

Helping You Meet Your Financial Goals

Our Philosophy:

Showing respect for others and treating people as you would like to be treated can be lost in today's world. We will be remembered for the values we teach our children and how we treat others. I work extremely hard for my client's success and I do this with honesty and integrity.

That may sound simple, but it's something that many advisors seem to have forgotten. By working hard and listening to our clients each and every day, Custom Wealth Strategies now manages more than \$200, million in client assets, a responsibility not taken lightly.

Complimentary, Comprehensive Portfolio Review:

We provide comprehensive financial planning and investment management solutions. Our subject matter experts work collaboratively to craft strategies that integrate and simplify the management of your wealth. As an Independent Financial Firm, we do not have any proprietary investment products. Which enables us to act in YOUR best interests, always.

Contact Jeremy Beck, President of Custom Wealth Strategies to set up your complimentary, comprehensive portfolio review. He can be reached directly at **716-771-1888** or email **jbeck@customwealthstrategies.com**

SEMINAR INVITATION INSIDE!
October 10 & 25 / November 9th
See page 3 for details.



716.771.1888

www.customwealthstrategies.com



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**4990 Transit Road
Depew, NY 14043**



► **The \$64,000 Question: When Will This Bull Market End?**

PAGE 1



► **Bull Market Analysis (Cont'd) From Page One.**

PAGE 2



► **Five Family Gifting Strategies to pass wealth to your loved ones.**

PAGE 3



► **Helping You Meet Your Financial Goals. Dream. Plan. Enjoy.**

PAGE 4



CUSTOM WEALTH

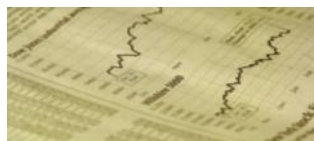
S T R A T E G I E S

Quarterly Investment Newsletter

From the Desk of Jeremy I. Beck
President, Custom Wealth Strategies

VOLUME 85 | FALL | 2017

MARKET WATCH



As of August 31, 2017, the S&P 500 has risen 11.93% while the DOW has climbed 11.06%. The NASDAQ has risen an impressive 19.42% for the year.

The MSCI EAFE Index, which represents the stocks of the developed International markets, managed a total return of +2.77% for the year.

The ten year U.S. Treasury ending the 3rd Quarter of 2017 @ 2.13%, leaving the yield down slightly for the year.



The \$64,000 Question: When Will This Equity Bull Market End?

During nearly every client meeting, we seem to hear the exact same question; when will this 8+ year bull market come to an end? The current bull market, which is typically defined by prices that continue to increase without a 20% decline, began for the S&P 500 on March 9, 2009. Over the past eight years, there have been four official corrections (declines of 10% or more), none of which pushed us to a 20% decline, which would signify a bear Market.



As the bull market matures, it may be of interest to study markets of the past in order to compare our current bull. On average, a bull market last roughly 57 months, or four years and nine months. As of August, 2017, our raging bull is officially 101 months old, or 77% longer than the average bull market. You may ask, what is the longest bull market? This is held by the 1990 bull market, which began in

October 1990 and went down in flames in March of 2000 (also known as the dot-com bust). The entire time frame of the longest bull market is 113 months, leaving us 12 months shy of the record. Sam Stoval, chief investment strategist for CFRA noted recently that "Bull markets don't die of old age, they die of fright. And what they are most

afraid of is recessions." He couldn't be more accurate. In 2007, I hosted a series of investment seminars at Salvatore's Italian Gardens where I was the keynote speaker discussing the equity markets and more

importantly, the recession I felt was looming in the near future.

I'll never forget that when I finished my presentation, a local doctor walked up to me, shook my hand and stated, "You are a black cloud! I feel like I should close all my stocks and put my money under the mattress!"

(continued on Page 2)



TOP FIVE CITIES TO RELOCATE

Sperling's Best Places criteria included unemployment, cost of living, crime rates, population health and cultural events.

○ PITTSBURGH, PA

Low average home prices coupled with cost of living 12% below the national average.

○ BUFFALO, NY

That's right, 716 Pride! Low cost of living, cultural events and expanding economy.

○ OMAHA, NE

Slow, but persistent growth contributes to the city's low unemployment rate of 4.2%.

○ ARLINGTON, TX

Cost of living is 14% less than the national average, making it an affordable option for many.

○ AUSTIN, TX

Low cost of living and low unemployment rate of only 6.5%!



The \$64,000 Question (continued)

This of course, was the entire point of the presentation. But how did I know a recession, the great killer of bull markets, was looming on the horizon? The answer lies in studying the U.S. economy, or more importantly, the Leading Economic Indicators (LEI). Leading economic indicators tend to signal future events, almost like a yellow traffic light being the precursor for a red light.

The chart below is the year over year change in the Composite Index of Leading Indicators published by the Conference Board, as of 5/31/17. The Composite Index of Leading Indicators is an index published monthly by the Conference

U.S. Economy. Pay very close attention to the last two times in the past 17 years that the Index has moved from positive to negative (indicated by the Green and Blue histograms in the chart below). In both instances, the LEI Index acted as your yellow light, signaling the pending recession.

