

April 1st, 2017

Money Matter\$



A Quarterly Newsletter from Sommers Financial Management

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Volume 16, Issue 2

Our Sweet New Suite of Financial Tools

by Adam Sommers

Over the next few months, we'll be reaching out to everyone about creating your personal financial plan, utilizing new interactive and dynamic financial planning technology. We will offer three levels of the application:

- Essentials**—free to anyone and everyone.
- Interactive**—A monthly \$50 subscription service for folks who like to work with us electronically.
- Premium**—included free for clients with more than \$250,000 under our management, or offered as an \$80/month subscription.

All of our offerings—including Essentials, which is free—will include Retirement planning, real-time net worth tracking, budgeting, cash flow analysis, investment allocation analysis, an estate planning checklist, a private document vault, and real-time links to investment, bank, and credit accounts. We'll also be able to assign and complete planning tasks right within the application. You can consider it similar to Mint.com, only better: complete with interactive planning features from your friends at Sommers Financial Management.

Our new software will give you the ability to log in to one financial application and see your bank accounts, investment accounts, credit cards, mortgages, etc.—all in one place. You can also securely store tax returns, wills, trusts,

insurances, and other important documents.

For those of you working on paying down debts, our Interactive and Premium services offer debt management strategies and analysis. We also can demonstrate how to maximize your Social Security benefits—and the reasoning behind why we suggest a certain optimal claiming strategy.

There is also an education planning module—which we only recommend if your retirement plan is on track—and a life insurance needs analysis, to prepare for the worst case scenario.

Our Interactive and Premium subscriptions even project your federal tax returns each year through the end of plan. Preview your future Form 1040s (and schedules)—a tremendous help when it comes to tax planning.

I'm most excited about the ability to plan for Roth IRA conversions. I recently read a book about living in the 0% tax bracket, and if you take full advantage of our planning application, we are now better able to help you maximize tax-free income in retirement, and plan for a tax-free estate.

As we perform our annual client reviews, I'll be reaching out to set up your new financial suite. Of course, you can always let us know if you'd like to get started today!

“All of our offerings—including Essentials, which is free—will include Retirement planning...”

One-Year Returns

Dow Jones Industrial 30
Average: 16.8 %

S&P 500 U.S. Large Company Stock Index:
14.7 %

S&P Moderate Allocation
Index (AOM): 6.9 %

SPDR Gold Index (GLD):
1.2 %

iShares Aggregate Bond
Index (AGG): 0.4 %

SFM's "THE NAKED ALPHA FUND":
9.2 %

ETF EXTRA – Consumer Staples Select Sector SPDR Fund – (XLP)

We are using XLP in some of our Sustainable Income Portfolios. From ETF.com: XLP “tracks a market-cap-weighted index of consumer-staples stocks drawn from the S&P 500. XLP delivers a representative — if slightly conservative — basket of consumer-staples firms. The fund's holdings are nearly all large-caps, which investors may appreciate for their familiarity and stability. XLP's expense ratio ranks among the cheapest in the sector, its asset base is solid, and the fund's extremely strong liquidity keeps transaction costs low.”

XLP's Notable Statistics

Dividend Yield:	2.43 %
Total Assets in the Fund:	\$ 8.8 Bil.
Expense Ratio:	0.14 %
3-Year Avg. Annual Return:	11.3 %
Max Draw Down (last 3 yrs):	- 10.1 %



Model STOCK Portfolios

GROWTH-oriented portfolio

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
21%	VYM	Vanguard High Dividend Stock ETF	2.79%	19.6%	13.6%	0.08%
19%	VO	Vanguard Mid Cap Stock ETF	1.36%	21.0%	10.0%	0.06%
20%	USMV	iShares U.S. Minimum Volatility Stock ETF	2.08%	14.4%	14.5%	0.15%
20%	VIG	Vanguard Dividend Appreciation ETF	2.00%	17.5%	10.4%	0.09%
21%	IVV	iShares S&P 500 ETF	1.88%	20.8%	12.6%	0.04%

INCOME-oriented portfolio

Average dividend yield: 2.7%

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
20%	VYM	Vanguard High Dividend Stock ETF	2.76%	19.6%	13.6%	0.08%
19%	SDY	SPDR S&P Dividend ETF	2.50%	18.8%	14.1%	0.35%
22%	XLP	SPDRs Consumer Staples Sector ETF	2.43%	5.2%	11.4%	0.14%
18%	SCHD	Schwab Dividend Stock ETF	2.78%	17.7%	12.2%	0.07%
21%	DVY	iShares Select Dividend ETF	2.93%	18.9%	13.8%	0.39%



Model BOND Portfolios

GROWTH-oriented portfolio

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
20%	BASIX	BlackRock Strategic Income Fund	1.79%	5.3%	2.0%	0.90%
19%	NFRAX	Nuveen Floating Rate Bond Fund	4.76%	10.1%	3.0%	1.00%
21%	BSV	Vanguard Short-Term Bond ETF	1.48%	0.7%	1.0%	0.07%
20%	MBB	iShares Mortgage Bond ETF	2.37%	-0.5%	2.8%	0.25%
20%	FATRX	Frost Total Return Bond Fund	3.64%	6.1%	2.7%	0.77%

INCOME-oriented portfolio

Average dividend yield: 4.2%

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
53%	FATRX	Frost Total Return Bond Fund	3.64%	6.1%	2.7%	0.77%
47%	NFRAX	Nuveen Floating Rate Bond Fund	4.76%	10.1%	3.0%	1.00%



Model ALTERNATIVE Portfolios

GROWTH-oriented portfolio

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
18%	AGAQX	361 Global Long/Short Equity Fund	0.00%	4.8%	NA	1.96%
18%	NPSAX	Nuveen Preferred Securities Fund	5.02%	8.7%	6.0%	1.07%
18%	VNQ	Vanguard U.S. Real Estate ETF	4.16%	6.2%	10.8%	0.12%
28%	TIPRX	Total Income and Real Estate Fund	5.22%	3.3%	6.3%	1.95%
18%	GATEX	Gateway Fund	1.33%	9.9%	5.1%	0.94%

INCOME-oriented portfolio

Average dividend yield: 5.2%

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
18%	PFF	iShares Preferred Stock ETF	5.71%	5.1%	5.9%	0.47%
32%	TIPRX	Total Income and Real Estate Fund	5.22%	3.3%	6.3%	1.95%
17%	NPSAX	Nuveen Preferred Securities Fund	5.02%	8.7%	6.0%	1.07%
18%	PGX	PowerShares Preferred Securities ETF	5.82%	4.5%	7.6%	0.50%
16%	VNQ	Vanguard U.S. Real Estate ETF	4.16%	6.2%	10.8%	0.12%