

Economics, Politics and Other Things!

Here are our thoughts on the last few weeks of financial markets, economics, politics and some discussion concerning current cybersecurity scams.

In our last View from the Top, we talked about the chaos taking place since the election. It doesn't appear that that is going to change anytime soon. Our focus has continued to move among politics, the environment, the economy, what is happening in the world, health care reform, and tax reform. For those who support environmental protections and worry about the planet, it has been a very troubling time.

It is hard to judge whether pulling out of the Paris Accord is an end-of-the world type of decision or one that will be corrected or managed at some point down the road. Only time will tell on that one, but we do know that the current administration isn't as concerned about the environment as some of us are.

We also know that the current administration isn't as concerned about health care and the coverage of those with pre-existing conditions as some of us are. I bring this to the front of this edition of the View from the Top because so many of you continue to ask questions about

the impact of health care reform, including the availability and the future cost.

I wish we had the answers about the impact on the future, but right now we are more concerned about what the leadership in the House and the Senate is going to end up doing about health care reform. Will they leave ACA as is because they don't have enough votes? Or will they work together



to actually try to offer improvements to ACA and fix it so that it provides better and less expensive coverage for those who need health care? Or will they try to push through the current version being proposed which rolls back much of the coverage of ACA? So far they are not offering improvements and appear ready to



eliminate much of the coverage that ACA brought to people who couldn't afford insurance previously. If you have a crystal ball and know what will happen next, please call me. With so much uncertainty we really have to pay attention to what is

happening on so many different levels.

A friend of mine is an MD and a CFP® Professional. She is one of the most knowledgeable people I know in terms of ACA and discussions around what we could do to improve it and make it more cost effective. Her name is Carolyn McClanahan and she also contributes to Forbes. One of her recent posts is titled "The Wealthy Want The Senate To Dump The Better Care Reconciliation Act" and appeared on the Forbes website on June 26, 2017. I find her articles to be very thoughtful and very helpful in trying to understand the conversation around health care reform. Here's the link to the article <https://www.forbes.com/sites/carolynmcclanahan/2017/06/26/the-wealthy-want-the-senate-to-dump-the-better-care-reconciliation-act/#74d0122f5266> if you would like to check it out.

Like many who are participating in the discussion on health care, we spend a lot of time gathering information and reading posts from individuals who are experts in health care. We will continue to look for answers and hope that our leaders in Washington, DC are doing the same.

The Markets Keep Going

US equity markets have continued to experience gains while becoming slightly more volatile as headline risk has increased. When we talk about headline risk, we are talking about things like "Comey to Testify" where we all start thinking about the what-ifs. During those times the financial markets become more volatile as investors try to figure out the immediate impact.

Year-to-date performance as of June 23rd for US Large Cap stocks, as measured by the S&P 500, was up 9.42%. US Small Cap stocks, as measured by the Russell 2000, have also posted positive returns during the same period, with a 4.25% return.

Developed International stocks, as measured by the MSCI EAFE, returned 7.12% YTD. Emerging Market stocks, as measured by the MSCI EM, also posted positive returns YTD, with a 17.33% return.

US Bond markets managed to squeak out positive returns with the Bloomberg Barclays US Aggre-

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gate Bond Index, posting a return of 2.86% YTD. Municipal bonds outpaced returns on taxable bonds, with the Bloomberg Barclays Municipal Bond Index returning 4.12% YTD as of June 23rd.

Our Emerging Market bond fund is currently up 4.25% YTD, and our global real estate fund has earned a solid 5.00% YTD.

The markets have actually been more stable than we expected YTD, but we do believe the volatility will increase as we move through the summer into the fall. Maintaining a broad-based diversified portfolio will become even more important as we move through some of those volatile times.

Despite the abundance of headlines we have to digest on a daily basis, we continue to focus on the fact that the US economy continues to grow. It may be growing more slowly than we would prefer, but that slow growth has been a very good thing over the past few years.

