OCTOBER 2016

THE AIRWAYS ADVISOR™

A NEWSLETTER FOR AMERICAN PILOTS

Leading Authority on Successfully Investing Your 401k Plan

Captain's Table — Go to page 6
Student Debt Crisis—Part 2

- ***Make sure you are keeping track of your trade dates for the 30-day hold period!***

CAPTAIN'S BRIEFING:

- **NO CHANGE in 401K models.**
- **CHANGE in RSP models.**
- ***IMPORTANT*: Wells Fargo in considered a competing fund with All Weather, Cons. Fund and BrokerageLink—exchange with another fund instead of rebalancing!**

You know it's Fall in North Texas when your kid comes home from school with tickets to the State Fair of Texas.

The Fair just kicked off its 130th year, and it's a pretty big deal in these parts with a number of attractions drawing hundreds of thousands of people every year. The State Fair of Texas is the biggest state fair in the country. Of course, right? The usual suspects are there: the rides at the midway, games run by the carnies, musical acts of all sorts, a car show, and an over-the-top fried food recipe contest. The Texas Longhorns and the Oklahoma Sooners football teams battle each other every year at the Fair Park grounds in the historic Cotton Bowl stadium, which just adds that much more excitement to the festivities. And of course, there's the iconic Big Tex statue that greets fair-goers near the main entrance. The fair is almost always a fun diversion from the routine, but for many, it's also a sign that the seasons are in transition – the hot Texas summer is over, and fall is upon us.

It seems like a lot of people are waiting for the economic cycle to transition from expansionary to recessionary, but the signs aren't necessarily there yet.

Yes, this current expansion cycle is long in the tooth, as is the current bull market. Yes, GDP continues to move at a snail's pace. In fact, the U.S. Commerce Department recently released its final estimate of Q2 GDP and it came in at only +1.4%. That's not much growth, folks. Also, housing starts and building permits ticked down in recent data releases. While this data can be a little concerning, there are also positive data points that give reason for mild optimism.

Non-farm payrolls increased by 151,000 in August, and the unemployment rate remained at +4.9%, a number almost any policy-maker would be happy with. Consumer confidence climbed to a post-crisis high in September, and gains in real consumer spending have averaged +3% since mid-2013. Household debt as a share of disposable income has also fallen to its lowest level since 2002. Help has come in the form of falling food and commodity prices—which have their own list of pros and cons—and many of these points support the consensus view that spending and GDP growth should continue to improve throughout the second half of the year. Economic data will most likely continue to disappoint in providing a clear picture of where the U.S. stands, but most economists put the risk of recession below 20%.

Abroad, the picture is more easily described as "improving." Keep in mind that much of the developed world's recovery from '08-'09 is several years behind the recovery we've seen in the U.S. Foreign central bankers adopted a "wait-and-see" approach to stimulus after the financial crisis, while the U.S. policy-makers jumped in with both feet to stem the economic carnage. More on that in a moment, but for now Eurozone GDP has stayed positive with the most recently released estimate for Q2 at a pretty meager +0.3%. Also positive was that a recent gauge of U.K. services provided evidence of an economic rebound from the shock the markets experienced on the heels of the surprise Brexit vote outcome. China released data in September showing a +6.3% increase in industrial output and a +10.6% increase in retail sales. However, recent warnings of excessive credit growth have made waves for the world's second largest economy. Japan's economy continues to struggle to find growth, but annualized GDP growth remains positive at +0.7% - not great, but at least they're keeping their heads above water.

The counter-argument for a positive international outlook continues to focus on commodity-centric countries, especially the major oil producers like Venezuela, Russia and Saudi Arabia. Venezuela remains in absolute crisis, and Russia's central bank cut interest rates by +0.5% in an attempt to tamp down inflation. Saudi Arabia continues to grapple with depressed revenues due to low oil prices.

(Continued on page 2)

(Continued from page 1)

