

NOVEMBER 2016

# THE AIRWAYS ADVISOR™

A NEWSLETTER FOR AMERICAN PILOTS



Leading Authority on Successfully Investing Your 401k Plan

**Captain's Table — Go to page 6**  
**Presidential Cycles and Stocks**

## CAPTAIN'S BRIEFING:

- **CHANGES** in ALL 401K models.
- **CHANGES** in ALL RSP models.
- \***IMPORTANT:** Wells Fargo is considered a competing fund with All Weather, Cons. Fund and BrokerageLink—exchange with another fund instead of rebalancing!

Albert Camus, the French philosopher and author who won the Nobel Prize in Literature in 1957, probably had October on his mind when he wrote:

***"Autumn is a second spring  
when every leaf is a flower."***

Camus died in January of 1960, so his last October among the living was in 1959. If he'd have been alive for this year's version of October, it's unlikely the beauty and wonder of the fall foliage would have been on his mind.

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

## Election Notes

This October has been dominated by major headlines around the world, but the most prominent ongoing news story has been a U.S. election season. It's unlike anything our country has ever seen before. There have been vicious personal jabs by both candidates - Hillary Clinton and Donald Trump – and leaked emails appear to incriminate Clinton and other Democrats secretly conspiring to manipulate the outcomes of all sorts of things. There are also allegations of past sexual misconduct by Trump, countered by his recounts of Bill Clinton's improprieties, not to mention the pay-for-play schemes and the charges of allowing foreign governments to tamper with our elections. According to the polls and odds-makers, Clinton was still a heavy favorite toward the end of October, with a 5 to 1 chance of beating Trump. Now those odds are down to 3 to 1 and Trump is gaining momentum, due in large part to the FBI's discovery last week of several thousand more previously undisclosed Clinton emails subject of a prior investigation. Trump's rallies have always been larger and more enthusiastic than Clinton's, so in some ways the polling data just doesn't add up. But maybe the polls are right, and Clinton will win Florida and the election early in the evening next Tuesday. If so, we can turn the TV off and go to bed earlier than we thought. Then again, it could get really interesting if battle ground states break for Trump. We'll just have to wait and see.

In any case, the U.S. election speaks to a problem that's going on in the U.S., and around the world as well. Trump's popularity, and that of former Democratic Presidential hopeful Bernie Sanders, stems in large part from the frustration of the middle class with the establishment and the status quo. This election cycle may be looked back on as having fundamentally changed both of America's major political parties. And the angst that drives the change is the same sort of anger and frustration that led to the unexpected Brexit referendum outcome only a few months ago in which U.K. voters surprisingly chose to exit the European Union.



## Monetary policy and economic news

With an election looming on November 8<sup>th</sup>, the U.S. Federal Reserve Board is not expected to take action on interest rates when it concludes a two-day meeting on November 2<sup>nd</sup>. In fact, the Fed has raised short-term rates only one time in the last 40 years in the three-month period preceding Election Day. However, the Fed's policy statement from the meeting should be closely watched for clues about what policymakers think about a possible rate increase in December. Many Fed members think that a rate increase is overdue and that rates have been too low for too long, which they fear have distorted asset prices. Other Fed members fear raising the fed funds rate too soon, which they claim could throw a very slow-growing U.S. economy into recession. Recent economic data has been mixed.

(Continued on page 2)

"You're flying toward an unknown financial future— WE HAVE CHARTS!"



(Continued from page 1)

The U.S. economy grew at a 2.9% annualized pace in the third quarter, the fastest pace in two years, and a marked improvement from the first half of the year when GDP plodded along at closer to 1%. However, the composition of the third quarter's gain was slightly unfavorable, with more inventory accumulation and less final sales growth. Inflation in the U.S. is showing signs of stirring, though it remains below the Fed target. Core inflation reached a two-year high of 1.7% last quarter, while wages rose 2.4%. However, consumer confidence declined by more than expected in October, reflecting a fall in both consumers' assessment of their present situation and their forward-looking expectations.

Across the Atlantic, European Central Bank (ECB) President Mario Draghi signaled in October that policymakers may extend their bond-buying program beyond March 2017, when the ECB's quantitative easing program is scheduled to end. Eurozone economic growth remained steady at a paltry 0.3% in Q3, and has increased 1.6% over the past year, suggesting the bloc's steady recovery has not so far been knocked off course by Britain's vote to leave the EU. Speaking of which, the British economy grew by a much better-than-expected 0.5% in the third quarter, the first time period for which impacts from the Brexit vote could fully be analyzed. Initial predictions of doom post-Brexit have yet to materialize - with the exception of the crashing pound - and economic data has broadly held up well.