With that said, we do expect volatility to be a dominant theme for financial markets for the remainder of 2017. We are all waiting to see what happens with health care, immigration, relationships with other countries and many other

areas that will impact how we and the rest of the world view financial markets.

Any time the markets go up as quickly as they have over the last few years, we expect increased volatility at some point and some backtracking. So we certainly wouldn't be surprised to see a backup sometime during the summer and would view it as a good time to rebalance portfolios.

One of the concerns we all have is the potential for impeachment, and whether you want that to occur or don't, isn't really the issue. When you look at the financial markets, there could be a backlash to impeachment proceedings. Many are trying to draw parallels to Watergate which probably makes some sense.

There are many possible outcomes in this type of scenario, including a market rally, a market pullback or simply a market that will wait and see what happens. For now it looks more like a wait-and-see perspective, so we will take a deep breath and keep our eyes on Washington.

As always, keep us posted if you have any additional short-term cash needs and feel free to contact us with any questions you may have.

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CYBER SCAMS LOOMING LARGER!

There are many cyber scams out there today, and the people creating them are getting more and more creative in designing ways to steal money from people. Here are several areas we wanted to make you aware of so that you can protect yourself and your family. The first is about a Windows 10 scam, the second is about look-alike email addresses and the third is about emails from fake realtors.

Windows 10 Scams Popping Up

We've all heard about the IRS scam. The caller, impersonating an IRS agent, advises that you owe money and to call a number immediately or your assets will be frozen. Or something like that. The IRS never calls and hopefully we all realize that now.

But there's now a new game in town. It's called the Windows 10 scam. And it involves the same sort of scare tactic with a nasty new twist. The scam can work either if you actually answer the original call or if you respond to a recorded voicemail. It basically goes like this:

"Hello. This is John from Microsoft calling to alert you to a serious intrusion recently, attacking the Windows 10 operating system. A worm (malware) may

have been inserted in your software and could be searching your computer for identity information or access to your online accounts. Microsoft technical support is standing by to help you eliminate this threat by erasing it from your computer. Please call this number for our technical support team. A small charge may be involved."

There may be some variations to the script but the message is the same. *"Your computer is infected and someone is stealing your information. We can help."*

Basically, if you call the number, they will ask for credit card information and perhaps other personal identifiers. It's a step in a process for gathering as much information as possible to take advantage of you. Your credit card could be immediately compromised by one or more purchases and if not, might be stored in an attempt to gather even more information in the future. Just because you cannot see any immediate effect from getting the help doesn't mean you are safe. It may mean a time bomb is ticking.

So what can you do? First of all, Microsoft and practically no one else will reach out by phone to alert you of a problem. If they catch you on a live phone call, hang up or thank them and stall to call back later. Next, google the issue and see if you see anything reported online. Microsoft, in particular, will usually have an update or

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fix in place. They wouldn't bother you and would never have the resources to call millions of Windows 10 users. You may want to change usernames and passwords if you think any of your accounts may have been compromised. It may be a pain to change them, but it can be much more painful if you have a problem down the road.

And most of all, tell everyone you know about the scam! To be forewarned is to be forearmed!

Look-Alike Email Addresses

The newest cyber scam is targeting small businesses' employees and clients using "look-alike" email addresses. Scammers sometimes use email addresses that look similar to official ones in order to impersonate trusted businesses or institutions, or trick users into disclosing sensitive information. For instance:

Faceb00k.com (uses zero instead of the letter O)

Annazon.com (uses 2 n's instead of an m)

googIe.com (uses an uppercase i instead of a lowercase L)

yahoo.co (missing a letter from ".com")

In the past, these tricks have been used to impersonate banks, online stores, and other types of businesses. More recently, scammers

have been doing this to impersonate small businesses. Please be wary of any email asking for sensitive information, and be sure to verify the identity of the sender before taking any action. Remember that Lassus Wherley will never ask you to send sensitive information via email. If you ever have any suspicions about communications from Lassus Wherley, please call us to verify.