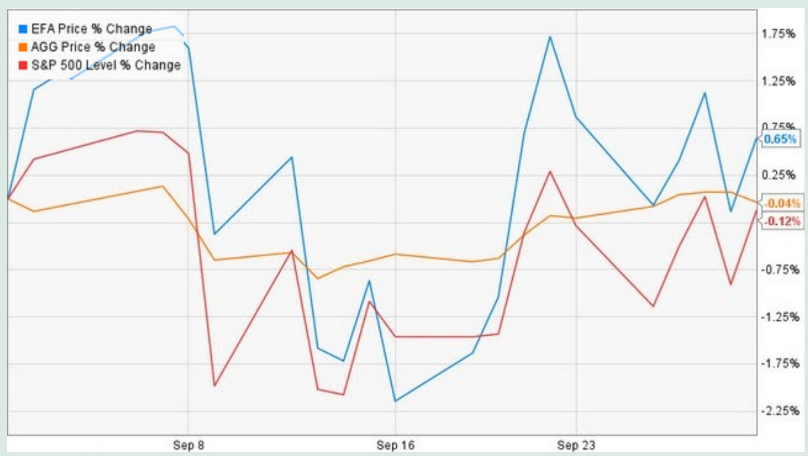
The salaries of Saudi government workers have been slashed by 20%, and many financial perks for public sector employees have been scaled back. Pay cuts are expected to affect two-thirds of Saudi workers all told. And, last month the World Trade Organization cut its forecast for global trade growth by a third, down from +2.8% to +1.7%. That's pretty big …. like Big Tex big.

Central Banking

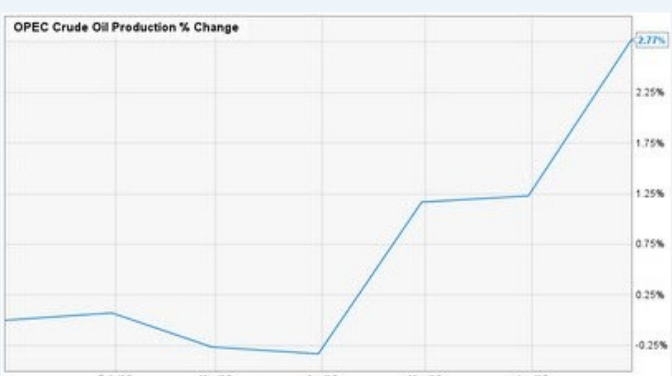
At the beginning of September, a few Federal Reserve presidents were quoted voicing comments that most observers would view as hawkish. Many of these comments followed the annual economic symposium in Jackson Hole, Wyoming, where the focus was around monetary policy and how to use it to cope with economic stresses going forward. With the Fed and possible rate hikes on the minds of market participants, U.S. stocks started the month heading lower. It seemed that, once again, the Fed was messaging a rate hike, but when the September 20th-21st meetings came and went, no rate hike materialized. So stocks rallied. Maybe we'll get a small rate hike in December, but let's all remember that back in late 2015, the Fed was trying to sell us on the idea of four rate hikes this year. Like Big Tex, it appears there's a whole lot of loud talk and not much action.

Global central bankers and finance ministers also delivered a similar message in a G20 joint communique early in September: "We are determined to use all policy tools – monetary, fiscal, and structural – individually and collectively to achieve our goal of strong, sustainable, balanced and inclusive growth." A few days after issuing that statement, the European Central Bank chose to leave rates and stimulus policies unchanged. However, late in September, the Bank of Japan announced major changes to its monetary policy framework, and may ultimately implement something like "QE infinity" – a policy of buying Japanese government bonds forever. Also of note is that Saudi Arabia pumped about $5b of capital into its banking system. It seems nothing helps inoculate markets from crises like some good old fashioned liquidity.

To summarize, no central bank for a major economy is presently tightening monetary policy. The policies for all of the major players remain in favor of continued attempts to stimulate growth. Interest rates remain historically low around the world, and they are actually negative in some markets. Investors in search of income and growth continue to be nudged towards risk assets like stocks and real estate. The S&P 500 finished the month exactly flat for the month; the Barclay's Capital Aggregate Bond Index was down -0.1%; the MSCI Developed EAFE finished up 1.3%, and the MSCI Emerging Markets Index also finished up 1.1% for the month of September.



OPEC OIL DEAL If meetings and policy announcements from the Fed, the European Central Bank, and the Bank of Japan were not enough, another meeting made headlines as September came to a close. OPEC members met in Algiers to discuss production, and it appears that an agreement is now in place for modest oil output cuts. However, how much each country will produce is to be decided at the next formal OPEC meeting in November, when an invitation to join cuts could also be extended to non-OPEC countries like Russia. The price of oil jumped 5% on the news, and the ripple effects extend obviously to oil producers and maybe not so obviously to the credit markets. Energy sector-related debt makes up about 14% of below-investment-grade bonds, and the risk of waves of defaults by bonds tied to energy firms have eased for now. We'll have to see how this plays out as fracking technology can bring production back online pretty quickly, so attempts by OPEC to balance production may be countered by U.S. frackers looking to improve their cash-flow statements.



