

## Upcoming Events

**October 26:** DFP Client Appreciation Golf Tournament!

**November 6:** DFP "Will Plan 4 Food" food drive kick off!

**November 26-27:** Thanksgiving Holiday. Our office & the NYSE will be closed.

**December 23:** Holiday pie pick-up party!

**December 25:** Christmas Holiday. Our office & the NYSE will be closed.

**January 1:** New Year's Day Holiday. Our office & the NYSE will be closed.

### Inside this issue:

Biggest Investment Mistakes	1
Biggest Inv. Mistakes (cont.)	2
Estate Planning Considerations	2
Fact vs. Fiction	2
\$35 IRA Fee & Tiny Tidbits	3
DFP Happenings	4



## Dignum Financial Partners

Partnering with You

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### The Biggest Investment Mistakes to Avoid Now

**Mistake: Thinking that this year will be different from any other year.** From an investor's viewpoint, this year is no different from any other year. It really doesn't matter whether interest rates are high or low and whether the market is overvalued or undervalued—the same basic rules of investing apply.

If you purchase the stock of a well-managed company and hold it for the long haul (at least 10 years), your investment will likely appreciate. Conversely, if you buy the stock of a poorly run company, your investment will probably depreciate.

**Mistake: Becoming too concerned about whether the stock market is going up or down.** Instead of panicking during market declines, investors should expect periodic drops and make the most of them.

During the past 93 years, there have been 50 occasions when the market declined by 10% or more—roughly once every two years. And of those 50 occasions, there were 15 declines of 25% or greater—once every six years or so. *Point:* Expect these declines—and take advantage of them by accumulating stocks that you think will perform well in the future.

**Mistake: Trying to time the market.** Attempting to forecast whether the market is at a peak or in a valley—and whether to buy or unload stocks as a result—is a waste of time.

I don't know anyone who has been right more than *once in a row*. The only thing we know for sure is that drops are inevitable. More important, historically the markets have tended to advance more than they have declined. There is no guarantee that this trend will continue in the future.

**Mistake: Not knowing the story behind the company in which you are buying stock.** You should be able to explain, in no more than three minutes and in simple language, why you like a particular stock. Does the company have a market niche all to itself, without any competition? Does it operate in a steadily growing market and have a wonderful balance sheet?

Purchasing stocks is not a wild gamble. Just thinking *This stock is a cinch to go up* doesn't work. You have to research a company before you invest in it.

I'm amazed that people will spend more time pondering the purchase of a microwave oven or trying to save \$100 on an airplane ticket than they will on researching a stock tip they received from a golfing buddy.

### Financial Fact vs. Fiction

**Fiction:** “Buy and hold” should be the only maxim investors live by.

**Fact:** Taking a long-term approach is a sound investment strategy, but that doesn’t mean every investment purchased should be kept forever. Changes in your personal situation, the market, or within the management team of a specific investment may necessitate a change in your holdings. The key is to employ an appropriate asset allocation strategy, matched to your goals, time horizon, and risk tolerance.

**Fiction:** If I’m not happy with the new terms of a credit card, I should close it as soon as possible.

**Fact:** Your first instinct may be to terminate the agreement, but be careful about hastily closing accounts. This can lower your credit score, especially if you close older accounts with lengthy credit histories. Rather than cancel an account, use the card for small purchases and pay off the balance quickly. This will maintain your credit score and keep the card company from closing your account for nonuse. In some instances, you may be able to negotiate better terms. Check with your credit card company to find out.

Source: *Commonwealth*

## The Biggest Investment Mistakes to Avoid Now —Continued from Page 1

**Mistake: Buying stocks for the short term.** Over a period of one or two years, stock prices are totally random. Thus, if you’ve accumulated \$50,000 or \$60,000 for your child’s education and he/she is preparing to start college in September, you have absolutely no business putting that money into stocks or stock mutual funds because you think you can earn more than you would if you left the money in the bank. As I said before, stocks are for long-term investors who plan to hold their high-quality holdings for at least 10 or 20 years.

Savvy advice? This article was written March 1, 1994 by Peter Lynch, and these same principles still apply today!

Source: *Bottom Line/Personal*, March 1, 1994

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### Estate Planning Considerations

Proper estate planning can certainly make things easier for all involved. The ones who do their estate planning can rest assured that things will be distributed as they wish once they have departed. Those administering the estate (executor) can easily follow the directions that were laid out and avoid arguments between beneficiaries. Beneficiaries are clear when it comes to what was bequeathed by the deceased.