Real Estate Wire Transfer Fraud from *CyberheistNews* by Know-Be4

According to the NY Daily News, State Supreme Court Justice Lori Sattler was in the process of selling her apartment and buying another when she received an email that seemed like it was coming from her lawyer.

The "lawyer" instructed her to send the money - a little over 1 million dollars - to an account with the Commerce Bank of China, and she did. It was not the correct instructions.

"There is an epidemic of real-estate-related scams going on. Bad guys silently take over the email address of a home buyer or their realtor/lawyer, and right at the moment that a large amount of money needs to get wired for closing, they send a fake email with a different bank account that the bad guys control."

Always, always, always pick up the phone before you make a

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large transfer and get confirmation about the correct bank account that the wire goes to. This is true not only for the house, but also the office."

Other Happenings

CFP Board - Commission on Standards Update

Serving on the Commission on Standards has been an amazing experience, and I am looking forward to the ongoing discussion as the CFP Board rolls out the draft of the proposed standards.

Through a deliberate and inclusive process, CFP Board has developed a draft of proposed revisions to the Standards that is intended to enhance the integrity and value of CFP® professionals to the clients and communities they serve.

The draft proposal, titled Code of Ethics and Standards of Conduct, is a significant revision to the Standards with a range of important changes, including broadening the application of the fiduciary standard for CFP® professionals - effectively requiring CFP® professionals to put a client's interest first at all times - and enhancing and updating standards related to financial planning.

For more information visit <https://www.cfp.net/about-cfp-board/proposed-standards>.

Lassus Wherley News

We recently welcomed Dawn Brown, CFP® as a Senior Financial Planner and new member of our team. She has significant experience and we are very happy to have her as part of the Lassus Wherley Family. For more information about Dawn please visit our website.

We have also expanded our Investment Committee to include several more members. Our new members include Patricia A. Daquila, CPA, Senior Tax Advisor and Laurie Wolfe, CPA, Senior Tax Advisor. Our committee serves many functions but the primary ones are focused on understanding the economic environment, tracking and discussing performance of our recommended funds and target asset allocations. One other important objective is in sharing information and educating everyone on the committee to make sure we are all on the same page in terms of understanding. This year we have also included two interns on the Committee, Karalyn McKnight and David Colby. It has been great to get new perspectives and different views of the world.

We recently welcomed Dawn Brown, CFP® as a Senior Financial Planner and new member of our team. She has significant experience and we are very happy to have her as part of the Lassus Wherley Team.



Abigail Rose

We also have some sad news to share. Abigail Rose lost her battle with kidney disease and passed over the Rainbow Bridge.

She was a loving and gentle friend and a fixture in our office for the last 10 years.

Her loss leaves a giant hole in

our hearts.

Keep in touch and remember that you are a long-term investor regardless of what happens in the financial markets in the short term.

We recognize the uncertainty surrounding us with what is happening in Washington, DC, and know that the world is changing very quickly.

So please let us know if you have questions we can answer for you or concerns we can help you address.

And remember to practice that deep breathing when the world starts to get to you.

Enjoy your summer!

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Investment Committee:

*Diabann W. Lassus, CFP®, CPA/
PFS, Chair*

*Dawn Brown, CFP®
Senior Financial Planner*

*Jodi A. Cirignano, CFP®, CPA Senior
Financial Planner*

*Patricia A. Daquila, CPA
Senior Tax Advisor*

*Lisa McKnight, CFP®
Senior Financial Planner*

*Deborah J. Rivos, CFP®, CFA,
Chief Compliance Officer, Director,
Business Development*

*Betty S. Thomas
Financial Planner*

*Laurie Wolfe, CPA
Senior Tax Advisor*

Karalyn McKnight, Intern

David Colby, Intern

Contributing:

*Peter Cintula
Director of Information Technology*

*Clare E. Wherley, CPA, CFP®
CEO*

Compliance Disclosure

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