Velocity Composite Fund Score™ Ranking

American 401k Plan

Ticker	Symbol	Score	1MoPerf	3MoPerf	6MoPerf	1YrPerf	3YrPerf	5YrPerf
AAEMS	Emerging Markets Stock Index Fund	**996**	2.52%	8.71%	11.29%	14.05%	-3.56%	21.52%
AAMCI	U.S. Mid Cap Stock Index Fund	**858**	0.24%	3.63%	6.76%	11.68%	30.39%	121.98%
AASCV	U.S. Sm Cap Value Stock Index Fund	**784**	1.07%	7.95%	12.16%	13.25%	20.25%	116.63%
AAIPB	Inflation Protection Fund	**745**	0.48%	0.71%	2.99%	4.58%	3.95%	5.27%
AAHYB	High Yield Bond Index Fund	**713**	1.08%	4.15%	9.65%	11.46%	11.87%	43.88%
AASCG	U.S. Sm Cap Growth Stock Index Fund	**687**	1.64%	8.03%	10.98%	5.33%	18.83%	114.25%
ATD60	AA Pilot Target Date Fund 2060	**668**	0.55%	4.36%	6.57%	10.28%	21.67%	NA
AAIST	Intl Stock Fund incl Emerging Markets	**666**	1.49%	6.04%	7.82%	6.60%	0.21%	40.32%
AALGS	U.S. Lg Cap Growth Stock Fund	**647**	0.43%	4.67%	4.48%	8.49%	34.12%	110.42%
AALCV	U.S. Lg Cap Value Stock Fund	**624**	0.39%	3.63%	5.91%	13.30%	35.37%	131.57%
AAMCS	U.S. Small/Mid Cap Stock Fund	**594**	0.39%	5.45%	9.24%	12.37%	NA	NA
AADMS	Intl Developed Mkts Stock Index Fund	**588**	1.34%	5.64%	6.42%	3.81%	1.11%	47.87%
ATD55	AA Pilot Target Date Fund 2055	**587**	0.53%	3.76%	6.16%	10.95%	22.81%	86.17%
ATD40	AA Pilot Target Date Fund 2040	**583**	0.44%	3.56%	5.85%	10.49%	20.60%	73.13%
ATD45	AA Pilot Target Date Fund 2045	**581**	0.49%	3.74%	6.04%	10.76%	21.40%	77.44%
ATD30	AA Pilot Target Date Fund 2030	**579**	0.42%	2.97%	5.28%	9.47%	19.08%	63.06%
ATD35	AA Pilot Target Date Fund 2035	**576**	0.38%	3.25%	5.58%	10.00%	19.87%	68.21%
ATD50	AA Pilot Target Date Fund 2050	**576**	0.49%	3.77%	6.07%	10.79%	21.96%	82.27%
ATD25	AA Pilot Target Date Fund 2025	**574**	0.35%	2.66%	5.00%	8.82%	18.29%	57.19%
ATD20	AA Pilot Target Date Fund 2020	**561**	0.32%	2.31%	4.64%	8.06%	17.04%	50.93%
ATD15	AA Pilot Target Date Fund 2015	**560**	0.25%	2.02%	4.30%	7.42%	15.53%	39.63%
AALGI	U.S. Lg Cap Growth Stock Index Fund	**558**	0.28%	4.82%	2.79%	10.08%	37.89%	115.95%
AAPRF	AA Pilot Target Date Post-Ret Fund	**552**	0.34%	2.02%	4.30%	7.42%	15.53%	39.63%
AALVI	U.S. Lg Cap Value Stock Index Fund	**507**	0.06%	3.45%	5.64%	12.58%	35.03%	118.68%
AALSI	U.S. Lg Cap Stock Index Fund	**504**	0.00%	3.27%	5.34%	13.04%	36.59%	NA
AADVB	Diversified Bond Fund	**494**	0.05%	0.05%	2.57%	4.65%	12.34%	15.22%
AAUSB	U.S. Bond Index Fund	**486**	0.05%	0.05%	2.57%	4.65%	12.34%	15.22%

The funds listed above for the new American 401k Plan were created for the plan and have an Inception Date of October 31, 2015. Therefore, proxies are used to calculate returns and scoring for these funds, for time periods including dates prior to October 31, 2015.

