



FALL 2014

Elections Matter

Decisions made in Washington D.C. often have a serious impact on Wall Street. For example, the recent rise of stock prices despite a mediocre economy might be due in large part to the Federal Reserve. Other government policies which may have an impact include taxes, infrastructure and the way businesses are regulated.

This fall as prices on Wall Street are volatile and the future is uncertain, we again headed to the voting booth. You might reasonably wonder what impact the election could have on your investments.

My answer is... not much. Now let me explain:

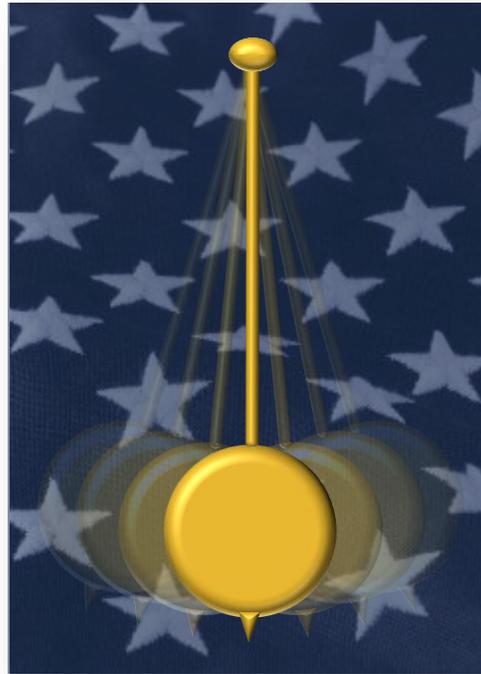
Nudging the Pendulum

Every election is important and we all should vote. Voting is both our right and our responsibility to help steer the ship of state. When we vote we have the opportunity to nudge the political pendulum.

Even when your vote seems wasted and your candidate is defeated, a message can be sent. We make our nation stronger and government policy better by participating in the process. We should vote in every election.

With that foundation laid I owe you an explanation for my comment above. While this and every election matters, the question

was what impact this election might have on your investments. I agree with the 2014 Investor's Almanac LPL Financial put out earlier this year. That publication predicted markets would be less influenced by politics this year and more influenced by economic growth.



The Key to Investment Gains

We had a divided government before the election and we still have a divided government after. Whether the Congress, Senate and Presidency are split 2D's and 1R or 1D and 2R's the actual legislation passed may not be much different. This fact leads me to conclude the impact of this election on Wall

Street may be minor.

This year and possibly for some time to come, any significant investment gains will likely be driven by a better economy. When the economy improves America's great companies will employ more people, sell more goods and make more money.

I believe our current economic struggles will be temporary. America is not only the sole surviving super power and leader of the free world but the strongest economy in the history of economies. America is resilient. You will know the economy is getting better when you hear news of more full-time jobs, increased consumer spending, orders for new goods and innovation in products and services. Those are good things for all Americans regardless of politics.

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The Lowest Form of Humor

The Dentist

A man went to his dentist because he feels something wrong in his mouth. The dentist examines him and says, "That new upper plate I put in for you six months ago is eroding. What have you been eating?"

The man replies, "All I can think of is that about four months ago my wife made some asparagus and put some stuff on it that was delicious...Hollandaise sauce. I loved it so much I now put it on everything --- meat, toast, fish, vegetables, everything."

"Well," says the dentist, "that's probably the problem. Hollandaise sauce is made with lots of lemon juice, which is highly corrosive. It's eaten away your upper plate. I'll make you a new plate, and this time use chrome." "Why chrome?" asks the patient.

To which the dentist replies, "It's simple. Everyone knows that there's no plate like chrome for the Hollandaise!"

The Vultures are Flying

As migration approached, two elderly vultures doubted they could make the trip south, so they decided to go by airplane.

When they checked their baggage, the attendant noticed that they were carrying two dead raccoons. "Do you wish to check the raccoons through as luggage?" she asked.

"No, thanks," replied the vultures. "They're carrion."

Story of a Conductor

He was a mediocre conductor of a mediocre orchestra. He had been having problems with the basses; they were the least professional of his musicians. It was the last performance of the season, Beethoven's 9th Symphony, which required extra effort from the basses at the end. Earlier that evening, he found the basses celebrating one of their birthdays by passing a bottle around. As he was about to cue the basses, he knocked over his music stand. The sheet music scattered. As he stood in front of his orchestra, his worst fear was realized; it was the bottom of the 9th, no score and the basses were loaded.

