



VECTORS & VIEWPOINTS®

VECTOR: SMALL CHANGES MAKE A BIG DIFFERENCE



WHAT INVESTOR'S "KNOW": VOLATILITY AND UNCERTAINTY

Kent Kramer, CFP®, AIF®, Chief Investment Officer



READ TIME
3 minutes

During the fourth quarter of 2018, some louder voices in the financial news media were likening the market losses and volatility of December 2018 to the Great Financial Crisis of 2008 or even the Great Depression. While these statements get viewer's attention, it seems a little perspective may be helpful.

During the height of December's volatility, Cliff Asness, head of global investment firm AQR, noted that,

"The YTD annualized daily volatility of the S&P 500 as of December 17, 2018 is 16.5%. That puts it in the 66th percentile over history going back to 1928." ¹

He continued,

"So besides succumbing to the usual media hype, why do so many find U.S. stock markets in 2018 so stressful? Perhaps it's comparisons to recent times, particularly to 2017. Imagine we did the same exercise as above but now, instead, did it at the end of 2017. Well, the rolling similar length volatility of the S&P 500 on December 31, 2017 was 6.9%. That was indeed extremely low, falling below the 1st percentile of historical experience. *So, it's very possible we may just be comparing today (a slightly more volatile than normal period) to an abnormally calm period.*" ¹ (italics mine)

During periods of high market volatility and downturns, especially after a long period of positive returns, the

temptation is to think that everyone else **knows** where things are going and that it's time for you to take some action too.

Author Peter Bernstein, summarizing John Maynard Keynes on why long-term investors are so scarce, writes,

"When you know only a little and you know you know only a little, it is tempting to believe others may know more, especially when markets are moving strongly in one direction or another." ²

But Keynes' conclusion and financial history reveals little to no evidence that there are people out there who consistently **"know"** exactly what the markets will do next. And, while not a complete reversal, early January market returns seemed to repudiate the certainty of the dire fortune-telling heard just weeks earlier.

Foster Group investment principle number two reads, "Embrace Uncertainty". It doesn't mean we have to like it, but uncertainty about the future is fundamental to understanding ourselves and market performance. If we hope to realize the potential long-term growth associated with riskier assets, like stocks and real estate, we must be willing to go through periods of volatility and decline. 2019 will likely be no exception as risk and return are still related.

1. www.aqr.com/Insights/Perspectives/Once-More-Without-Feeling
2. Peter L. Bernstein, Capital Ideas Evolving



WHEN FRAUDSTERS STRIKE



READ TIME
2 minutes

Kate Juelfs, SPHR®, Director of Service

If you are a victim of fraudulent activity, securing your compromised identity can be overwhelming. Here are a few critical steps to this process.

One of the first steps you should take is to place a fraud alert with the three major credit reporting companies: Equifax, Experian, and TransUnion. You may wish to request an extended fraud alert with these three companies. While this type of restriction is cumbersome, it will require any company issuing credit in your name to verify that you are actually attempting to open a line of credit. This type of restriction is free and is good for seven years.

During this process, don't forget to report the fraudulent activity. Fraud is often underreported, as victims feel embarrassed or overwhelmed. Nevertheless, make sure to report financial fraud, no matter how small. It will help agencies put a stop to the fraud, help bring justice to fraudsters, and minimize the impact of future fraud.

Next, if there has been confirmed fraud or if you confirm your information was compromised, notify all financial relationships of the issue. Foster Group works closely with our custodians to identify how to help mitigate risks of financial damage and protect your personal information. Potential solutions may involve

issuing new account numbers or requiring verbal authorization directly with the custodian. Foster Group already requests verbal verification from you for several types of transactions to identify any fraudulent activity.

To help protect your financial and personal information, remember:

- Always shred all of your paper records.
- Be cautious when you use public wireless networks and use security software when you do.
- Be wary of companies or individuals that request your full social security number or full bank or financial account number.
- Don't respond to phone calls or emails that purport to be from the IRS. The IRS always contacts you first by mail.

If you fear your personal information or financial accounts have been compromised, please contact our office. If you ever have a question about mail you receive directly from Foster Group, from your custodian, or an email or confirmation of something you weren't expecting, remember that reporting this activity early can be helpful if fraud is later confirmed.

NEW CERTIFICATIONS



KADIN WHITE, CHFC®

The Chartered Financial Consultant® (ChFC®) designation represents completion of a comprehensive course consisting of financial education, examinations, and practical experience. It currently requires nine college-level courses. Required courses cover extensive education and application training in financial planning, income taxation, investments, and estate and retirement planning. Kadin currently is the only Foster Group employee with this certification.



WADE A. DEN HARTOG, MBA, CAP®, CFP®

The CERTIFIED FINANCIAL PLANNER™ designation (CFP®) indicates that an individual has comprehensive knowledge in all areas of financial planning, including insurance, risk management, employee benefits, investments, income tax, retirement, and estate planning. Wade joins 18 other Foster Group employees with this important certification.



Brent Carlson and
his daughter, Stella

IN THE COMMUNITY

*Brent Carlson, Advisor, joins us for a short Q&A
about his involvement with Balance Autism.*



READ TIME
1 minute

1. What is your role with Balance Autism?

I am a Board Member of Balance Autism and serve on its Resource Utilization Committee.

2. Why did you decide to volunteer with Balance Autism?

Our daughter, Stella, has autism. Balance Autism and its staff have had a profound long-term impact on my family. At a young age, Stella participated in their Children Services, receiving Applied Behavior Analysis therapy. While in the program, she made strides I didn't think were possible. The compassionate staff were committed to delivering innovative therapies tailored to her needs.

