



The Power of Estate Planning Documents

By Jim Hess, CPA, Managing Principal

My wife, Margaret Ann, and I are walking through the season of life where caring for parents has become a significant responsibility. While it has been a blessing to journey with our parents through their latter stages of life, it has also taught us the importance of preparation and planning in order to make this time as enjoyable and stress free as possible. I thought I would share some of the things we have learned in the hope that it might benefit you and bless your family.

I could spend this entire article talking about the psychological impact and adjustment that takes place as we watch our parents age, and in many cases, as we have to do things for them that they have always done for themselves. I could also talk about the process of saying goodbye to a parent as their physical and mental health declines and we gradually see them slip away from the parent that we have known and loved throughout our life. But I will save that for a later article. I will primarily focus more on the financial documents to consider and plan for when preparing for this important stage of life.

You have heard from us here at Whitcomb & Hess about the importance of putting estate planning documents in place for yourself. But we don't always remind our clients to make sure these documents are in place for your parents and loved ones. Properly drafted documents are critical to allow you to effectively care for your family member or loved one. In addition to wills and other documents that are important to end-of-life matters, it is equally important to have documents in place to assist with the care of loved ones during their life. These include a **durable power of attorney** for financial matters, a **health care power of attorney** for medical issues, and a **living will**. They may also include a **trust** depending on the unique circumstances of your family member.

These documents should be carefully thought out by each person as they consider who they want to make important financial and healthcare decisions on their behalf. This is as true for your parents as it is for you. Additionally, I would strongly encourage you to be sure your parents or loved ones review these documents at least every five years to make sure the individuals that they named for these vital roles are still the people they are most comfortable with serving in these capacities. I realize that you can't make your parents do these things, but sometimes through gentle persuasion (I call it the "lean and smile" method) you can encourage them to move forward with their planning.

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Morningstar Investment Conference Recap

By Chris Nadler, CTFA, Investment Advisor Representative

In April, I attended the annual Morningstar investment conference in Chicago. The conference provides financial advisors and mutual fund representatives an opportunity to gather together and discuss current events in our industry. Global economic updates, discussions of what the future may look like, and ideas of how to navigate our ever-changing landscape are just a few of the many topics that are discussed at this large event. This is a very valuable experience that allows us to have direct interactions with many of the fund managers we have chosen to work with here at Whitcomb & Hess.

Every year, the conference provides us with many valuable and strategic insights. Here are three that we found to have the most impact:

1) Technology is at the forefront of it all. We are all familiar with technology updates, ranging from the latest Microsoft Office package, to the next iOS update, to touchscreen options in our cars. All of these are used to help make our lives more efficient and simpler to navigate. The same philosophy can be used when talking about the investment industry. Companies like Morningstar, along with many others, are constantly developing and testing new software and technology that allows us to be the most adaptable and efficient that we can be. Whether that technology is geared towards fund research, comparing different portfolios, or giving us a platform to provide in-depth retirement planning, all of these tools are being developed to allow us to be more efficient and effective advisors, so that we can continue to provide consistently superior service for our clients.

2) Investment allocation/security selection is as important as ever. One of the greatest opportunities at the Morningstar conference is the ability to hear from some of the top fund managers and advisors in our field. These experts come from many different mind sets; some focus more on value investing as compared to growth investing, while others are focused more on active management vs. passive management. Although the experts at the conference had many different views, one consistent theme continued to be heard: diversification. We are never able to predict the ups and downs of the market. However, no matter this uncertainty, being invested in a diversified portfolio (containing a mix of stocks, bonds, and mutual funds that are suited for the client's risk tolerance) should be a top priority. Educating investors on the importance of diversification within their investment accounts is an essential part of any advisor-client relationship, that will

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Investment Update

By Aaron Bates, CFP, Investment Advisor Representative

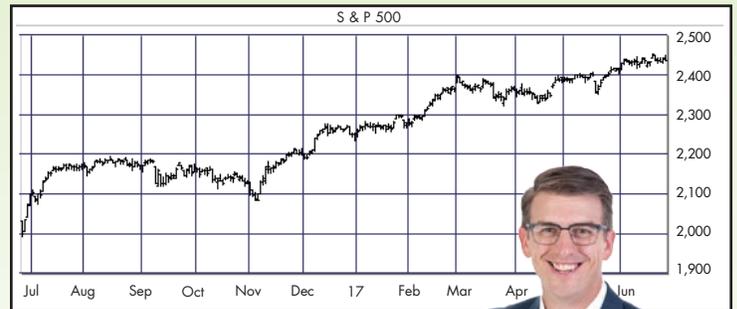
In spite of many political twists and turns, stock and bond markets continued their winning ways in the second quarter of 2017. Stocks were led by international holdings despite troubling political headlines both in the United States and abroad. International holdings were up 5.63% per the MSCI World ex-USA index for the quarter. Inside the US, the S&P 500 Index (large US companies) was up 3.09% for the quarter, which narrowly beat the Russell 2000 (small US companies) up 2.46%.

