



"We're always coming across interesting facts and stories, whether it is through our market research or just in our everyday lives in the Upper Peninsula. Our Newsletter is our opportunity to share these insights with you."

Mark A. Aho, MBA, CFP®, CIMA®
President, MAFG
Financial Advisor, RJFS



Dear friends,

It always amazes me when I listen to or read the general news stations of America how negative it spouts the overall situation in our great country. If one believes what is actually written or said (TV, Radio, Newsprint) one would be in a continual state of discouragement or glum. Add on top of this the continued barrage of negativity toward our current presidential administration and your head is being filled with so many bad things that it is no wonder why we have so much depression and doctors prescribing drugs. Some may be needed, however I sometimes believe if we could all think more positively, these drugs could be unnecessary for many. So let's take a look at the facts of the financial markets or the economy at this time.

- Maybe for the first time in this century, just about all of the major economies of the world are growing and many at an accelerated pace. This is occurring while we also experience restrained inflation rates.
- The U.S. unemployment rate in April was 4.4% down from 9.9% in April of 2010. Part-time workers are now being turned into full time workers. The labor force participation rate is also edging upwards.

Pictured left to right:
Lois Williams, Client Associate

Joe Jeeves, CFP®,
Financial Advisor

Mark Aho, MBA, CFP®,
CIMA®, President,
MAFG, Financial Advisor

Nicole Burony-Noble,
Registered Executive Assistant

Eric Froberg, AAMS,
Financial Advisor

Amanda Zorza,
Registered Client Associate

- Americans are now richer than they have ever been, and their personal balance sheets are in the best shape they have been in decades. Household net worth in the first quarter of 2017 topped \$95 trillion, as a result of home values and financial assets hitting new valuation highs. The household net worth pre-recession in 2007 was \$68 trillion. Also notable is household debt service as a percentage of disposable personal income was at a mere 10%. This low level has not been seen since 1980.
- Corporate cash as a percentage of current assets is around 30%, and is about twice the amount it was in the year 2000, of which the stock market was headed for some decrease and consolidation. Also note that current bank reserves are about \$2.5 trillion. Now for some perspective, at the time of the Lehman Brothers bankruptcy in September of 2008 the reserves were at zero, yes I said “zero.”
- Therefore, when you combine the above points, I cannot remember a time in American economic history where the balance sheets of banks, corporations and households have been so strong, all at the same time.
- After a healthy drop, due to the global weakness in the price of oil, corporate earnings are beginning to increase. Earnings estimates for the S&P 500 for 2017 is \$131 and for 2018 \$147. If these levels are reached both will be records.
- The increase in corporate dividends paid has been to some degree surprisingly spectacular. The S&P 500 dividend amount paid in 2012 was \$30.44. Just four years later, in 2016, the amount paid in dividends had increased by almost 50%, to \$45.03.

These economic and financial facts are in plain sight for all of us to see. However, have any of you read or heard any of these facts from our media? I doubt it. I feel it is almost my job to continually bring the true economic and financial facts to you. Also, know that I will bring this news to you when it is factually negative as well.

I also want each of you to be prepared for the facts of market movements. Since 1980, the stock market (S&P 500) has dropped 14% on average every 12 months. Also, since the end of World War II the stock market has dropped around 30% on average every 5 years. By knowing these facts, let's not be surprised when this happens in the future. These drops are meaningless to our long-term strategic plan created for you to reach your lifetime goals. That is why we firmly believe in the customized financial plan and specific designed strategic portfolio we have crafted for your lifetime goals.

As always, if you have any concerns or questions please give us a call. Your lifetime financial goals are what we are always focused on!

God Bless you!
Mark

“The function of economic forecasting is to make astrology look respectable.”

John Kenneth Galbraith



The Numbers

For a full analysis of the Quarter, please go to our web site at www.markahofinancialgroup.com. Then click on Client Center> Market/Economic Commentaries> Investment Strategy Quarterly. Below is a brief snapshot from the report:

Capital Markets Snapshot

Index	2017 YTD	2016	Last 10 years
Dow Jones Industrial Average	8.03%	13.42%	4.76%
S&P 500 Index	8.24%	9.54%	4.89%
NASDAQ Composite Index	14.07%	7.50%	8.96%
Russell 1000G Large Cap Growth	13.99%	7.08%	8.91%
Russell 1000V Large Cap Value	4.66%	17.34%	5.57%
Russell 2000G Small Cap Growth	9.97%	11.32%	7.82%
Russell 2000V Small Cap Value	0.54%	31.74%	5.92%
MSCI EAFE Developing International	14.23%	1.51%	1.50%
MSCI EM Emerging Markets	18.60%	11.60%	2.25%
DJ US Select REIT U.S. Real Estate	1.36%	6.68%	5.42%
Barclays US Intermediate Govt/Credit	1.71%	2.08%	3.85%
Citigroup World Government Bond Index	4.49%	1.60%	3.49%