3. What do you like best about this volunteering opportunity?

I have enjoyed encouraging the organization to expand its services across the state of Iowa, so that more children and families have access to the critical services they provide for an underserved population. It has also been an opportunity to honor the staff for their endless kindness and compassion. My family will ever be in their debt.



Sheila Kamerick,
FPQP™,
Client Service Specialist

EMPLOYEE SPOTLIGHT

What do you like most about working at Foster Group?

The thing I like most about working at Foster Group is the wonderful, kind, and talented people I get to work with every day. I also feel a sense of satisfaction when we help clients with their financial planning. Although I may not be their advisor, I get to do the work behind the scenes that helps facilitate the account openings, money movements, transfers, contributions, distributions, and any other operational tasks needed to be done.

Where is your favorite vacation spot?

The first is Austin, TX, because my son & daughter-in-law live there, plus they have so many amazing BBQ places. My husband and I have also enjoyed going to Ft. Myers Beach to get some relaxation in the sun! We also like to take our Indian Motorcycle down to southern Missouri (Branson) and northern Arkansas (Eureka Springs).

What is a random fact some may not know about you?

My husband and I have recently renovated the addition to our home that was originally built for my in-laws. Since they both passed away, we took some time to consider what to do with this space and have decided to try our hand at an Airbnb. It will be a fun new adventure for us!

NEW TEAM MEMBERS



SUNNY ROEDER,
CPA, MACC

Sunny Roeder is the Director of Finance at Foster Group. She is responsible for proactively leading all day to day corporate finance activities. Sunny earned her Masters of Accounting (MAcc) from the University of Northern Iowa and is also a licensed Certified Public

Accountant. She has experience in corporate planning, as well as accounting systems and analysis. Sunny lives in Bondurant with her husband, Brian, and two children. She enjoys camping and cheering for the Hawkeyes.



SARA ZIKA

Sara Zika is a Portfolio Analyst at Foster Group. Sara's responsibilities include managing client portfolios by rebalancing, making cash available for distributions, and investing in new funds. She graduated from Iowa State University with a degree in History. Sara grew up in Council

Bluffs, IA and makes frequent trips to see her family there. She enjoys traveling, playing games, seeing live music, and trying new restaurants.



DIANE EVANS

Diane Evans is a Client Coordinator at Foster Group. Her primary responsibilities include scheduling client and internal meetings, phone conferences, and travel arrangements for our Foster Group advisors, in addition to other administrative tasks. Diane previously worked as a receptionist at the Ames

branch of Vision Bank. She enjoys sewing, thrifting, and spending time with her family.

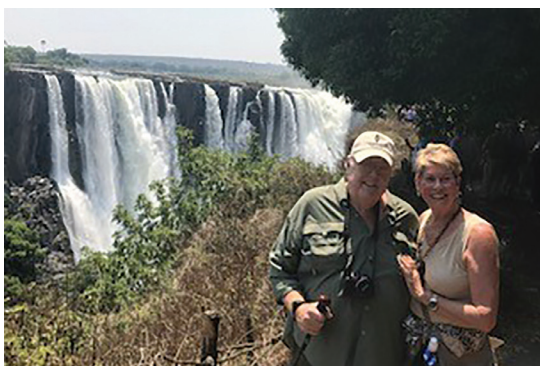
NEW TEAM MEMBERS CONTINUED



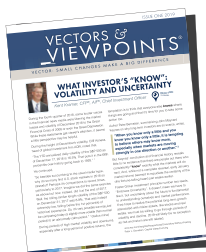
MOLLY GIBSON

Molly Gibson is a Human Resource Generalist at Foster Group. Molly is responsible for administration of the human resource function, payroll administration, and bookkeeping. She graduated from Iowa State University with a bachelor's degree in Apparel Merchandising, Design, and Production and a secondary focus of Human Resources. Molly has more than ten years of experience working in the financial services industry. In her spare time, Molly enjoys spending time with her husband and daughter as well as running and doing yoga.

WHERE IN THE WORLD



Bernie and Brenda Mouw are pictured at Victoria Falls in Southern Africa.

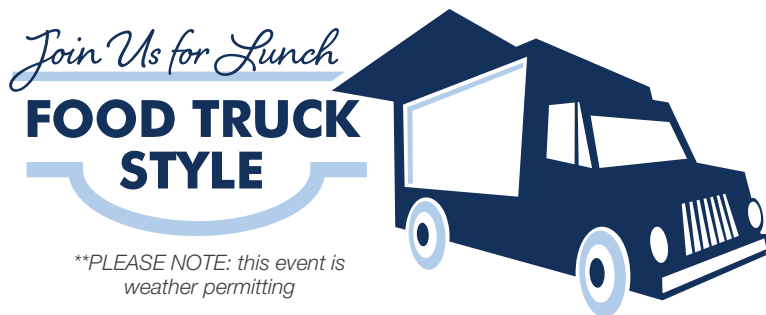


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6601 Westown Parkway, Suite 100
West Des Moines, IA 50266

VECTOR: SMALL CHANGES MAKE A BIG DIFFERENCE



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11:00 AM – 1:00 PM

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RSVP at fostergrp.com/events
or call 800.798.1012



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West Des Moines Office
6601 Westown Parkway, Suite 100
West Des Moines, IA 50266
515.226.9000

Omaha Office
8901 Indian Hills Drive, Suite 300A
Omaha, NE 68114
800.798.1012

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