



# 2013 Q4 Newsletter

November 2013

Newsletter Editor: Karlie Lyles

## Special points of interest:

- Market Update
- Second Harvest
- New Team Member

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## Market Update



**Jeremy Hutzel,**  
**Vice President**  
**CFA, CFP®**

*Fool me once, shame on you. Fool me twice, shame on me.*

In our last letter we discussed how political divisiveness and deadlines approaching reminded us

of Fall 2011. At that time, the market was spooked by lack of compromise over the debt ceiling and budget negotiations, and as a result, collapsed over 19%. It appears the market learned its lesson - and it was not fooled again. **As predicted, there was some initial volatility in the early days of the shutdown, but it ultimately proved to be short term.** Despite the government shutdown and

complete lack of competence in Washington, October was another strong month for the market, up 4.60% on the S&P 500.

Unfortunately, we will go through this again with another budget deadline on January 15<sup>th</sup> and a debt ceiling deadline on February 7<sup>th</sup>. *continued on page 3...*

## President's Corner

### RIDING THE WINDS OF CHANGE

*"I must be willing to give up what I am in order to become what I will be." - Albert Einstein*

Over the years, we have seen various life events provide a reason for people to seek financial advice from us. It could be a death in the family, a marriage, the birth of a child or grandchild, a child going to college, a financial loss or "windfall", buying and/or selling a home, or a job change. Job changes could come in the form of a promotion, a layoff, selling, buying, or starting a business, a career path change, or retirement. Whatever the case, it is time to reassess the financial implications of the change. We have been of assistance to our clients by providing scenario planning, which helps assess the financial pros and cons of their decisions. This is important because it helps quantify the cost of a life changing decision, but the financial implications are just part of the equation. There is so much more that has to be taken into account when we are experiencing the winds of change.

As a result of you sharing your lives with us, we have observed and been privileged to learn that change, or transitions of any kind, have a beginning, a middle, and an end. And almost without exception, the beginning phase is characterized by problems bubbling to the surface. Things stop working the way they used to. In some way or another, we are no longer satisfied with "status quo." *continued on page 2...*



**Amy Chubbs,**  
**CFP®**

## President's Corner continued from page 1

Unfortunately, when this starts happening, we are not always aware that something new is trying to make its way into our world. Instead, we just see life as becoming more difficult and frustrating, which usually raises anxiety, stress, and fear. The fear of the unknown.

Years ago, before he enjoyed the fame he does today, I was in a small group of people that heard Deepok Chopra speak at a book store in Nashville. He was doing a book signing for a new book. He said something that always stayed with me. "The known is a prison and the unknown is where our pure potential lies. If we really believed that, we would ask to live in the unknown every day of our lives."

It is true. When our future is unclear to us, we have a choice to make. We can hide from it, try to avoid it, and hang on to what we know for dear life - whether it is working for us any more or not. Or, we can embrace the unknown, believe that something truly wonderful is trying to make its way into our world, and let go of what is not working any more. Ride the winds of change into a brighter, more promising future.

We have observed clients do it both ways. Either way, they will usually end up in the same place...a better place. But without question, the clients who choose to embrace the change get there with less stress physically, mentally, and emotionally...and that usually means financially, too.

One of the ways we have seen clients embrace the change is to spend most, if not all, of their waking hours beginning to visualize where they would like to see it all go and looking for signs along the way to point them in that direction. Signs could be as simple as a stranger making an offhand comment that just happened to be just what they needed to hear, a billboard that "spoke" to them, or a friend suggesting a book to read. But somehow or another, little by little, the unknown became less unknown, the new "known" started showing up, and they started living the future that they were once afraid to face. Accepting that they would have to live into the answers and living life on a "need to know basis" had truly become a wonderful adventure, unveiling just what they needed to know, when they needed to know it. In fact, I believe in most instances, the people who chose this way of living through a transition actually created a larger room to live in with even greater opportunities than would otherwise have been the case.

In summary, let me take this opportunity to thank all of you. Thank you for sharing your lives with us. Thank you for trusting us with your innermost thoughts, feelings, and fears and for letting us learn from you, too. It has helped us become more proficient at riding the waves of change in our lives. It has been a gift.



## Holiday Open House

Please mark your calendars! Sailer Financial will be hosting our annual Holiday Open House on **Thursday, December 12th from 2 to 4 pm.**

We would love for you to stop by our office to visit with our staff and other clients. Please feel free to bring your family, friends, and colleagues with you.

We had a great turnout last year and look forward to seeing everyone again on December 12th!

## Market Update continued from page 1

**Again, it is likely there is some short term volatility, but at this point, I think the market is more concerned about the long-term economic effects of government indecision than the short term deadlines and threats.** Shutting down the government for an extended period of time affects government spending, a key part of GDP growth. More importantly, it erodes investor and consumer confidence; it even drives away some foreign investment. All of these things make us somewhat less optimistic heading into 2014.