US Airways RSP Plan

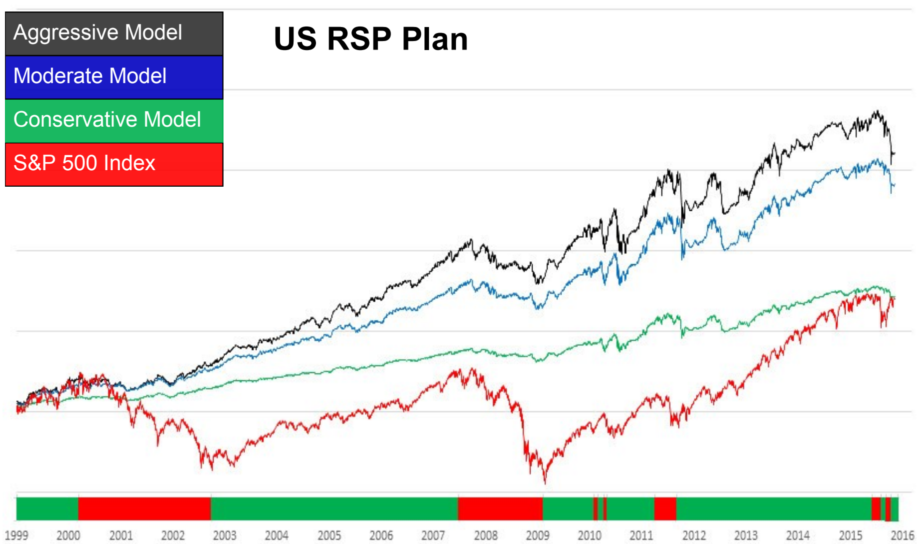
Ticker	Symbol	Score	1MoPerf	3MoPerf	6MoPerf	1YrPerf	3YrPerf	5YrPerf
USREM	Emerging Markets	**1126**	2.52%	8.71%	11.29%	14.05%	-3.56%	21.52%
CONSV	Conservative Fund	**852**	0.32%	1.80%	4.34%	7.25%	12.70%	29.40%
USSCE	Small Cap Equity	**826**	1.07%	8.19%	12.35%	13.68%	21.53%	119.42%
USIEF	International Equity	**714**	1.34%	5.64%	6.42%	3.81%	1.11%	47.87%
RAFXX	Real Asset Fund	**650**	0.75%	0.18%	2.69%	5.50%	6.85%	8.32%
ALLWF	All Weather Fund	**600**	0.32%	1.80%	4.34%	7.25%	12.70%	29.40%
GROWT	Growth Fund	**597**	0.36%	2.24%	4.65%	7.42%	14.50%	38.53%
FXAIX	Spartan 500 Index	**564**	0.01%	3.31%	5.36%	13.05%	36.79%	117.71%
LPRTX	LifePath Index Retirement Fund	**552**	0.34%	2.02%	4.30%	7.42%	15.53%	39.63%
LP25X	LifePath Index 2025 Fund	**551**	0.35%	2.66%	5.00%	8.82%	18.29%	57.19%
WFSBL	Wells Fargo Stable Return Portfolio	**542**	0.02%	0.00%	0.07%	0.04%	-0.17%	-0.28%
USBDX	Bond Fund	**479**	0.05%	0.05%	2.57%	4.65%	12.34%	15.22%
USMCX	Mid Cap Stock	**430**	0.24%	3.63%	6.76%	11.68%	30.39%	121.98%
USLCG	Large Cap Growth	**403**	0.01%	3.25%	5.32%	13.07%	36.92%	118.24%
USLCV	Large Cap Value	**382**	-0.23%	2.93%	7.17%	13.73%	30.82%	115.26%

Definitions & Notes: The Velocity Composite Fund Score Ranking combines the Velocity (speed of advance of a fund compared to all other funds) with its Buy Point Score (how close the fund is to a recent bottom). This composite score is used to rank all available fund choices. In defined Bull Market advances, the system uses the Top 3 funds in the Aggressive model and the Top 4 in the Moderate and Conservative models. **In Defined Bear Market periods, this ranking is provided for information purposes and for those who are "doing their own thing" and would like to know (hypothetically) which funds the system would buy today, if the market was a Defined Bull Market.** Rankings dates are the last business day of each month. **NOTE: Many of the funds in the US RSP Plan are not really mutual funds. They are composites or comingled funds, etc. Therefore, they don't really have ticker symbols. We create tickers for convenience, but they do not exist outside this newsletter. You will use the fund name to trade.**

