

Things To Keep In Mind

Guest Op-Ed by David Ott, Acropolis Chief Investment Officer

There has been a lot of talk about what the future of our markets is going to be – based on our new president, world events, or a thousand other factors. What should investors do about the uncertainty in the short term?

First and foremost, investors should make sure that they are comfortable with how much of their account is invested in stocks. While stocks give us the highest potential for returns, historical data shows how much stocks have the potential to lose substantially as well. And while past performance isn't necessarily indicative of future performance, it's a fine starting place.

Second, investors may want to keep a reasonable portion of their portfolio in international stocks. If you're utilizing an ATRA, you're already doing that! One of the biggest criticisms of US stocks right now is that they are overvalued, or trading at prices historically higher than normal compared to their fundamental value. Right now, foreign stocks are trading much closer to normal valuations.

What is a Fiduciary?

By Amy Crews, QKA

If you've heard the word "fiduciary" in the news lately, you may be wondering what it means? A basic definition of a fiduciary is a person to whom property or power is entrusted for the benefit of another. For retirement plans, being a fiduciary means one must act solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them.

The reason that the word fiduciary has been in the news a lot recently is because the Department of Labor (DOL) approved a "fiduciary rule" last year, which originally was scheduled to take effect April 10, 2017. That is likely to be delayed due to the new Administration's request for a review of the new rule.

Why was there a need for the fiduciary rule in the first place? Shouldn't everyone have your best interests at heart without a law requiring them to do so? Yes, but unfortunately that is not always the case. Prior to the fiduciary rule, many investment professionals were bound by a "suitability" rule,

Third, investors should avoid the temptation to time the market. Widely respected economist Robert Shiller "predicted" the tech bubble using all kinds of technical calculations and tools. But even he couldn't do it accurately - he made his case in 1996, four years before the bubble burst. During that time, the S&P 500 doubled in value. In 2008, he said he would wait until market activity reached a specific level before he would recommend buying back in. That level was never reached and he missed out on the subsequent rally.

Lastly, investors should keep their expectations in check. It is not unreasonable to expect lower returns in the coming few years than we've experienced in the past. It seems to me, quite simply, that if you pay higher than average prices for assets, you should expect lower than average returns. The opposite is true as well; if you pay lower than average prices for assets, you should expect higher than average returns.

But that is in the short term. If your time horizon is sufficiently long (and your time horizon is probably longer than you give it credit for – especially when it comes to planning for your retirement), these tips may help guide you.
This is not intended to be personal investment advice.

which required their investment recommendations to be suitable for your investment objectives, but it did not address investment costs. The DOL created this legislation to require **all** brokers and advisors to act as *fiduciaries* so as to also factor in cost when making recommendations, and protect people from being taken advantage of in their investments (with exceptions for certain products).

What do you need to know as a retirement plan participant? Fiduciaries for your plan already have a legal duty to act in your best interest in everything



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related to the plan. Your plan's trustees are fiduciaries. Acropolis is a fiduciary because we serve as a Registered Investment Advisor (RIA), and as such, we are required to put your best interests first *at all times*. Acropolis works diligently to keep plan fees low, including offering low cost, high quality investments in your plan.

The fiduciary rule is designed to protect against those who may not have your best interest at heart. Since Acropolis has always served as a fiduciary, you can rest assured that we will continue to act solely in your best interest.

Ask Acropolis

By Debra Moran, QPA, QKA

Q: What is a “credit freeze” and why would I want to use it to protect my credit?

A: Doesn't it seem like there is a new data breach in the news each week? The number of U.S. data breaches tracked in 2016 hit an all-time record high of 1,093, according to a new report released by the [Identity Theft Resource Center](#) (ITRC) and [CyberScout](#) (formerly IDT911). This represents a substantial hike of 40 percent over the 780 reported in 2015.

One way to protect yourself from data breaches is with a tool called a credit freeze. A credit freeze, also known as a security freeze, is a tool that lets you restrict access to your credit report. Most creditors need to review your credit report before they will approve a new account. If they can't get access to your file, they may not extend the credit. So this can be effective in making it more difficult for identity thieves to open new accounts in your name.

Freezing your credit files has *no* impact whatsoever on your ability to use your existing lines of credit, such as credit cards. You can continue to use them as you regularly would even when your credit is frozen.

Freezes have been available as a free service to victims of identity theft for some years, but recently all three of the major credit bureaus adopted new rules allowing anyone—not just victims of identity theft—to have access to credit freezes as well, for a small fee. The cost ranges from \$3-\$10 per person per bureau to freeze a credit report, although



there are a couple of states that charge higher fees. The cost to “thaw” your reports for a specific creditor—or for a specific period of time—ranges from \$0 (free) to \$10.

In order to prevent a criminal from compromising your credit, you must freeze your credit with all three credit bureaus: Equifax, Experian and Transunion. If you don't expect to open new lines of credit frequently, a credit freeze is well worth the little it costs to prevent new accounts from being opened in your name.

It is important to realize, however, that freezing your credit won't affect your current accounts. So, if a thief steals the information on an existing account, your credit may be used without your permission. But a freeze keeps *new* accounts from being opened without your approval.

Not many people open new credit frequently so it could be one great method to prevent yourself from becoming a victim of identity theft. If you do need new credit for a mortgage, car, etc., just “thaw” your credit report when you want to apply for the loan. This lifts the freeze long enough for the lender to review your report and extend you the credit, and then you can re-freeze your report.

Another option is to put a “fraud alert” on your credit. This isn't a freeze, but will prompt the credit agencies to require companies inquiring on your account to take extra precautions before opening new accounts in your name. It is important to remember that the fraud alert expires in 90 days and you must remember to renew it. If you have a police report that proves identity theft, you may request an extended fraud victim alert which lasts for seven years.

Bottom Line: Always monitor your own credit reports to spot errors and fraudulent activity. If you want to take security a step further, consider instituting a credit freeze.

Acropolis was born from a *simple* idea:

In an industry where high quality, objective advice is hard to come by, we can make a difference by putting the client's interests above our own.

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