Russell 1000 Growth Index – Measures the performance of the 1,000 largest companies in the Russell 3000 Index, with higher price-to-book ratios and higher forecasted growth values.
Russell 1000 Value Index – Measures the performance of the 1,000 largest companies in the Russell 3000. Index with lower price-to-book ratios and lower forecasted growth values.
Russell 2000 Growth Index – Measures the performance of the 2,000 smallest companies in the Russell 3000. Index with higher price-to-book ratios and higher forecasted growth values.
Russell 2000 Value Index – Measures the performance of the 2,000 smallest companies in the Russell 3000. Index with lower price-to-book ratios and lower forecasted growth values.
MSCI Emerging Markets Index – A market capitalization weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Dow Jones U.S. Select REIT Index intends to measure the performance of publicly traded REITs and REIT-like securities. Barclays Capital U.S. Intermediate Credit Bond Index measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year and less than ten years. The Citigroup WGBI G7 x U.S. (USD) is an unmanaged market value weighted index comprised of debt issued by countries in the group of 7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) excluding the United States. The MSCI EAFE is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 21 developed nations. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The Dow Jones Industrial Average (DJIA), commonly known as "The Dow", is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. The NASDAQ composite is an unmanaged index of securities traded on the NASDAQ system. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.

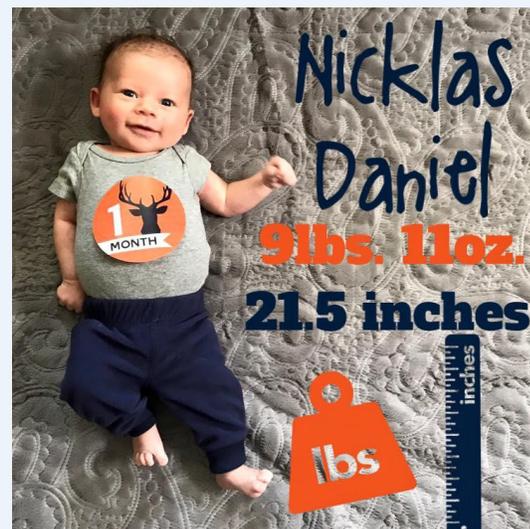


WHAT WE'VE
BEEN UP TO...

New

Friends Mark spent

some time with 1976 four time Golf Medalist swimmer John Nabor.



Congratulations

to Joe and Melissa Jeeves on the arrival

of baby Nicklas on May 23rd. So far we hear he sleeps pretty well, likes going for walks, and only cries when he's hungry. He has hair like his Daddy!



U.S. OPEN

Mark had the opportunity to spend some time at the 117th U.S. Open Practice Round at Erin Hills this past June!



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Nicole's Kitchen – Tomato, Cucumber and Feta Salad

I just LOVE summer salads. This Tomato, Cucumber & Feta Salad is fresh, flavorful, and SO delicious. It comes together quickly with just a handful of ingredients and is a favorite go-to salad for summer!

3 large cucumbers, peeled and chopped (about 4 cups)

5-6 Roma Tomatoes, chopped (about 4 cups)

1 large red onion, chopped

8 oz. feta cheese, cut into squares

½ c. olive oil

¼ c. red wine vinegar

½ Tbsp. dried oregano

½ Tbsp. minced garlic (about 3 cloves)

½ tsp. Dijon mustard

¼ tsp. salt

¼ tsp. pepper

Combine cucumbers, tomatoes, onion, and feta in a large salad bowl. Prepare dressing by combining all ingredients and shaking well. Pour dressing over salad and stir to combine.

SERVE!

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You will need to set up a logon and password, and then enter one of your new account numbers. You can find that on your statement, or give us a call at 906-226-0880, or toll free at 855-999-0014 and we will gladly give you that information.

SHREDDING!

Do you have documents or personal information that should be shred versus placed in the garbage? Protecting personal information and your identity are very important in today's world. We offer a free shredding bin available for your use. It is locked, and our shredding service comes once a month to shred the contents of the bin on sight. You may stop at our office at any time during business hours to place paperwork in our shredder. We welcome you to take advantage of this free and valuable service.

Let us help you help those you care about. Contact us today.

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