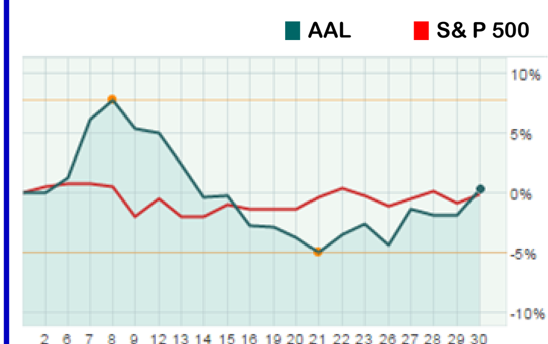
Worry-Free Flight Path Models™ - American

Fear & Greed Index The S&P 500 weathered a volatile September after an August that saw very little movement. The stock market finished the month virtually unchanged, but you wouldn't have expected that outcome based upon what happened during the month. The market traded in the red for most of the month and experienced swings of more than 1% several times. This price action in the markets made investors more fearful.

American 401k Plan (as of September 30, 2016)							
Performance Stats							
	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	Inception
Conservative Model	0.04%	0.60%	-0.70%	7.44%	28.39%	40.86%	85.65%
Annualized				2.42%	5.13%	3.49%	3.71%
Moderate Model	0.10%	1.00%	-1.10%	16.76%	50.29%	81.38%	190.20%
Annualized				5.30%	8.49%	6.13%	6.47%
Aggressive Model	0.93%	1.16%	-1.43%	13.58%	47.87%	91.92%	244.80%
Annualized				4.34%	8.14%	6.74%	7.55%
S&P 500	7.70%	0.00%	15.30%	36.80%	112.00%	99.30%	98.00%
Annualized				11.01%	16.22%	7.14%	4.10%



AAL— American Airlines stock was up more than 8% during September before trailing off for most of the remainder of the month. AAL turned positive on September's final trading day.



USAirways Pilots RSP (as of September 30, 2016)							
Performance Stats							
	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	Inception
Conservative Model	0.01%	0.90%	6.24%	28.29%	30.08%	68.65%	65.94%
Annualized				8.66%	5.40%	5.37%	3.02%
Moderate Model	0.10%	1.50%	7.56%	41.49%	49.68%	133.70%	129.36%
Annualized				12.26%	8.40%	8.86%	5.00%
Aggressive Model	0.07%	1.90%	2.28%	39.77%	43.93%	149.40%	143.91%
Annualized				11.81%	7.56%	9.57%	5.38%
S&P 500	7.70%	0.00%	15.30%	36.80%	112.00%	99.30%	98.00%
Annualized				11.01%	16.22%	7.14%	4.10%

American 401k

American 401k Plan Conservative Model		
Symbol	**Fund Name**	**Allocate**
AACUF	AA Fed Credit Union	60.00%
AAHYB	High Yield Bond Index Fund	10.00%
AAEMS	Emerging Markets Stock Index Fund	10.00%
AASCV	U.S. Small Cap Value Stock Index Fund	10.00%
AAMCI	U.S. Mid Cap Stock Index Fund	10.00%
		100.00%

American 401k Plan Moderate Model		
Symbol	**Fund Name**	**Allocate**
AACUF	AA Fed Credit Union	36.00%
AAHYB	High Yield Bond Index Fund	16.00%
AAEMS	Emerging Markets Stock Index Fund	16.00%
AASCV	U.S. Small Cap Value Stock Index Fund	16.00%
AAMCI	U.S. Mid Cap Stock Index Fund	16.00%
		100.00%

American 401k Plan Aggressive Model		
Symbol	**Fund Name**	**Allocate**
AACUF	AA Fed Credit Union	19.00%
AAEMS	Emerging Markets Stock Index Fund	27.00%
AASCV	U.S. Small Cap Value Stock Index Fund	27.00%
AAMCI	U.S. Mid Cap Stock Index Fund	27.00%
		100.00%

US RSP

USAirways RSP Plan Conservative Model		
Symbol	**Fund Name**	**Allocate**
WFSF	Wells Fargo Stable Value Fund	60.00%
USREM	Emerging Markets	10.00%
CONSV	Conservative Fund*	10.00%
USSCE	Small Cap Equity	10.00%
USIEF	International Equity	10.00%
		100.00%

USAirways RSP Plan Moderate Model		
Symbol	**Fund Name**	**Allocate**
WFSF	Wells Fargo Stable Value Fund	36.00%
USREM	Emerging Markets	16.00%
CONSV	Conservative Fund*	16.00%
USSCE	Small Cap Equity	16.00%
USIEF	International Equity	16.00%
		100.00%

USAirways RSP Plan Aggressive Model		
Symbol	**Fund Name**	**Allocate**
WFSF	Wells Fargo Stable Value Fund	19.00%
USREM	Emerging Markets	27.00%
CONSV	Conservative Fund*	27.00%
USSCE	Small Cap Equity	27.00%
		100.00%