The second quarter was filled with a lot of political headlines all across the globe, from Trump's failed health care reform and ambiguous tax bills to more Brexit votes and Middle East oil drama. However, the economy seems to have weathered all these headlines and continues marching steadily forward. Most notably, the US economy has shown the Federal Reserve Bank (FED) enough strength that the FED raised interest rates another 0.25% to 1.00% in mid-June. This rate increase was largely expected by the financial markets so there was very little market reaction to the move. This increase by the FED stands as a strong vote of confidence for the U.S. economy, even though we haven't seen the targeted 2% inflation that is desired by the FED.

In other FED news, the FED has also been discussing when to stop buying the extra bonds that it bought during its Quantitative Easing days a few years ago. This is a special item to note as it would definitely decrease the demand for bonds in the market. However, it is expected that it would be a slow and gradual weaning process—but one that deserves watching due to its potential impact on the bond market.

Bond markets have shown gains in the second quarter. The Barclays Aggregate Bond index was up 1.45%. For several months in 2017, stock and bonds have all gained in value, and while this is good for the portfolio it seems a bit unrealistic. Stock increase on optimism in the markets, while bonds typically gain on pessimism in the markets--so for both to have strong gains seems contradictory. We believe the two assets classes will diverge at some point, but we aren't sure which will be first.

As always, thank you for entrusting us to manage your life savings! We aim to maximize your gain and minimize your loss over the life of market and economic cycles. We are constantly reminded of Warren Buffett's quote, "Better to have return of your money than return on your money." We wish you a happy and safe summer!!



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Morningstar Investment Conference

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hopefully lead to an understanding of why the account is performing the way it is, no matter if the market is going up or down.

3) Investors' personal goals are still the most important factors that determine success. It can seem like a daunting and stressful task to plan for retirement. This can be the case whether you are 25 and just starting to invest for yourself, or 65 and about to retire. But the important thing to remember is that you have the ability to take control of your own financial success. Although it can be difficult, when planning for retirement, it is more important to think 20, 30, 40 years ahead than focusing on the here and now. That is why "Goals Based Investing" is so important! Whether it's 2 months, 2 years, or 40 years down the line, setting realistic and achievable goals will help keep you on the path to see those goals become realities. Putting away

assets for retirement now will only be more beneficial as you get closer to that retirement date. It is important to not discount the future. A great example of this is under funding retirement plans. Also, it is important to not lose focus or that sense of control. Remember, at the end of the day, you have the ability to decide what your financial future looks like. You can choose to buy that nice new expensive toy and enjoy it now, or add a little bit more money to your retirement account to save for later. At the end of the day, we are here to help guide and coach you down that path to retirement and will be encouraging you every step of the way.

Thank you for your continued trust in what we do. If we can help you or someone you know, please let us know. We hope you have a great summer.

Baby Boom **The Whitcomb & Hess family grew by three new members this quarter! Please welcome:**



Angela Marie Hinkle
April 12, 2017
Daughter of
Neil & Susan Hinkle



Briar David Repp
April 21, 2017
Son of
Tiana & Jordan Repp



Noah Michael Nadler
June 1, 2017
Son of
Chris & Beth Nadler

SEC Shortens Equity Trade Settlement Days *By Tammy Higgins, Client Service Specialist*

Impatient stock traders: rejoice! Effective September 5, 2017, the SEC will shorten the settlement period for purchase or sale of stocks (equities), bonds, and exchange traded funds (ETF's). Currently, it takes 3 business days for these types of trades to settle. The new rule will shorten this waiting period down to 2 business days.

What this means for you:

- If you are selling stocks/bonds/ETF's, you will receive your proceeds one day faster.
- If you are buying stocks/bonds/ETF's, you will be required to pay for your securities one day sooner.

The change does not affect mutual funds, US Treasury bonds or T-bills, which already settle in one day.

“While a shorter settlement time may seem like a simple technical change, it’s actually a massive undertaking that will meaningfully benefit investors,” says Tom Price, managing director at the Securities Industry and Financial Markets Association (SIFMA).

More than \$270 billion in equities, on average, are traded in the US stock exchanges every day, an average of over 6.8 billion shares per day, according to SIFMA.

