



IN MY OPINION...

Quarterly Comments from Thomas J. Wolf
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*You can “Like” me on Facebook and “Connect” with me on LinkedIn at Thomas J. Wolf, CFP®.
For those of you not using these social media services, you can go directly to my website at www.iplan4u.com
For those of you we mail Monthly Updates to, we will include the most relevant of those items with the update.*

OUR RELATIONSHIP WITH YOU:

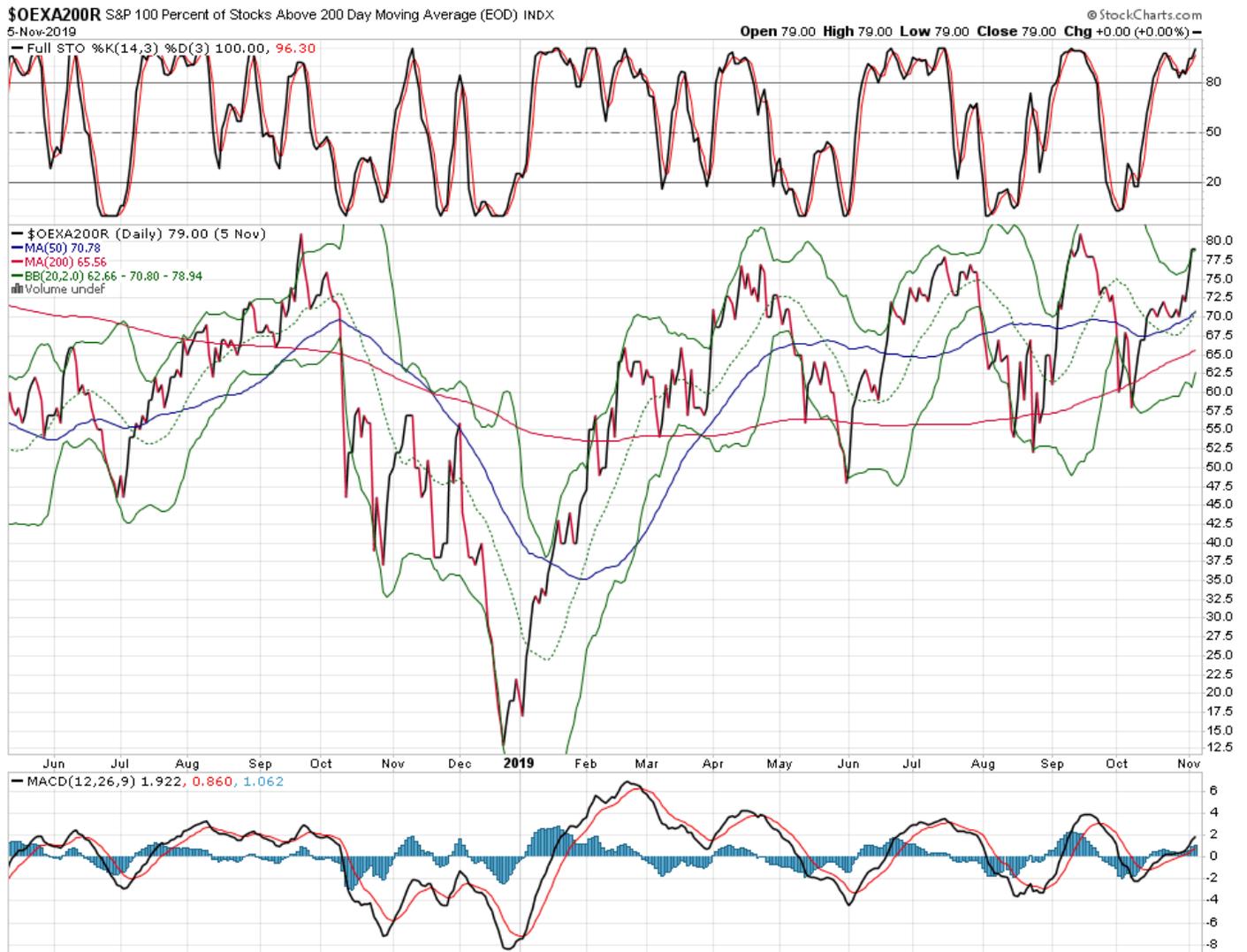
Yes, we are still getting the bugs worked out with the phone system, and other aspects of the new office. I have been traveling quite a bit this fall and through Thanksgiving. Last year and early this year, I limited travel, mostly back to Wisconsin to address issues with my mother’s failing health. She was approaching her 96th birthday when the Lord called her home on May 11th. I mention this now because the preparation of families for the death of a parent or spouse is not necessarily a pleasant task. I am working on a simplified process to at least educate clients on the “events” within that process.

