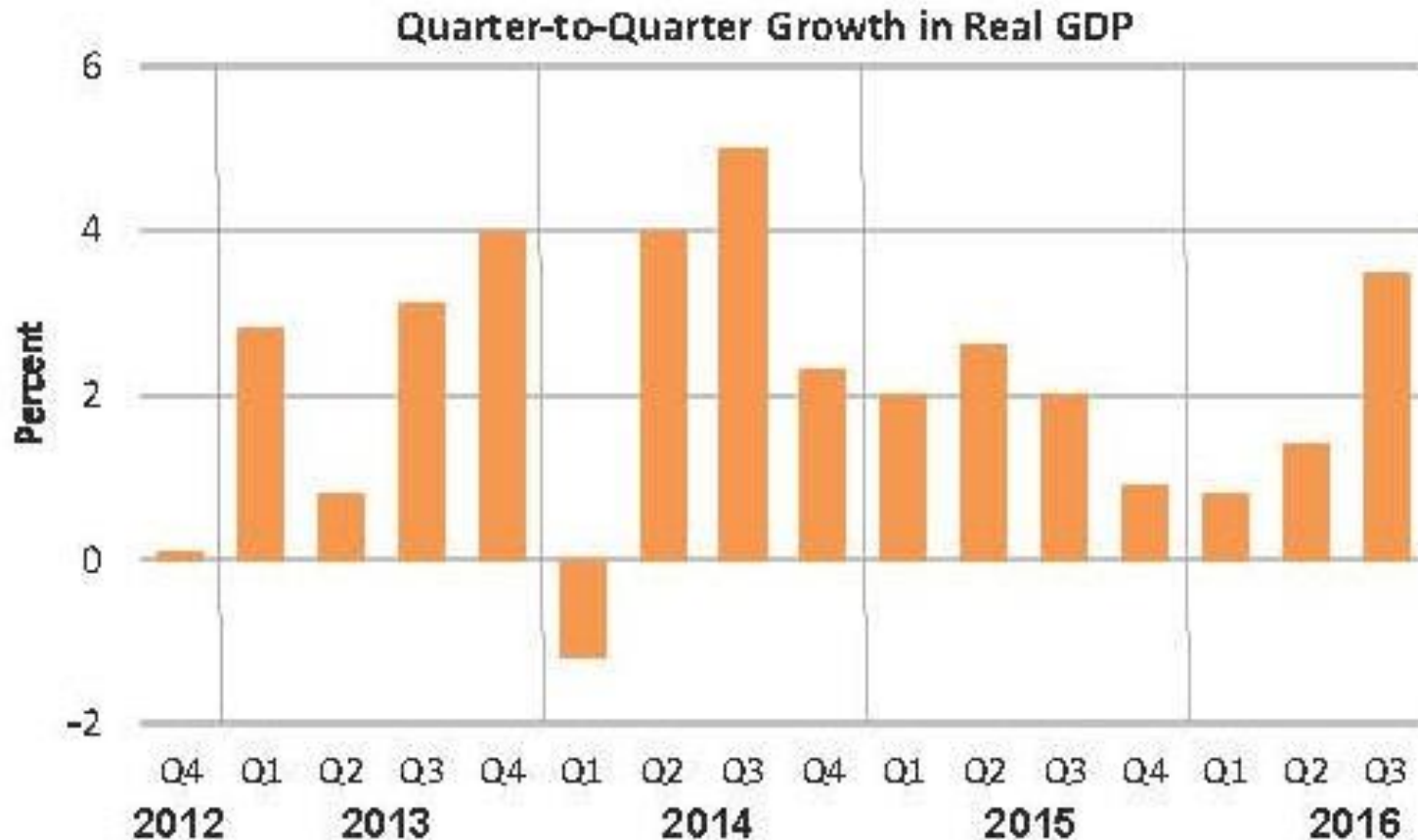


# 2017 Outlook

- A Growing Economy
- Rising Prices and Interest Rates
- Index Funds Left Behind
- Themes and Strategies for 2017
- Key Potential Risks
- invest right, live right™



# A Growing Economy



*Real GDP growth is measured at seasonally adjusted annual rates.*



# Rising Prices and Interest Rates

- Healthy Inflation = Growth
- Fed raised rates for second time since 2007-2009 recession, signaled 3 hikes in 2017
- Negative rates in Europe and Japan may continue to dampen rates here



# Index Funds Left Behind

- Well-developed economic expansion since 2009
- Index Funds and ETF's wildly popular, yet will cause performance returns to lag and jeopardize financial goals of investors
- S&P 500 has 99 companies with **negative** earnings growth and total of 292 < 15%
- Only 55 S&P 500 companies have earnings growth >25% and only 129 > 15%
- Why would you invest in an index fund?



# Themes and Strategies for 2017

- Don't expect significant increases in interest earned on money markets and fixed income investments
- Keen focus on company earnings and watch for even the slightest pause in growth rates or inconsistency
- Be prepared for more frequent rebalancing to keep quality of portfolio high and allocation levels proper



# Key Potential Risks

- Unknown of executive office
- Earnings may become sloshy
- Trade restrictions will hurt global conglomerates but favor domestic (local) and small cap stocks
- Rapid inflation will cause acceleration of Fed rate hikes and potential for flattening yield curve, which is predictive of recession



- Review your monthly budget & investment plan
- Be prepared for unexpected financial situations
- Stay healthy, energetic and positive
- Surround yourself with great people
- ***Have fun!***



*Kathryn E Schwartz, CEO  
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