As always, if you have questions about trading, please reach out to our Investment Advisory team.

Employee Spotlight: Tracy Wells

Many of you may already know Tracy Wells, who serves as one of our three Investment Advisor Representatives. Tracy has been with Whitcomb & Hess since 2011.

Tracy is building her reputation as the local go-to girl for Social Security questions and strategies. She enjoys designing customized retirement plans to help clients maximize their Social Security benefits. Tracy is passionate about budgets and helping clients reach their goals. In addition to financial and retirement planning, Tracy also prepares income tax returns for clients during tax season.

Tracy is a graduate of Lincoln Christian College in Lincoln, Illinois. She holds the FINRA Series 65 license, and is licensed in all lines of insurance.

In her spare time, Tracy enjoys working with women as a Mary Kay consultant, traveling, and spending time with her family and friends. Tracy and her husband Andrew live in Ashland at the “Wells Zoo” with their many pets.



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Finally, I would suggest that you encourage your loved one to work with an attorney and CPA regarding the titling of their assets, including bank accounts and investment accounts. The titling of these accounts can have a significant impact on whether or not their power of attorney papers will actually permit the designated individual to act on their behalf. For example, if their bank account is titled in the name

of their revocable trust, their power of attorney document alone will not enable the named person to access their account.

Please feel free to contact us if you would like to discuss this important planning process in more detail for yourself or your loved ones.

Disclosure Statement

Please contact Whitcomb & Hess, Inc. if there are any changes in your financial situation or investment objectives, or if you wish to impose, add, or modify any reasonable restrictions to the management of your account. Also, as required by the United States Securities and Exchange Commission, a copy of our Form ADV2A and Form ADV2B: Firm Brochure, which provides information about the qualifications and business practices of Whitcomb & Hess, is available upon request. To request a copy, contact one of our customer service specialists at info@whitcomb.com.

Our Privacy Policy

We limit our employee access to nonpublic personal information to those who need to know this information to provide the best service to you. We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as permitted by law.

UPDATE for Second Quarter 2017

DOW JONES INDUSTRIAL AVERAGE (Total Return)			
2ND QTR 3.95%	2017 YTD 9.35%	5 YR AVG 13.45%	10 YR AVG 7.57%
S&P 500 COMPOSITE (Total Return)			
2ND QTR 3.09%	2017 YTD 9.34%	5 YR AVG 14.63%	10 YR AVG 7.18%
RUSSELL 2000 (Total Return)			
2ND QTR 2.46%	2017 YTD 4.99%	5 YR AVG 13.70%	10 YR AVG 6.92%
MSCI WORLD EX-U.S. (Total Return)			
2ND QTR 5.63%	2017 YTD 12.82%	5 YR AVG 8.15%	10 YR AVG 1.00%
BARCLAYS US AGGREGATE BOND (Total Return)			
2ND QTR 1.45%	2017 YTD 2.27%	5 YR AVG 2.21%	10 YR AVG 4.48%

INFORM

c/o Whitcomb & Hess
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Great Things are happening in *Ashland!*



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New Businesses coming soon:

Ashland Bike Co. - NOW OPEN
Kay Jewelers - Summer/Fall 2017

Chipotle Mexican Grill - Summer/Fall 2017
Uniontown Brewery - Fall 2017

Upcoming Local Events:

July 18-22 Ashland Chatauqua: "Voices of Courage" at Myers Memorial Band Shell
July 22 All Star National Flat Track Series Races at Ashland County Fairgrounds
Sept 9 Ashland Symphony Orchestra: "Divinely Dvorák" at Archer Auditorium
Sept 15-17 Great Mohican Pow-Wow at Mohican Reservation Campgrounds (Loudonville)
Sept 17-23 Ashland County Fair at Ashland County Fairgrounds

Whitcomb & Hess in the Community:

Several W&H team members volunteered (and played!) at the Ashland Chamber of Commerce Golf Outing on June 5.

Kim Tanner and Neil Hinkle attended the Leadership Ashland "Night at the Schines" event.

Bill Harvey, Aaron Bates and Neil Hinkle attended the 2017 Regional Economic Forum.

Several team members attended the Ashland Chamber of Commerce Women in Business Luncheon. Tracy Wells and Tori King hosted an information booth at the event.

Aaron Bates and Eric Key attended the United Way campaign reveal reception and dinner. Aaron and Aubrey Bates are co-chairing this year's United Way Campaign!



Ashland Chamber of Commerce Women in Business Luncheon,
Pictured from left: Tracy Wells & Tori King

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