- ◆ Be sure your family knows where to find your Will, Powers of Attorney, Medical Directives and other legal documents.
- ◆ Be sure to coordinate your beneficiary information (on IRAs, retirement plans, insurance policies, etc.) with your estate plan.
- ◆ Be sure to update your estate plan as necessary (death of an executor or trustee, divorce or marriage, etc.)
- ◆ Consider making charitable gifts during your lifetime rather than at death. This will help reduce your taxable estate and allow you a tax deduction (subject to limitations). Also consider making these donations utilizing your IRA, helping you to avoid income tax on the assets!

However, even with the best plans in place, there are still some assets that won’t fit into a simple estate plan. The following are a few examples of those “tricky” items that you may need to further discuss with your estate planning attorney:

- ◆ Vacation Homes: discuss possibly putting these into a trust, so the trust can dictate the conditions the house can be sold, the sharing schedule, who pays for upkeep, etc.
- ◆ Pets: look into a “pet trust”, where you can explain who takes the pet and how much money is provided for its care and even leave care instructions.
- ◆ Airline Miles: many times these are not able to be passed down, so ask your airline about your options
- ◆ Your Digital Assets (email accounts, picture and video storage sites, social networking sites, domain names and backups): talk to your estate planning attorney about incorporating these assets if they are important to you.

Source: *Money.com*, September 2015

## What is this \$35 annual fee invoice I have received?

**Why are you being charged a fee?** The invoice you received is for the retirement account maintenance fee National Financial Services (NFS) charges to all retirement accounts it holds. This is an industry-standard fee that NFS and other firms charge to cover the expenses for providing tax reporting services to your account.

**How do you pay the fee?** The remittance envelope you received includes a series of boxes on the back, which you can use to keep track of the steps involved in the payment process. The payment can be made by check to:

National Financial Services LLC  
PO Box 770001  
Cincinnati, OH 45277-0005

If you have any additional questions regarding the fee, please don't hesitate to contact us.

### Tiny Tidbits

#### Did you know.....

- Oil is the world's leading source of energy (ahead of coal, natural gas and nuclear energy), responsible for 32.6% of global energy consumption. However, oil's share of worldwide energy utilization has declined each and every year for the last 15 years, i.e. 2000-2014 (Source: BP Statistical Review of World Energy 2015).
- China was responsible for 50.6% of the consumption of coal globally in calendar year 2014 (Source: International Energy Agency).
- The number of Americans that have been jobless at least 27 weeks has dropped 66% in the last 5 years (from 6.506 million on 7/31/10 to 2.180 million on 7/31/15), but remains +69% above where it was 8 years ago (from 1.291 million on 7/31/07 to 2.180 million on 7/31/15) (Source: Department of Labor)
- In the preceding 3 years, the consumer price index (CPI) has reached at least +2% on a trailing 12-month basis in only 3 of the last 36 months. The Federal Reserve's target rate of annual inflation for the United States is +2% (Source: Department of Labor)
- There are 2.8 workers (paying payroll taxes) for every one Social Security beneficiary in 2015, i.e., there are 36 Social Security beneficiaries for every 100 covered workers today. There will be an estimated 2.2 workers for every one Social Security beneficiary in 2030, i.e. there will be 45 Social Security beneficiaries for every 100 covered workers in 2030 (Source: SS Trustees 2015 Report)

### Steps to accessing your account online

To view your account online:

1. Visit our website at [dignumfinancial-partners.com](http://dignumfinancial-partners.com).
2. On the left hand side of the screen, click on "Access My Accounts".
3. Click on the Investor360 button.

If you have never accessed your account online and would like to get started, please feel free to contact us. We will be able to get you all set up in less than 5 minutes!



Don't forget to follow us on Facebook and Twitter as well!



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*Dignum Financial Partners does not provide legal  
or tax advice. You should consult a legal or tax  
professional regarding your individual situation.*

### DFP Happenings

- On October 26th, we will be hosting our annual Dignum Financial Partners Client Appreciation Golf Tournament. Invitations were emailed mid-September and registration is now open! Please make sure to reserve your spot, as space is limited to the first 72 players!
- On November 6, we will kick off our annual “Will Plan 4 Food” food drive. We will collect non-perishable food items in our lobby through the holidays to donate to the Tarrant Area Food Bank. Each year we have surpassed the prior year on the amount of food donated, so we look forward to see how many pounds we are able to collect this year!
- November 12-15, Kim will be in Washington D.C. attending Commonwealth’s Annual National Conference. This is a great opportunity for Kim to hear industry experts on the economy, proposed changes in legislation and new investment opportunities.
- We will be ordering holiday pies again this year through Paris Coffee Shop. Information will be emailed after Thanksgiving, so please be sure to watch your inbox to reserve your pie for the holidays! The pie pick up party will be held in our office on Wednesday, December 23rd!