Dear Clients, Family and Friends:

We hope you and your families have been enjoying the summer months. It has been a busy season for our firm, and we continue to take great pride in each and every client success story.

It is easy to get lost in the volatility of today's information flow, but each day we hear our team members discuss how fortunate they are to have the opportunity to make a difference with each client interaction. Our team's mantra for service has been "**make it happen**." To accomplish this, each interaction must have two outcomes: solve the issues for the client, and leave a positive, meaningful impact while doing so. Please know that we are extremely grateful for every opportunity we have to assist you and your families, and we shoulder that responsibility each day as we challenge each other to build incremental value into our Investment and Retirement Planning offerings.

Our team has been very encouraged by the feedback we have received regarding our new review and planning process within our investment management platform. Each day, we are implementing process improvements generated from client feedback. We are looking forward to engaging each of you on this exciting new value proposition for the remainder of 2018 and into 2019.

Market Update:

With the close of the 2018 second quarter, we have been paying close attention to the economic updates and indicators being set for the remainder of the year. With the volume of information out there, we imagine it has been difficult to determine what issues to focus on. Therefore, we felt it was important to simplify what our firm pays close attention to. This is not to say other factors are unimportant, but it is necessary to simplify things in times of complexity by tracking key metrics, rather than try to understand every piece of information.

When evaluating these four areas, the outlook remains strong for the global economy:

- **Employment and Household Income:** The United States economy continues to generate new employment, especially in areas that were down considerably 24 months ago. This statistic, coupled with second or third earners in a family obtaining meaningful employment, has triggered a rise in household income for the first time since 2005-2006.
- **GDP and Manufacturing Outputs:** It is estimated that our GDP numbers could top 4% in the next few weeks. Light manufacturing in the United States has hit all-time highs due to new facilities being built or restarted because of deregulation and tax legislation. Additional tax legislation is being discussed and we expect to hear more regarding these amendments in the early part of 2019.
- **Trade and Tariffs:** Trade and tariffs continue to worry economists and investors. Each negotiation will be complex, but it needs to be addressed. Any short-term volatility will be well worth the wait if the United States is able to reengineer these long-standing agreements with other nations. The Federal Reserve stated that despite tariff negotiations looming large, the economy is growing at a

rapid rate. This is despite those trade sentiments and there are no signs of slowing down for the remainder of 2018.

- **Interest Rates and Credit:** Interest rates have been holding steady and credit markets continue to perform well as banks are loaning money again in a relatively low interest rate environment. We expect to see the Federal Reserve continue with a few interest adjustments over the coming months. We will be watching this closely.

Areas that may be a cause for concern and should be watched closely are housing, healthcare and commodities.

New building and sales have leveled off after what was a record pace over the past two years, giving way to a stagnant market. Additionally, healthcare costs continue to soar in each state. Congress will need to focus on a solution after the mid-term elections.

Precious metals have continued to be the big loser of the year, and until recently, oil was in the same category before analysts were surprised by an increase in production, which impacted our gas prices in a positive way. Nonetheless, this is still something to pay close attention to as oil production domestically will become a central factor in the United States' ability to leverage strong trade agreements with other nations.

For more information on our markets and the economy, we have attached two relevant articles that were prepared by our research partner Columbus Macro:

- As Good as It Gets?
- Investors Focus on Fundamentals, Not Tariffs

Healthcare Costs:

As we mentioned, healthcare plan costs continue to rise, leaving many Americans trying to figure out how they will afford healthcare for their families and what impact that will have on their Investment and Retirement plans.

Determining how much to set aside for healthcare costs in retirement is complicated and will differ from one person to the next. That's because many variables must be considered from your personal and family medical history to an unforeseen illness or injury, and the likelihood that your health will decline as you age. However, what you can rely on with some certainty is that the decades-long trend in rising medical costs will continue well into the future.[1]

The Employee Benefit Research Institute's (EBRI) most recent estimates for health care cost in retirement support this upward cost trajectory. In 2017, the EBRI estimated that a 65-year-old couple with median prescription drug expenses would need to have $273,000 set aside for health expenses (not including long-term care expenses) to be 90% certain that they'd have enough to pay for their health care costs in retirement.[2] That's an increase of $8,000 from EBRI's 2016 estimate.[3] And for a couple with prescription drug expenses at the top percentile throughout retirement who want a 90% chance of having enough money saved for health care expenses in retirement by age 65, targeted savings would be $368,000, up from $349,000 in 2016.[2,3]

While there's little you can do to stem the rise in medical costs, there are ways to help curb the amount you pay out-of-pocket. Below are four ways to help save money on medical expenses in retirement:

1. Do your homework before selecting the Medicare options that are right for you. For example, Medicare Advantage Plans can charge different out-of-pocket costs. They can also have different rules for how you get services, including whether you need a referral to see a specialist or if you must go to doctors, facilities, or suppliers that belong to the plan for non-emergency or non-urgent care services.
2. If you have Medicare Supplement Insurance (Medigap) or a Medicare Advantage Plan, use your insurance company's online tools to find in-network providers.
3. Compare prices. Some medical facilities charge hundreds more than others for tests and procedures, including X-rays, MRIs and lab work. Ask your pharmacist about the lowest price available for each prescription. Many people are surprised to find that their "cash" out-of-pocket cost is the least expensive option for certain drugs.
4. Consider joining a program offering free drug cost-comparison tools and cost-saving coupons for certain medications.

If you have concerns about how to more effectively manage healthcare costs as you approach retirement and beyond, please schedule a time with our advisor team to discuss in more detail. Additionally, we have included the following articles for your reference:

- Actions You Can Take Today to Help Keep Tomorrow's Health Care Costs Under Control
- Medicare For Retirees: 2018 Quick Reference

Summary:

We look forward to discussing these whitepapers and your pertinent questions in more detail during your annual reviews.

If you have any questions regarding your Investment and Retirement Planning efforts, please contact us or click on the following link to schedule a review using our new online scheduling system: Schedule Review Today.

It has been, and continues to be, an absolute honor and privilege to serve as your Investment and Retirement Planning advisors.

Again, we wish you and your families abundant good health, peace and prosperity in the remainder of 2018.

Thank you,

The Costanzo Financial Group (CFG) Advisor Team

The information under the “Healthcare Costs” section is a reflection of the views of Katie Williams, a freelance financial writer and news commentator, not the named Representative or the Broker/Dealer, and should not be construed as investment advice or a recommendation. Neither the named Representative nor Broker/Dealer gives tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The publisher is not engaged in rendering legal, accounting or other professional services. If expert assistance is needed in these areas, the reader is advised to engage the services of a competent professional. Please consult your Financial Advisor prior to making any investment decisions.

[1]https://www.aarp.org/health/health-insurance/info-2017/retiree-health-care-costs-rise-fd.html
[2]https://www.ebri.org/publications/notes/index.cfm?fa=notesDisp&content_id=3525
[3]https://www.ebri.org/publications/notes/index.cfm?fa=notesDisp&content_id=5527