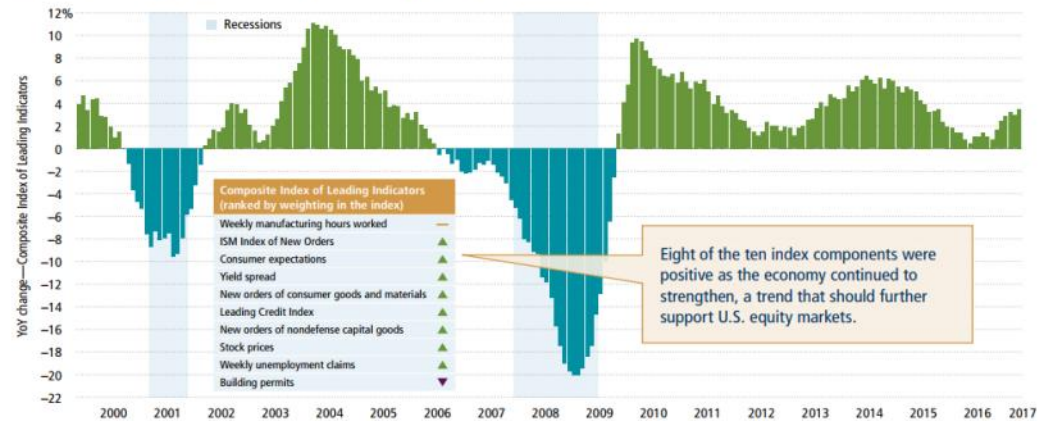
Will history repeat itself? Only time will tell. But if the past 17 years are any indication of the future, keeping a close eye on the leading economic indicators may prove to be as invaluable as they were in the recessions of 2000-2001 and 2008-2009. If you don't have time to study the economy on a daily basis, you know who to call.

The U.S. expansion continues to mature

“The U.S. LEI continued on its upward trend in May, suggesting the economy is likely to remain on, or perhaps even moderately above, its long-term trend of about 2%.”



Year-over-year (YoY) change in the Composite Index of Leading Indicators



DID YOU KNOW? The Dow Jones Industrial Average (DJIA) is America's most watched stock index, comprised of 30 blue-chip stocks. The Dow Jones was founded in 1896 with 12 Industrial stocks and General Electric (GE) is the only original stock remaining in the Index. However, it was not once, but twice removed from the Index, being replaced by U.S. Rubber in 1899 and by U.S. Steel in 1901.



DOW JONES



Call Jeremy Beck today to schedule your complimentary, comprehensive portfolio review!

Five Family Gifting Strategies

Many popular gifting strategies involve charities, gifting to family members in a tax-advantage way can be equally rewarding. Here are a few simple ways to gift to family members, which may result in reducing or avoiding taxes and are also very effective wealth transfer techniques.

Annual Gift Tax Exclusion — In 2017, the annual federal gift tax exclusion remains at \$14,000. If you would like to make a gift of \$14,000 to five different people, none of the gifts are considered taxable by the federal government. Additionally, none of them have to be reported on a federal gift tax return. There is also no reduction in the federal estate and gift tax exemption amount, which remains at \$5,340,000 per person. If you would like to gift more than this to one person, you would file IRS Form 709—the Gift Tax Return.

Pay Medical Bills or College Tuition Directly — If you pay medical bills or college tuition directly to the provider, the \$14,000 limit does not apply! These are the two exceptions to the annual gift tax limit.

Gift Appreciated Assets to Lower Income Tax Brackets — The first \$1,000 is offset by a \$1,000 standard deduction and the next \$1,000 will be taxed at the child's tax rate. Be careful of the "Kidding Tax" which is levied on unearned income (capital gains, dividends and interest) earned by children under the age of 19 and college students under 24. All of the child's unearned income in excess of \$2,000 is taxed at the parent's tax rate.

Start a Roth IRA — If you have a teenage grandchild, this may be a great fit! For example, if your granddaughter earned \$2,000, she would put \$2,000 into a Roth IRA. Another strategy to encourage savings is if she saved half of her earnings, she could place \$1,000 in a Roth IRA and you could gift the other \$1,000. A fantastic gift!



You've been Invited to a
FREE Investment Seminar!

MARKET OUTLOOK:

Investing in Uncertain Times

Presented by:
Jeremy I. Beck

**President, Custom
Wealth Strategies**

Seminar Dates:
Tuesday October 10th
Wednesday October 25th
Thursday November 9th

6:00pm - 7:00pm

Where:
Columns Banquet Hall
2221 Transit Rd
Elma, NY
(corner of Seneca & Transit)

**Enjoy complimentary
cocktails and hors d'oeuvres!**



res!

**Call Gwen, Brooke, Trish
or Jeremy @ 716-771-1888
RESERVE NOW
Seating Limited!**

○ DREAM | ○ PLAN | ○ ENJOY

**Custom Wealth Strategies
President, Jeremy I. Beck**

4990 Transit Road, Depew, NY 14043

Phone: 716.771.1888 / Email: jbeck@customwealthstrategies.com