However, one strong catalyst for higher markets in 2014 is Fed policy. **Keep in mind, since the Federal Reserve announced QE3 in September 2012, they have pumped over \$900 billion into our markets through the purchase of mortgage-backed securities and treasury bonds.** They continue to purchase \$85 billion per month. The biggest news on this front was the nomination of Janet Yellen to replace Ben Bernanke at the helm of the world's largest central bank in January 2014. **This nomination marks the continuation of the Fed's incredibly dovish policies.**

Both Bernanke and Yellen are academics. It is well known that Bernanke is a life-long student of the Great Depression and the dangers of deflation. This made him uniquely qualified for the credit crisis and the threat of a downward deflationary spiral. But this threat is passed. When Bernanke's term ends January 31<sup>st</sup>, Janet Yellen will likely be sworn in. **Yellen is a lifelong student of employment, and it is her belief that central bank intervention can alter the long-term structural employment rates in a nation.** Whether she is right or wrong, it is important to recognize that **she will push for the Fed to continue accommodative monetary policy until employment improves significantly.** This does not necessarily mean they will continue QE3 indefinitely, and certainly tapering is on the horizon. However, given her focus on employment figures, I see a willingness at the Fed overshooting its 2% inflation target in the short term in order to achieve target employment goals. This environment could mean rising asset prices.

**Our two core tenets remain unchanged: on a relative basis stocks are more attractive than bonds, and investors should position both equity and fixed income portfolios for a long-term rising interest rate environment. In the end, speculating on one political or short-term outcome vs. another is never the best approach. Time-tested strategies of prudent diversification with systematic rebalancing work well over market cycles.** Focusing on the personal effects of volatility, and how it affects spending levels and financial goals, is an important component of wealth management. It is the approach we take, and we believe it has served our clients well. If you know anyone who might be able to benefit from our approach, we welcome the opportunity to have a conversation with them.

Thank you for your continued confidence in Sailer Financial. I look forward to seeing those who can come to our Second Harvest volunteer event on November 26<sup>th</sup>!



## Second Harvest Service Project

We are pleased to announce this season's community service project will be with Second Harvest Food Bank! Our team will be volunteering on Tuesday, November 26th and **we invite you to join us at The Martin Distribution Center to volunteer as well. If you would like to volunteer with The Sailer Financial Team, simply reply to this email with the number of volunteers planning to attend. Please feel free to include your family, friends, and colleagues!**

Sailer Financial will be providing catering following the service project, so please plan to stick around and eat lunch with us! If you are not able to volunteer your time, but would like to donate to Second Harvest, we have listed their most needed items below. **Please feel free to drop any items off at our office between now and Monday, November 25th.**

### Most Needed Items:

- Peanut Butter
- Canned Chicken
- Canned Tuna
- Pasta
- Canned Fruit
- Canned Vegetables
- Cereal



**Aaron Beeman**

## Welcome Our New Team Member

Aaron Beeman joined the Sailer Financial team in September 2013 after previous experience at a wealth management firm and Registered Investment Advisor in Indianapolis, Indiana. Aaron's main responsibilities include supporting the Vice President in monitoring portfolios, performance, and analyzing data, as

well as trading and rebalancing support.

Aaron graduated from Ball State University with a Bachelor of Science in Finance and a Bachelor of Science in Financial Planning and Investments. He is a candidate in the Chartered Financial Analyst (CFA) program through the CFA Institute. Aaron also

remains actively involved as an alumnus of the Sigma Chi Fraternity. In his free time, Aaron enjoys reading, sports, exercising (CrossFit!), keeping up on current events and the financial markets, as well as spending time with friends and family.



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Sailer Financial is a comprehensive financial planning firm providing tailored solutions for families and business owners. We organize your hard-earned assets, assess your risk-reduction needs, and incorporate your estate preservation concerns. The result: a consolidated financial plan integrating all aspects of your financial future. As an independent and privately owned company, we do not represent a specific group of investment products. Rather, we offer a wide-array of solutions so you can rely on advice that is truly in your best interest.

## INTEGRITY - TRUST - RELATIONSHIPS - RESULTS

### Protecting Your Personal Data

At Sailer Financial, safeguarding your personal information is one of the most important things we do. We also want to help you stay informed about ways to protect your sensitive data, especially during the busy holiday season.

1. **Invest in a paper shredder** (newer models can also shred credit cards). If an item contains sensitive information (account numbers, credit card details, Social Security numbers, birthdates, etc.) don't toss it; shred it.
2. **Review your statements.** Take a few minutes each month to look through the

transactions on your credit card, bank, and brokerage account statements. If you see unauthorized transactions, report them immediately.

3. **Check your credit report.** Federal law allows you to access your credit report for free once a year (<http://www.annualcreditreport.com> /). Review your report for unauthorized credit accounts. It takes surprisingly little personal information for an identity thief to open an account in your name.
4. **Secure your online accounts.** Email and online banking have changed the way we communicate and access

sensitive information. As such, these accounts need to have very high levels of protection. Use long, complex passwords (combinations of letters, numbers, and symbols) that are unique to each account (i.e. don't use the same password for online banking as you do for email), and change them frequently (at least every 90 days).

If you would like to discuss this topic in more detail or would like additional information, please contact Jenny Wilson at [jenny.wilson@sailerfinancial.com](mailto:jenny.wilson@sailerfinancial.com)