- IN A MONTH WITH TRADES — THE NEW FUNDS WILL BE HIGHLIGHTED IN YELLOW

- **AA 401k NO CHANGE in the models**

- **US RSP CHANGES in ALL models**

- **READ: Your 401k plan has trading restrictions, so you must keep track of your buy and sell orders. Fidelity does a poor job of defining what excessive trading is and has expanded that definition to include all funds.**

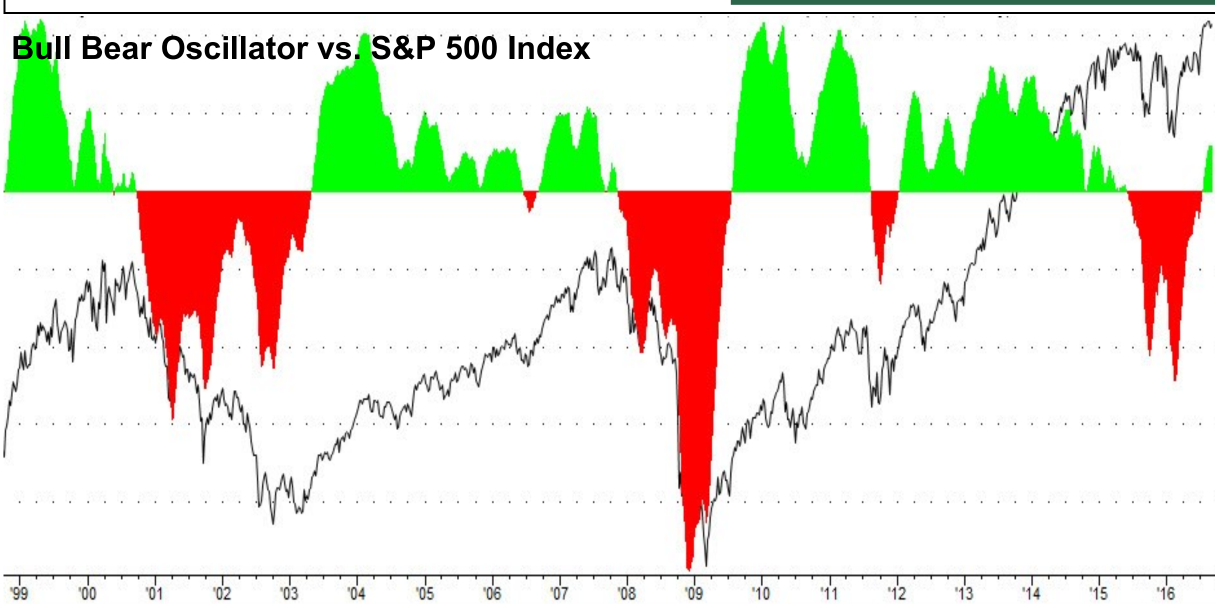
- **Future Contributions:** The models work smoothly if you direct ALL future contributions into the following, the AA Fed Credit Union for the 401K and Wells Fargo Stable Value Fund for the RSP.

***IMPORTANT**: Wells Fargo in considered a competing fund with All Weather, Cons. Fund and BrokerageLink— exchange with another fund!

Is your credit card about to expire? Have you recently received a new card OR have you requested a new credit card because of vendor security issues?

To update new CREDIT CARD information BEFORE your credit card expires, either call us at 717-569-8162 or go to the "Update Credit Card Information" section under the Member's Tab.

Bull Bear Oscillator vs. S&P 500 Index



APPROXIMATE Future Publication Dates

11/3/16
12/5/16
1/5/17
2/3/17
3/3/17
4/5/17
5/4/17
6/5/17
7/6/17

Student Debt Crisis —Part 2

This is Part Two of a two-part series on the Student Debt Crisis now facing America. In Part One, we looked at how bad the problem really is and how we got here. In this second installment, we'll look at proposed fixes and how with some good planning you can avoid becoming a student loan debt casualty.

As we covered in Part One last month, the Student Debt Crisis is a major problem for our country. The government's plan to loan money hand over fist to produce an American workforce that would be "more educated … and competitive" has largely backfired. Former students are saddled with huge student loan debt, and many cannot or will not pay their loans back, which has created a whole new set of problems. These indebted student borrowers become damaged consumers, making it much more difficult for them to contribute to the economy in a meaningful way. A shaky loan payment history means bad credit scores, which can mean not qualifying for that apartment lease, let alone qualifying for that first mortgage. Additionally, many employers run credit checks on prospective employees, so that poor credit score can come into play there as well and may mean not getting that better job – the very one that college degree was supposed to help you get in the first place – a sad irony.

