

## Welcome Reanna!



This April we welcomed Reanna Pechner as the newest member of the Advanced Wealth Management Team! Reanna moved to Portland in 2012 from San Diego to earn her B.A in English with a minor in Secondary Education from Portland State University.

Prior to joining our team, Reanna volunteered as a reading specialist at local middle schools, served as a Teaching Assistant within PSU's English Department, and worked as an Office Coordinator for the College of Liberal Arts and Sciences.

Her biggest accomplishments are being a first-generation college graduate and kick-starting her professional career at Advanced Wealth Management! Reanna is ready to put her editing and organizational skills to work and is excited to further her financial knowledge along the way.

Outside of work, Reanna enjoys exploring Portland's best food and drink offerings, playing with her dog Moose at local parks, and planning camping adventures all around the beautiful Pacific North West.

## Trusted Contact Person | Operations Corner

Due to a new industry rule, effective February 5, 2018, our office began asking clients if they would like to provide the name and contact information of a trusted contact person (TCP). While clients do not have to add a TCP to their accounts, the new rule requires advisors to make a good-faith effort to obtain one. This new policy is designed to combat financial exploitation.

A TCP is an individual age 18 or older, designated by you, whom you and/or Commonwealth may contact to confirm your current contact information or health status; to identify a legal guardian, executor, trustee, or power of attorney (POA); or to address concerns of possible financial exploitation.

A TCP may include, but is not limited to, a family member, a friend, or a person with whom the client has a professional relationship, such as an accountant or attorney. A POA or trustee may also be designated as a TCP.

A person designated solely as a TCP cannot view your account, or give trading or withdrawal instructions.

When you receive your next Revised Account Profile notice from Commonwealth Financial it will ask you to review or add your TCP. Please review all of the profile information carefully and let our office know if you would like to make any changes or add/change your trusted contact person.



We send our best wishes to all the moms out there and the moms in your lives this May 13th (and every day)!



### Investor 360° Secure Messaging

You can use Investor 360° to exchange sensitive information and documents with our office. The messaging system adds a layer of encryption, helping to keep your personal and financial information secure. Look for the "Messages" tab when you log in to Investor 360° and give us a call if you have questions or need help using this feature!



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## Selective Attention | Bob Haley

In the last newsletter I encouraged readers to watch the YouTube video "Selective Attention Test." I have no idea how many readers did so, but I will give away the message now. It is a video with instructions to count the number of times members of a team pass a ball back and forth to each other. At the end the correct number is given, but then the question is asked: did you see the gorilla? I confess. I missed the correct number of passes by one, as I was so intent on counting the passes that I did not see the gorilla. I was stunned when I saw the replay.

This is a really important lesson, even for those who did see the gorilla. It is human nature to focus on an issue or a task to such an extent that the bigger picture can be missed or minimized. During one's working life success comes from education and training, discipline, good work habits and focus. But so often people neglect their families and friends, and/or fail to take care of their own physical and emotional health.

Many investors focus on performance or potential fluctuation, instead of what is really important – investing in a strategy designed to help achieve financial goals. If a family has all the money it will ever need, it can invest the "excess" and not worry about losses, or that same family can leave their money in cash and not worry about fluctuation. But for those who need to grow their wealth by investing, then the "big-picture" focus needs to be on the mix of equities and fixed-income investing that will most likely generate long-term financial stability.

Our responsibility is to help clients define their goals, build strategies designed to meet those objectives, and then help clients stay focused and disciplined so that the strategies can be given time to work. One of our greatest joys is to see our clients enter retirement with the confidence that the financial side of their lives is stable and well-organized, so that now they can live the lives they worked so hard to achieve.

## Goodbye Goldilocks | Ted Haley

2018 has been an exciting year in the markets so far, but when we peer past the large number of exciting headlines we find that things are actually just back to normal.

2017 was remarkable because almost all markets were relatively calm and stable, and US stock markets went up consistently every month. That predictability and consistency is extremely rare, and yet, as a whole year passed under those conditions the calmness began to feel like the norm. People even started calling it the "Goldilocks market," because everything seemed just right. January of 2018 was also quiet and US stocks rose nicely, in a pattern consistent with the previous year.

