

Dear Clients, Family and Friends:

As we reflect on this year, a common theme thus far has been the immense opportunity to learn and grow as an organization as we further strengthen our commitment to client education and service. We place great value on education and informed discussion; thus, while the dialogue in our country has been intense with varying viewpoints, we are encouraged to see increased engagement in these complex discourses.

The pursuit of knowledge and continuous education is at the core of our value system. As Andy has built this firm, he has consistently stressed the importance of empowering our clients through open dialogue and education.

Further, our firm is of the opinion that we must embrace a new era of continuous information flow by carefully discerning what is meaningful and what is harmful. Our hope is to serve as a curator for meaningful information that enhances our clients' ability to achieve their Investment and Retirement Planning objectives.

With every client interaction, we are reminded of how fortunate we are to have such wonderful client relationships that challenge us to be better every day. We look forward to meeting with each of you in the near future.

Market Update:

When the closing bell rang for the stock exchanges on August 22, 2018, it may have seemed like just any other day, but it turned out to be an important milestone in our economic history. As of the close of business on August 22, 2018, the following statistics were available:

- The S&P 500's run has avoided a decline of 20% or more for 3,453 calendar days, making it the longest running bull market in United States history.
- At 113 consecutive months, the current bull market has lasted nearly twice as long as the average bull market, looking back at the 12 bull markets since 1947.

In addition to those figures, we have seen the GDP rise from 1% to over 4% and unemployment sink below 4%. Additionally, corporate assets are flowing back to the United States and light manufacturing figures have been strong.

Even with this encouraging news, it is important to be prepared for potential headwinds on the horizon that may cause disruption to what has been an unprecedented bull market. Trade negotiations, midterm elections in November, geopolitical instability and slower than expected wage growth could have an impact on how our global economy will continue to perform at the conclusion of 2018 and throughout 2019. All of these issues could trigger additional growth or a prolonged market correction. Thus, it is important to remain vigilant in avoiding overexposure to market risk by aligning your investment strategy to your investment objectives.

Furthermore, it remains important to maintain a healthy balance of growth-minded and defensive positions via a diversified investment portfolio that manages risk across various geographies, industries and asset classes.

For more information on our markets and the current drivers of this economy, we have enclosed the below educational resources for your review:

- [July 2018 Recap](#)
- [The Longest Bull Market Ride](#)
- [Fed Tightening Expectations](#)

College Savings Plans:

As we enter the fall season, education and the cost of obtaining a primary or secondary degree becomes an important topic of discussion amongst families. Many families today have a difficult time managing the costs of sending their children to a private school or university. While the cost of education can be overwhelming, now is the time for families to get familiar with a 529 College Savings Plan. This commonly used plan offers families, and their private or college-bound children, tax-free withdrawals to pay for tuition and other related items.

Also known as a “qualified tuition program,” a 529 College Savings Plan allows an individual to save for higher education expenses for a determined beneficiary. Anyone – whether they are a family member or friend – can establish a 529 College Savings Plan for a designated beneficiary.

A 529 College Savings Plan is provided by a state, an agency of the state or by an educational institution itself. Money invested in the plan accumulates on a tax-deferred basis and distributions used for higher education expenses are tax and penalty-free, as long as the funds are used for approved education expenses.

To help you better understand 529 College Saving Plans, state-by-state variances, how to efficiently save for each child and the financial aid process, we have enclosed the following resources:

- [529 College Savings Plan Brochure](#)
- [529 College Savings Plan Tax Guide](#)
- [Investing in Your Children: Understanding College Aid](#)

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