The crisis isn't lost on the Obama administration and other policy-makers, many of whom helped create the problem in the first place. The Obama Administration has already put forth an array of programs to help borrowers, including slashing monthly bills by tying payments to incomes, and forgiving some of their debt. Often these programs set a borrower's monthly payment as a share of income, causing payments to typically fall by hundreds of dollars under the plans, known as "income-based repayment". Some programs waive the loan balance after a certain time period, while others waive the balance if you take on a certain job for a period of time. However, these loan forgiveness schemes ultimately only shift the debt amount to the government's balance sheet, meaning that taxpayers are the ones who will eventually foot the bill. Enrollment in loan modification and forgiveness plans has skyrocketed recently, jumping 48% over the year to 4.6 million borrowers as of January 1, 2016.

Not everyone agrees, however, that income-based repayment plans are the best alternative for all borrowers. Such plans lower one's monthly payment, for example, but not the total owed. Education experts also point out that government documents don't emphasize to borrowers that the income-based plan can increase their overall debt. While income-driven repayment plans can be useful as "a safety net" for those who cannot afford their current monthly payments, experts worry that the plans are being touted too much without enough focus on the downsides.

In addition to examining how the government is trying to fix this student debt loan mess, it's important to consider what the government could have done. Simply put, the government would have been better off not launching grandiose plans to loan billions of dollars to students and their parents in the first place. Policy makers should have let the markets decide how capital would be deployed to meet the needs of student loan borrowers. Amazingly, the government imposes virtually no credit checks on borrowers, requires no cosigners and doesn't screen people for their preparedness for college-level course work. This is a system made to fail. Private lenders would have been better at evaluating who should qualify for student loans and at what terms. Borrowing would have been more limited. Additionally the mechanisms enforcing loan repayment were flawed. Some education experts maintain that schools should have some "skin in the game" as well. This could be accomplished by making schools bear some loan repayment responsibility for graduates who can't find jobs in their field and are unable to make payment by themselves. This might curtail schools from encouraging, for example, a student from borrowing hundreds of thousands of dollars to get an undergraduate degree in Philosophy.

The best way to avoid being part of the Student Debt Crisis is to have a plan in place for the future college or trade school students in your life years in advance. Higher education is expensive, and few think it will get cheaper going forward, so you need to start saving early.

In my opinion, the 529 Plan is hands down the best way to save up for post-secondary educational expenses. A 529 plan is a state sponsored educational savings plan that allows for tax free growth of assets that are set aside for the education of a specific beneficiary. 529 Plan account funds can be used to pay for the educational expenses related to attending qualified institutions nationwide and are not limited to the plan sponsored by your state of residence. For instance, you might be a resident of Georgia and participate in a 529 Plan sponsored by Virginia and your beneficiary could use the funds to attend college in New York. However, your research should begin with your home state's plans because those plans may have state-specific tax advantages like allowing you to take a credit or deduction against your state income tax obligation.

529 Plan accounts have many benefits over other savings account types. The biggest benefit is probably their preferential tax treatment. While contributions to a 529 plan account aren't tax-deductible on your federal income tax return, contributed dollars grow tax free while they remain in the plan account. Secondly, distributions for the educational expenses of the named beneficiary go untaxed, meaning the investment gains are never taxed if the money is used specifically for college expenses. In addition, 529 plan account owners enjoy preferential estate tax advantages as well. The money a donor places in a 529 Plan account is not included in the donor's estate.

Another benefit of 529 Plan accounts is that the donor retains control of the funds. The donor decides how the account is invested, how funds are distributed, and who the money goes to. Sometimes the originally named account beneficiary doesn't need the money when college rolls around. In instances like this, the donor can change the beneficiary to another qualifying family member, if needed. The donor is also permitted to reclaim the funds for his use if no desirable beneficiary exists. However, there are special income tax consequences that kick in if the funds are used for anything other than educational expenses, so a donor should carefully evaluate all of the possible ramifications first.

Just about anyone is eligible to open a 529 Plan account. There are no income or age restrictions, and a donor may contribute up to $300,000 per beneficiary, so if you want to get started, please research your state's plans. Next, you'll want to compare those benefits with plans offered in other states.