Wizard of Id Comic Strip © John L. Hart FLP, printed with permission. www.johnhartstudios.com





Christopher Columbus

Every year in October Columbus Day is noted on our calendars and mostly ignored. Ever wonder how this tradition came to be? Here at Compass we believe the time has come to shine a light on this oft-overlooked holiday. The day commemorates the landing of Christopher Columbus in the New World on October 12, 1492. It was unofficially celebrated in a number of cities and states as early as the 18th century but did not become a federal holiday until 1937.

The Italian-born explorer had set sail two months earlier, backed by the Spanish monarchs King Ferdinand and Queen Isabella. He intended to chart a western sea route to China, India and the fabled gold and spice islands of Asia; instead, he landed in the Bahamas, becoming the first European to explore the Americas since the Vikings set up colonies in Greenland and Newfoundland during the 10th century.

When Columbus sighted Cuba he believed it was mainland China; in December the expedition found Hispaniola, which he thought might be Japan. There, he established Spain's first colony in the Americas with 39 of his men. In March 1493, the explorer returned to Spain in triumph, bearing gold, spices and "Indian" captives. He crossed the Atlantic several more times before his death in 1506; by his third journey, he realized that he hadn't

reached Asia but instead had stumbled upon a continent previously unknown to Europeans.

The first Columbus Day celebration took place in 1792 in New York when an event was held to

commemorate the historic landing's 300th anniversary. Taking pride in Columbus' birthplace and faith, Italian and Catholic communities in various parts of the country began organizing annual religious ceremonies and parades in his honor.

In 1892, President Benjamin Harrison issued a proclamation encouraging Americans to mark the 400th anniversary of Columbus' voyage with

patriotic festivities, writing, "On that day let the people, so far as possible, cease from toil and devote themselves to such exercises as may best express honor to the discoverer and their appreciation of the great achievements of the four completed centuries of American life."

In 1937, President Franklin D. Roosevelt proclaimed Columbus Day a national holiday. Originally observed every October 12, it was fixed to the second Monday in October in 1971.

Contrary to popular belief, most educated Europeans in Columbus' day understood that the world was round, but they did not yet know that the Pacific Ocean existed. As a result, Columbus and his contemporaries assumed that only the Atlantic lay between Europe and the riches of the East Indies.



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New Tools for New Times



Dealing with Passwords

The internet can open a wonderful world of information, including personal information, but password-protected doors are everywhere. We here at Compass Advisors require a password for you to see your accounts online and to read email with personal data in it.

If you use online bill paying, banking or purchasing, strong passwords are required for each. To complicate the matter, bad people are constantly trying to steal or discover your passwords. Creating passwords that are both easy to remember and hard to crack can be a nightmare.

Long passwords with capital letters, symbols and numbers are best. Using words that don't appear in any dictionary and random capital letters also make a password strong but who can remember all that stuff?

Creating Secure Passwords

Consider this: what do you hold dear? You can probably build a good password around that. For example a history buff might like the Gettysburg address and remember that it starts with the phrase "Four score and seven years ago." Using the first letters that could become a password: Fsasya. **One step more secure:** Four score and seven being 87, you might make it stronger by adding a special character and a number: F\$as=87ya. This might become a more secure password.

Two steps more secure: Use number or letter codes to customize each password. For example, if you need a password to pay your electric bill you might add "eb" to the beginning: ebF\$as=87ya. That looks random, would not show up in any dictionary, is reasonably long and yet is memorable.

Turning the Tables

Here is another thought: what do you want to remember? Passwords can help. Say you have grandchildren Bobby, Jennifer and Mike but you can never remember their birthdates. Consider this password base: B=924J=1118M=625. I admit that is long but it would remind you Bobby was born on September 24, Jennifer on November 18 and Mike on June 25; if you forgot the dates you could look them up.

Final thought: what if this is all too complicated? Consider using a password manager. Just type "best password managers" in your favorite search engine and you will come up with a page full of them, many free.

Password managers simplify your life by remembering all your passwords for you and will even generate random secure passwords if you ask. You just have to remember one password to get in. This will also discourage you from writing your passwords down where they can be found and easily stolen.

Password Safety

- 🔑 **Don't** talk about or share your passwords.
- 🔑 **Don't** use obvious words like your name or birthdate.
- 🔑 **Do** change your passwords regularly.
- 🔑 **Do** have a plan to give passwords to someone if something happens to you.