

TOWNSEND

NEWSLETTER

2019 SPRING EDITION



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www.TownsendRetirement.com

QUARTERLY COMMENTARY – Jeff Townsend, CRPC®

Relative Strength of the Market:

POSITIVE

As of this writing (03.14.19) we have seen a full recovery of the “Christmas massacre” and are ahead of where we were a year ago. Had we not looked at our statements in the fourth quarter and only focused on our economic data such as job growth, wage growth, corporate earnings, dividend increases, corporate stock buy-backs and low inflation, we could have easily concluded that 2018 was a not a good but a great year.

Between September 20 and Christmas Eve the S&P 500 was down almost 20%. Almost half of that decline came in the two weeks prior to Christmas. The only people who sustained

realized losses were those who sold into the Christmas decline. While we did receive a dozen or so calls or emails during this time, I’m happy to report that with a little - OK, maybe a *lot* - of reassuring from us, clients stayed the course and avoided turning their unrealized losses to permanent ones.

I suspect that most of our clients believe that they are paying us to make them money, but I believe that where we really earn our keep is in behavioral coaching. It’s our goal to help our clients become goal-focused lifetime investors who consider declines as buying opportunities!

Year-to-date, the market has put on its best early performance in the last three decades. Our economy did slow a bit as

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NEWSWORTHY ITEMS:

ENVIRONMENT

Global warming ... Fact or Fiction? Ian Rutherford Plimer is an Australian geologist, professor emeritus of earth science at the University of Melbourne, professor of mining geology at the University of Adelaide, and the director of multiple mineral exploration and mining companies. He has published 130 scientific papers, six books, and edited the Encyclopedia of Geology. He seems to be a credible person! See what he has to say about global warming by going to Google and type in his name. Always good to receive information from both sides of this discussion don't you think?

ECOMOMY

Don't read too much into February's jobs report. Just 20,000 new jobs, as the unemployment rate fell to 3.8% and wage growth went up has made it harder for employers to hire. We believe that job gains of over 100,000 per month is most likely. *Source: Kiplinger Report*

Forget minimum wages! Some Congress members are proposing a "basic income" with no work requirements! Are you kidding? *Source: Kiplinger Report*

This will be another busy travel year. A solid U.S. economy, more and cheaper flight options, and more cruise ships entering service are the reasons. *Source: Kiplinger Report*

Homesales will pickup due to increased inventories, however, expect the price of homes to still get higher but not as much as seen over the past few years. Increases will mostly be seen in starter homes. *Source: Kiplinger Report*

Spring Client Events:

Presentations:

April 18 | A Blueprint for Successful Aging Presentation
Downtown Aquarium

May 2 | Your Data Shows | Downtown Aquarium

May 16 | Retirement Presentation | Downtown Aquarium

Ladies Golf Clinic:

Learn to play golf this spring! In just four lessons you'll learn important skills and etiquette, focusing on putting, chipping, pitching, your full swing and on-the-course experience. Last year Townsend ladies loved learning how to play golf!

May and June Sessions | Legacy Ridge Golf Course

Client Golf Tournament:

June 22 | Client Golf Tournament | Legacy Ridge Golf Course

Spring Social Club Events:

Check your emails regularly for more-detailed information.

Townsend Sew n' Sews | Quilting Club:

Join the Sew n' Sews as they learn new techniques!

April 24 | Townsend North Office

Screaming Eagles | Motorcycle Club:

Join the Screaming Eagles for a motorcycle ride this spring!

May 18 | First ride of the year! Please check our website for ride details.

Townsend Triggers | Clay Shooting Club:

13600 Lanewood St., Brighton, CO 80603

June 30 | 9 a.m. | Colorado Clays

You are always welcome to bring a friend to join in the fun! To receive more information or to R.S.V.P. to any of the Townsend events, please contact the office at 303.452.5986.

**We look forward to seeing you
at the events listed above!**

Employee Spotlight



Annette Gomer

Administrative Assistant

Annette has watched our firm grow as she has warmly welcomed clients into our office over the past 12 years – in fact upon joining the team, her first responsibility was to help facilitate the office moving to our current location. Annette’s responsibilities include greeting clients both in person and over the phone. In addition, Annette is also responsible for ordering office supplies, mail, keeping forms updated, copied and ready for use, and several other duties as needed.