Obviously I am getting older and most of my clients are too. Some (like Sue) claim that they never age but I find that hard to believe. Anyway, my accumulating body of knowledge/lessons is leading me to make this effort. I even took an estate planning guide from 1987 with me on our recent trip. It sure weighed down my computer bag! So together we will try some “guides” out and get your feedback. Watch for some of that in the next few months but not likely around Christmas when we most likely will be focused on an important birth!

I know this is also a constant reminder but if you want help in planning for your 2019 tax return “peace of mind”, make sure you send us your 2018 return and schedule at least a phone appointment with us to see how 2019 is likely to come out and to see if there is any tax reduction possible prior to year-end. For those over 70 the direct charitable giving from your required minimum distribution (RMD) may be advantageous.

CURRENT INVESTMENT THOUGHTS:

As I have been doing in my bulletins, I updated the chart on the next page to demonstrate the recent volatility and trend in the stock market as measured by the S&P100 index. As shown in prior newsletters, the primary purpose of this graph is to show the degree of participation of stocks within the index and therefore the under-lying strength of current market behavior. (The main chart in the middle of the page shows the percentage of stocks in the index trading ABOVE their 200 day moving average at the close of business each day during the 18 months period shown). At the January 2018 market high, 92+% of stocks were trading at a price above their 200 day moving average. At the most recent high, almost 80% of stocks were trading above their 200 day moving average.



All the research we subscribe to includes price cycle information from the Charles Nenner Research Institute, fundamental research such as stock market price-to-sales, price-to-earnings, etc. from various internet sources, and the technical indicators provided by research sources such as TC2000, Stockcharts.com, and Market Technologies/Vantagepoint.

From our research I would say that current stock market short term downside risk may outweigh the upside opportunity. However, most information I review would suggest that the normal recognizable threats to the stock market (rising interest rates, negative corporate earnings, overly optimistic Price to Earnings (P/E) ratios) are not currently apparent which would lead me to expect the recent sideways market oscillations to continue with some upside bias over time.

A money flow index that I chart is currently showing a pretty even balance between money going into the S&P500 index vs money going out over the last month. That flow had been dominantly on the “inflow” side since January 2019 but has been less so since. The S&P500 index is currently about 7% higher than the January 2018 high which was 21 months ago, 5% higher than the October 2018 high (12 months ago, 4.5% higher than the April 2019 high (6 months ago), and 1.6% higher the more recent high in July of 2019 (3

months ago). I know it “seems” that the market has done “really well” lately BUT the biggest contributor to that impression I believe is the behavior of the index late in 2018 when it dropped from an October high of 2925 to a Christmas Eve low of 2352 (down 19.5% in 3 months) and has now rebounded to the current level of 3076 (up 31%) having gotten back to the October 2018 level by May 2019. That was a pretty “wild” ride, like Goofy’s Flying School at Disney California Adventure!

End of Year Thoughts:

- 1. Make charitable contributions IF you itemize your deductions.**
- 2. Pay your second half of property taxes IF you itemize.**
- 3. Maximize your 401k contributions for 2019.**
- 4. If you are considering converting an IRA, in part or totally, to a ROTH, that would need to be COMPLETED by the end of the year. Give yourself time to evaluate that decision and get accounts/paperwork ready for the conversion.**
- 5. Complete your required minimum distributions. If you turn 70½ in 2019 you should consider whether to do your first RMD in 2019 or wait and do 2 in 2020.**
- 6. If you are 70 years old, consider sending IRA distributions directly to charities. Those withdrawals count toward satisfying your RMD and are not taxable on your tax return. But they also cannot be counted as part of your itemized deductions.**
- 7. If you are self-employed, you must establish a new retirement account (other than IRA or ROTH) prior to the end of the year. Also consider accelerating/delaying some business expenses depending on your likely income this year vs next.**
- 8. *Call us to make an appointment if you have any questions about projecting your income, your tax brackets, and the benefits of any of the 5 items above.***

ANNUAL REMINDER:

As a reminder, please call the office at (949) 367-9653 and set up an appointment if you have not specifically reviewed your financial objectives with us within the last year. This review can be done the same way we do the webinars if you prefer. Also, a copy of the current TCFG ADV Disclosure document can be requested at any time.

From the Grandkids:

This fall we all went back to Door County, Wisconsin for a family wedding. You will note that the trip included Lambeau Field, the National Train Museum, and some great scenery!



We really enjoyed the Farmers Markets!

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