Things in Japan aren't going as well. Bank of Japan (BOJ) Governor Kuroda said recently that the BOJ may once again push back its 2% inflation target, which currently sits somewhere in fiscal 2017. Recall that when he started his job in early 2013, Kuroda kicked off his turbo-charged asset purchase policy that continues to this day, and he had hoped that inflation would hit 2% by late 2014 or 2015. Almost four years later, inflation has vanished after an initial rise. Japan's industrial output was unchanged in September, falling short of forecasts, in a worrying sign for the economy as the BOJ board gathers yet again to consider monetary policy changes. In China, remarkably steady growth rates for three straight quarters has some economists suspicious, but the country's state media agency claims that Beijing is not "data smoothing" its GDP numbers. Separately, China's industrial profit growth slowed in September as several sectors showed weak activity, but recent Purchasing Manager Index data is stronger. Again, mixed signals abound. Among emerging markets, India is a country on the rise. India's economy is forecasted to grow by +7.6% in calendar year 2017, a result that would make it the fastest-growing major economy in the world for the 3rd straight year.

→ If you're approaching retirement, NOW is the time to have a conversation and Advertisement

get everything lined up for your "final approach." We've made it easy for you to chart the path to your "final approach," in our FREE "14 Days to a Secure & Prosperous Retirement Course!"

click here

to sign up for this "no-strings attached" free email course.

Provided by Smith Anglin, a Registered Investment Advisor

**Capital markets** Stocks in the U.S. as well as in the world's developed and emerging markets all slid in October. U.S. and developed market stocks fell about 2%, while emerging market stocks slipped only about 1%. The S&P 500 still sits about 3% below its record high reached in mid-August. For the year, the U.S. and the developed markets are up around 5% and 4%, respectively, while emerging market stocks are up almost 15%. Bonds are up 3% for the year, but were down 1% in October, as the recent uptick in inflation has dampened returns. The yield on the U.S. 10-year Treasury bond spiked recently to its highest level in five months (yields move inversely to prices), but yields still remain near historic lows. In fact, last Friday (10/28) marked the 190th consecutive trading day that the 10-year Treasury has closed with a yield below 2%, the longest stretch below 2% in history. 10-year notes have traded in the U.S. since 1790.

For the third quarter, the blended (combines actual results for companies that have reported and estimated results for companies yet to report) earnings growth rate for the S&P 500 is 1.6%. It's still hard to say whether overall earnings for the third quarter will post a slight gain or will decline for the sixth consecutive quarter. In any case, it's unfortunate that, in many ways, U.S. corporate earnings has evolved into a giant expectations shell game. You can see the problem all the time in the way analysts, in response to a company's guidance, revise their forecasts downward as the release of the earnings report approaches.

(Continued on page 7)



## Velocity Composite Fund Score™ Ranking

### American 401k Plan

Ticker	Fund Name	Score	1MoPerf	3MoPerf	6MoPerf	1YrPerf	3YrPerf	5YrPerf
-	Inflation Protection Fund	<b>1082</b>	-0.28%	0.50%	2.02%	4.99%	3.90%	2.98%
-	Emerging Markets Stk	<b>824</b>	-0.83%	1.94%	7.96%	8.12%	-7.79%	2.44%
-	Diversified Bond Fund	<b>789</b>	-1.76%	0.62%	2.11%	0.12%	-4.44%	24.24%
-	U.S. Lg Cap Val Stk Idx	<b>782</b>	-0.71%	-0.32%	4.15%	6.00%	27.67%	104.99%
-	U.S. Lg Cap Stk Idx	<b>757</b>	-0.82%	-0.99%	1.25%	3.98%	10.77%	13.91%
-	Intl Dev Mkts Stock	<b>734</b>	-2.22%	-0.16%	0.55%	-3.01%	-4.09%	32.36%
-	International Stock	<b>657</b>	-0.82%	-0.99%	1.25%	3.98%	10.77%	13.91%
-	Post Retirement	<b>652</b>	-1.38%	-0.97%	2.13%	3.77%	11.97%	31.37%
-	High Yield Bond Idx	<b>647</b>	-0.98%	1.77%	4.54%	5.50%	7.98%	31.05%
-	U.S. Lg Cap Grth Stock	<b>633</b>	-1.67%	-1.73%	2.90%	0.79%	24.74%	85.80%
-	Target Date 2020	<b>632</b>	-1.52%	-1.22%	2.15%	3.46%	12.69%	39.09%
-	Target Date 2060	<b>631</b>	-1.91%	-1.21%	2.92%	2.76%	14.74%	NA
-	Target Date 2025	<b>603</b>	-1.74%	-1.57%	2.11%	3.28%	13.16%	43.27%
-	Target Date 2030	<b>582</b>	-1.98%	-1.83%	2.14%	2.95%	13.36%	47.08%
-	U.S. Lg Cap Gr Stk Idx	<b>565</b>	-1.94%	-2.37%	3.24%	0.17%	26.90%	84.28%
-	Target Date 2035	<b>560</b>	-2.12%	-2.16%	2.12%	2.73%	13.58%	50.32%
-	Target Date 2015	<b>554</b>	-1.83%	-2.23%	3.30%	3.66%	27.20%	NA
-	U.S. Lg Cp Val Stk Idx	<b>548</b>	-1.94%	-2.30%	3.30%	3.48%	25.96%	91.71%
-	Target Date 2040	<b>537</b>	-2.43%	-2.41%	2.14%	2.46%	13.72%	53.45%
-	Target Date 2045	<b>525</b>	-2.47%	-2.56%	2.12%	2.37%	14.05%	56.49%
-	Target Date 2055	<b>523</b>	-2.47%	-2.58%	2.11%	2.37%	14.93%	62.35%
-	Target Date 2050	<b>516</b>	-2.60%	-2.61%	2.04%	2.33%	14.45%	59.70%
-	U.S. Bond Index	<b>486</b>	-3.17%	-3.76%	2.36%	3.06%	21.39%	87.46%
-	U.S. Mid Cap Stk Idx	<b>466</b>	-3.96%	-3.63%	3.16%	3.02%	NA	NA
-	U.S. Small Mid Cap Stk	<b>324</b>	-4.78%	-3.15%	4.80%	2.66%	11.21%	74.86%
-	U.S. Sm Cp Val Stk Idx	<b>289</b>	-5.96%	-5.11%	3.66%	-3.70%	6.22%	69.44%
-	U.S. Sm Cp Gr Stk Idx	<b>192</b>	-0.82%	-0.99%	1.25%	3.98%	10.77%	13.91%