Get to know Annette ...

- I was born in Denver and have lived in Colorado all my life. Grew up in Westminster attending Westminster High. I have two sisters who live in Colorado.*
- I have two daughters. My oldest lives in Arvada with her husband, and the youngest lives in Fort Worth, Texas with her husband and my two grandchildren, who are both in high school. I travel to see them as often as I can and they come to visit “Grammie” about twice a year. My family mean so much to me and I have been blessed to have them as a part of my life.*
- My faith in God is a very big part of who I am and what I do. My church family is a great support to me and I enjoy spending time with them in Bible study and fellowship as well.*
- In my spare time I really enjoy gardening and crafts. Spending time with friends; sharing meals, shopping, playing cards and other games and watching movies.*
- My job with Townsend has been a great fit for me. I do so many things, that my duties change from minute to minute most days. This keeps me moving and makes the time go fast. My responsibilities allow me to use skills and knowledge learned over my lifetime. I am very blessed to have my position with Townsend, being a part of the Team, and being able to be of service to our clients! I have really enjoyed getting to know clients, and consider many of them my friends.*

NEWSWORTHY ITEMS:

PENSIONS

Lockheed Martin Corp has recently announced it has transferred about \$1.8 billion of its pension obligations to Prudential Insurance Company. Approximately 32,000 of Lockheed Martin’s retirees will now receive their monthly pension benefits payments from Prudential as part of the buy-out agreement. Lockheed is the latest major corporation to transfer their pension liabilities to insured annuities. FedEx, Raytheon and Alcoa have done the same thing in the past year. *Source: Financial Advisor Magazine*

TAXES

The tax system explained in beer! Check out this short animated video on YouTube. Go to YouTube and type in “The tax system explained in beer.” Cheers! *Source: Kiplinger Report*

According to the treasury department, tax refunds are down. Many workers thought that with the new tax law that became effective in 2018 that they would see bigger refunds. The reason is because tax withholdings from paychecks went down.

Source: Kiplinger Report



Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Townsend), or any non-investment-related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Townsend. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. Townsend is neither a law firm nor a certified public accounting firm, and no portion of the newsletter content should be construed as legal or accounting advice. A copy of the Townsend’s current written disclosure statement discussing our advisory services and fees is available upon request. If you are a Townsend client, please remember to contact Townsend, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.



Will Your Life Insurance Policy Lapse Before You Do?

By: Christine White, CFP®

Did you know that your permanent life insurance policy could lapse even though you are paying premiums? No? Well, keep reading to gain a better understanding on how life insurance policies work and why yours might need a checkup.

Let's take a step back. To begin with, there are two main types of life insurance, term and permanent life insurance. The basic function of term insurance is to provide a defined death benefit for a set number of years at a predetermined cost per year. At the end of the term, there is no value because it does not build cash value. Permanent life insurance can provide protection for your entire life and does accumulate a cash value. If you have purchased whole life, variable life or universal life, this is a familiar concept to you.

Permanent life insurance is sold primarily through the use of an illustration. This illustration will include both a guaranteed and non-guaranteed illustration of how the policy could perform. The guaranteed portion is based on the guaranteed interest rate/performance within the policy and maximum charges/expenses. The non-guaranteed portion is based on current performance and current charges/expenses. It is for this reason that it is important to check up on your policy every one to three years by requesting an in-force illustration.

The projections within the original sales illustration may be different from what actually happens. It is important to be proactive in the maintenance of your life insurance policy because insurance companies and agents are notoriously known for not contacting an insured until it's practically too late to resurrect the policy. As the owner and insured you have the ability to request an in-force illustration, so you can evaluate the performance of the policy and make a new projection of how the policy may perform in the future. Both universal

life and variable life policies provide flexibility in premium payments, which means that you can stop, reduce or increase premium payments at any time. When you call your insurance company to request an in-force illustration, you will want to ask them to run it based on the current amount of premium you are paying. Be prepared that you may need to wait several days or weeks to receive this from the insurance company.

Once you receive the illustration, we are available to help you understand what it shows. The most important thing to note is when the policy will lapse based on both current policy costs/returns and based on maximum guaranteed policy costs/returns. If you anticipate living until age 95 and your policy lapses in a reasonable scenario at age 88, then you might need to make some changes to the policy. These changes could include reducing the death benefit and/or increasing premium payments. If it is a variable life insurance product, we will also want to look at how it is invested, and possibly make some changes based on your long-term objective.

