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CANBY FINANCIAL RETIREMENT REPORT



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Planning News

Dreaming of our retirement years can motivate us to save for the future. We spend less time contemplating our families' life if we were to die, but we do need to provide security for our families. Think about what your family would need if you were to pass away - monthly income for food and housing, college tuition, etc. Then, make sure you have enough **life insurance**—both group and personal policies. Your Financial Advisor can help you decide how much insurance you need to protect your family.

Your Account

When reviewing the investment allocation for your retirement account, you should also take into consideration your other household's assets. Your retirement plan may offer a limited set of investment options in the major asset categories. You or your spouse may have other retirement and non-retirement accounts with access to different investments. Make sure to analyze **your family's total portfolio** in conjunction with your retirement account. You may be able to reduce expenses and build a more diversified portfolio for your retirement.

Financial Guidance for Every Stage of Life

INVESTMENT COMMENTARY

Brexit Bounce?

The United Kingdom shocked us all when they voted to exit the EU in late June. For two days, Stock values dropped sharply and the British Pound fell more than 10% relative to the US Dollar. Since that initial reaction, the Pound has remained weak, but Stocks have rallied around the world. The relative strength and stability of the US economy makes our investment markets appear to be a safe haven for many investors and US Stock indexes have reached levels at or near their all-time highs.

Many economists and political leaders told us before the Brexit vote that Great Britain should expect a recession due to reduced economic trade with the European Union. In anticipation of slower economic growth, interest rates for government-issued bonds in many countries

have fallen to new lows. In Japan and Germany, interest rates are now *negative*, which means investors have to pay the government if they lend the government money. Imagine a bank paying you interest each time you made your monthly mortgage payment.

As has been the case during this long period of ever lower interest rates since 2009, stock and bond values continue to react by gaining in value. Many people continue to hold large Cash reserves even with interest rates near 0%. But long-term investors who want to try to earn some positive return are buying stocks and bonds, attracted by the relative appeal of their interest and dividend payments.

It will take a few years to know how Britain's vote to leave the European Union will impact global trade, economic growth and investment values. In addition to

lower interest rates, the price of oil has dropped by more than 10% since Brexit. The combination of lower costs to borrow money and lower prices for gas and electricity are good for consumers.

Many in America have been enthralled by the political conventions this summer and we are all worried about the outcome. But investors seem to be putting their trust in the continued modest growth of the US economy despite the many political distractions.

This recent period illustrates how difficult it is to try to predict the short-term direction of investment markets. To help you sleep more comfortably, we believe you should maintain a disciplined investment strategy, which should help you reach your long-term retirement goals, regardless of potential political results.

PLEASE GIVE US A CALL IF YOU HAVE ANY QUESTIONS ABOUT THE
INVESTMENT OPTIONS IN YOUR RETIREMENT PLAN



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