Then, in February, markets "fell off a cliff," according to some commentators. US stock markets fell 10% or so, international markets were down as well, bonds struggled, and most asset classes suffered. As you know, we have been cautioning about a drop like this for some time, and so were not surprised to see these changes. We would not have been surprised to see US stocks fall even further, just to get back to "normal." However, stock markets swung back up and quickly turned positive for the year, then swung negative again, and now are roughly equal to where 2018 started. Bonds are mostly down a little bit, as our economy is doing very well, which leads to higher interest rates and higher inflation, both of which are a headwind for bond values.

Given all this, a logical question would be "Where is it all going from here?" As always, the future is unpredictable, and we do not believe in trying to time the markets by guessing what will come next. However, we do expect the large swings up and down to stay with us, as we appear to have left the "Goldilocks" period and returned to the "normal" wilderness of the markets.



Connect with Bob



Connect with Ted



## Preventing Elder Financial Abuse



Recently, members of our team attended a seminar on the recognition and prevention of financial abuse of seniors or elders. We learned that approximately 1 in 10 Americans age 60 and older have experienced some form of financial abuse. New legislation is being formulated at all levels of government to help combat the problem, but in the meantime, it is important to recognize the signs of abuse so we can help prevent it.

Generally speaking, elder financial abuse is when a trusted individual, such as a partner, neighbor, or caregiver, steals or misappropriates the financial resources of an elderly person, or maliciously attempts to control that person's financial resources. This results in the diminished capacity of the victim to support him or herself financially, possibly becoming dependent on their abuser.

Red flags which may indicate possible abuse include abrupt changes to wills, trusts, or beneficiaries, or the use of a new, unexplained mailing address. A caregiver or family member might start restricting access to an elderly person, or insisting that they be present for all conversations with that person. Other signs include the sudden lack of access to money or evidence that they are receiving poor care despite having money.

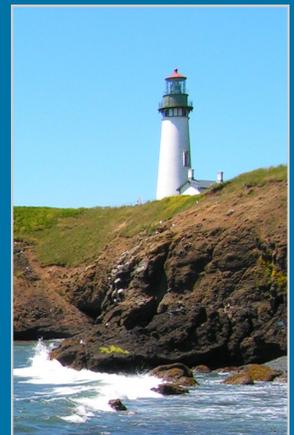
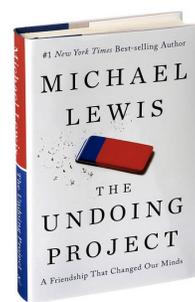
We believe that the best way to prevent financial abuse—for elders or otherwise—is to establish a strong network of family, friends, and (of course), fiduciary advisors! Many of our clients choose to involve their loved ones or heirs in the financial planning process with us. We love to develop these sorts of relationships, so please let us know if this is something that might be of interest to you.

## Book Recommendation: The Undoing Project

This quarter we are excited to share our first ever book review, and we are choosing *The Undoing Project* by Michael Lewis. He wrote *Moneyball* and *The Big Short* (which were made into successful movies). Mr. Lewis writes technical books that read like suspense novels. They are fun and easy reading, and yet his topics are timely and important.

*The Undoing Project* is the story of the friendship of two psychologists, Amos Tversky and Daniel Kahneman. It is also the story of their collaborations in the study of decision-making. The book relates the progression of their research and the formation of their theories. Their work is so important that Kahneman, who was never an economist, won the Nobel Prize for Economics. (Tversky undoubtedly would have shared that prize but he died before the award was given.)

If *The Undoing Project* proves interesting, the next book to read might be Kahneman's *Thinking, Fast and Slow*. If you read either of these, please let us know your reactions!



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### Office Closures

Memorial Day  
May 29<sup>th</sup>

Independence Day  
July 4<sup>th</sup>

Labor Day  
September 4<sup>th</sup>

Thanksgiving  
November 22<sup>nd</sup> & 23<sup>rd</sup>

Christmas  
December 24<sup>th</sup> & 25<sup>th</sup>

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