Finally, here are some other tips from education experts about how to plan for college expenses:

Do your best to calculate all of your costs in advance. Is your tuition locked in for all 4 years? Are grants and scholarships available? How long is financial aid offered and will it be enough? Don't forget that college costs are more than just tuition, fees, supplies, and room and board. There are the costs of campus life, entertainment, and transportation (including trips to and from home).

Consider attending a community or junior college first. Tuition at these schools is 50% cheaper on average than the cost of a 4-year college, and assistance is available. Most schools have agreements with 4-year colleges allowing for the transfer of course credits.

Apply for federal aid by completing the FAFSA form, even if you don't anticipate qualifying. The form is much easier to complete than it used to be, and now can take as little as 20 minutes to complete online. Many applicants are surprised to learn that they qualify for assistance as they were mistaken about the factors taken into account when calculating need. Even if you don't qualify for aid, your intake information helps educational institutions, the government, and loan providers better understand the makeup and challenges facing today's applicants.

Pursue your dream education and job, but factor into that hoped-for future the earnings potential of that line of work, and how being saddled with a lot of student debt would impact that future. Sure, you may dream of being a full-time yoga instructor. But even a yogi with $100,000 in student loans can struggle to find her inner peace.

If you borrow, remember to borrow as little as you can, as slow as you can, because you're never sure what's going to happen. A good rule of thumb for borrowers is to limit your total student loan debt at graduation to the annual starting salary of your first job.

Get help. High school guidance counselors can be a great resource, but they can struggle to keep up when they are helping hundreds of high school students at one time. Thankfully, there are other resources available, and many of them are online including: www.FAFSA.ed.gov, www.StudentAid.ed.gov, www.FinAid.org, and www.bankrate.com.

Have a great month.

Rex

Rex Moxley *joined Smith Anglin in 2001. Since then, he's served as a Managing Partner and as a member of the firm's Investment Committee. He regularly meets with prospective clients, counsels existing clients, participates in investment portfolio analysis and develops materials for communicating with the firm's clientele and target markets. He holds a BBA in Finance and Marketing, a graduate degree in Law and numerous securities licenses and designations.*

Experts at the Captain's Table*: All members have a wide and varied background in all areas of wealth management. Most importantly, the members have worked extensively with professional pilots at American, Delta, Federal Express, Southwest, United – and every airline that merged into these along the way – for more than 85 years combined. They know your world, your benefits, how to retire in the best way, and what is needed at each life-stage in retirement to get you to your goal.*

The S&P 5oo is up more than 7% YTD (total return) through September 30th – not bad for a year where stocks stumbled out of the gate and plunged more than 10% between January and mid-February. However, those early losses were promptly wiped out over the following six weeks as the market began the second quarter in the black. Since then, the only major pullback came after the Brexit vote's surprise outcome in late June. Only time will tell what the market will do in this last quarter of the year.

POLITICS WITHOUT BEING POLITICAL

Another chapter is coming to a close soon. In a little over a month, the U.S. will decide on its next President. The first presidential debate attracted a historic audience, both on live TV and in live streams online. The market's consensus view is that a Hillary Clinton presidency is a continuation of current policy for the most part. Traders know what that means and seemed to give her the nod after the first debate as stocks rallied to start the final week of September. A Donald Trump presidency is less clear in terms of policy implications, and since markets generally dislike uncertainty, a close race or a win by the Republican would likely mean more volatility and maybe a market sell-off until things settled out. A positive similarity between both Clinton and Trump is that both candidates favor additional infrastructure spending, which could be good for jobs and the economy, at least in the short and medium term.

The coming debates will almost undoubtedly contribute to market volatility in the short term, and no matter who you plan to vote for, just remember that there's a big difference between what's promised on the campaign trail and what actually gets done in real life. Comparisons have already been drawn between the U.S. presidential election and the Brexit vote, and those comparisons make sense in many ways as they apply to capital markets. Votes cast across the U.S. will be counted in a single day, but policies and legislation will take weeks, months, and sometimes years to implement and then impact the world around us. As it translates to the capital markets, it stands to reason that the most attractive stocks, bonds, and real assets may be those right here in America.

Election Year	S&P 500 Return		Incumbent Party
'76	-0.1%	▼	Lost
'80	6.7%	▼	Lost
'84	4.8%	▲	Won
'88	1.9%	▲	Won
'92	-1.2%	▼	Lost
'96	8.2%	▲	Won
'00	-3.2%	▼	Lost
'04	2.2%	▲	Won
'08	-19.5%	▼	Lost
'12	2.5%	▲	Won

(Chart: S&P 500 performance based on three-month return prior to election day)