Permanent life insurance can be a complicated product. Our goal is to ensure that it continues to meet its original objective. A starting point for that conversation will always be an in-force illustration.

Please feel free to contact our office with any questions.

*Did you know...
0% of your
planning fees
go toward
client events!*



(Quarterly Commentary continued)
expected in the fourth quarter. However, our GDP had a 2.6% increase in the fourth quarter. This was much better than feared! Other positive news was when the chairman of the Federal Reserve announced that they would take a wait-and-see approach before continuing their interest rate hikes.

One of the fears of the fourth quarter was our trade deal with China. The fear of increasing tariffs is likely pushing China toward a resolution. Assuming the comments by our administration officials are correct, a trade deal could happen soon.

Corporate earnings are tightening but still growing nonetheless. Reasonable earnings in a low inflationary environment and with a more-patient Federal Reserve may well help our ten-year bull market to live on. I will not pretend to know if or when the markets will go lower or when we'll go into a recession (and we will at some point), but history tells us that long-term investors will do well.

In conclusion: Superior long-term returns always have been and always will be available to people who are emotionally capable of embracing uncertainty and don't panic during market declines regardless of the reason. When will we ever learn that it's not about trying to *time* the market, it's always about the time *in* the market?

Should you have any questions or comments, don't hesitate calling or emailing us. Thank you for your continued trust and confidence in us and allowing us to serve you.

Townsend

303.452.5986 office

800.578.9896 toll-free

www.TownsendRetirement.com

Townsend Client Corner

Townsend Knitters | Little Hats Big Hearts - Donation | January 2019



Townsend Adventure Club | Dance Classes | February 2019



Townsend Sew n' Sews | Quilting Fun | February 2019



Cayle's Connection

Giving Back

After our wonderful celebration breakfast with all of you who volunteer at our various opportunities, I wanted to highlight a volunteer near and dear to my heart. Our daughter Nellie volunteers regularly for The Good Dog Rescue, helping to find homes for dogs rescued from shelters. She also fosters dogs – talk about a big heart! Visit www.thegooddogrescue.org for more information.



Happy Townsend clients who adopted a puppy from the rescue shelter!

Things to Know

For those of you with young children or grandchildren, there's a child-specific search engine supported by Google which prevents things that may not be appropriate for them. Check out www.kiddle.co (not com).

The troll is returning to Breckenridge! We tried twice to see it when it was in the first location but were unsuccessful both times. It will be rebuilt sometime in May and I plan to check it out. <http://tinyurl.com/y2vobjxq>

Have you purchased your tickets to see the Leonardo da Vinci: 500 Years of Genius exhibition? We have ours and can't wait to learn more about this incredible man. <http://tinyurl.com/y3c4k4dp>

For you photography buffs, there's an exhibit at the Longmont Museum that celebrates Ansel Adams and his early works. <http://tinyurl.com/y38xemv3>

Afternoon Fun

Axe throwing. Yes, you really get to throw an axe at a target. Sounds like a team-building activity! <http://tinyurl.com/y3u7ed77>

Escape room. I've never tried escape rooms, but hear it's fun. <http://tinyurl.com/y4atqsa6>

Fifty Two 80s. Anyone have fond memories of the 1980s? Covering a span of about 15 years during the '80s and '90s, the entire shop is a museum of pop culture, remembered in toys, clothes, and memorabilia. I may have to take my daughters and check this out! <http://the80sareawesome.com/>

Scavenger hunt of Denver. Twenty-plus challenges. Two hours. One epic adventure. Your team will solve puzzles, complete challenges, and explore historic landmarks. On this modern-day treasure hunt in Denver you will compete for the top spot in your city. <http://tinyurl.com/y4jbaudo>

The Wild Animal Sanctuary. This amazing facility rescues animals from horrific captive situations and rehabilitates them so they can live and roam freely within large natural habitats with others of their own kind. It's an amazing way to see lions, tigers and bears close up. <https://www.wildanimalsanctuary.org/>

Spring Blessings!
~Cayle Townsend



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Kaitlin Bell x 232
Renee Michel x 223

**For Performance Results, Profile Updates
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