**Definitions & Notes:** 1. **Tickers** The majority of the funds in the American 401k and RSP Plans are not really mutual funds. They are composites or comingled funds, etc. **YOU WILL USE THE FUND NAME TO TRADE.** Data from proxy funds is used to make all calculations for the funds listed above. 2. The funds above were selected to work, using the model system. There are other funds in the plan that are not used. There is no reason to have multiple international or emerging market funds, for example.

### US Airways RSP Plan

Ticker	Fund Name	Score	1MoPerf	3MoPerf	6MoPerf	1YrPerf	3YrPerf	5YrPerf
-	Real Asset Fund	<b>1060</b>	-0.54%	0.47%	2.11%	5.71%	6.85%	5.41%
-	Bond Fund	<b>735</b>	-0.82%	-0.99%	1.25%	3.98%	10.77%	13.91%
-	Emerging Markets	<b>671</b>	-0.83%	1.94%	7.96%	8.12%	-7.79%	2.44%
-	Conservative Fund	<b>660</b>	-1.28%	-1.00%	2.13%	3.91%	9.64%	23.90%
-	Growth Fund	<b>635</b>	-1.28%	-1.00%	2.13%	3.91%	9.64%	23.90%
-	All Weather Fund	<b>561</b>	-1.62%	-0.99%	2.31%	3.79%	10.76%	31.13%
-	Large Cap Value Equity	<b>514</b>	-1.50%	-1.17%	3.54%	5.52%	22.57%	89.53%
-	BTC LP Idx Ret N	<b>505</b>	-1.38%	-0.97%	2.13%	3.77%	11.97%	31.37%
-	International Equity	<b>504</b>	-2.22%	-0.16%	0.55%	-3.01%	-4.09%	32.36%
-	BTC LP Idx 2025 N	<b>475</b>	-1.74%	-1.57%	2.11%	3.28%	13.16%	43.27%
-	Large Cap Growth Equity	<b>400</b>	-1.78%	-2.20%	3.31%	3.77%	27.43%	92.28%
FXAIX	Fid 500 Index IPR	<b>377</b>	-1.73%	-2.24%	3.32%	3.68%	27.24%	91.83%
-	Mid Cap Stock	<b>280</b>	-3.17%	-3.76%	2.36%	3.06%	21.39%	87.46%
-	Small Cap Equity	<b>265</b>	-4.60%	-3.13%	4.92%	3.08%	12.35%	77.20%

WF Stable Fund C will not appear in the monthly rankings since it technically mimics a money market fund.

The funds in 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. 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.

## Worry-Free Flight Path Models™ - American

Aggressive Model  
Moderate Model  
Conservative Model  
S&P 500 Index

### AA 401K Plan



American 401k Plan (as of October 31, 2016)

**Fear & Greed Index** The S&P 500 began October in the red and never broke into positive territory during the month, finishing the month at its lowest value – down around 2%. Bonds drifted lower during October as well, but lost only 1%. Uncertainty about the upcoming elections has fueled investor uncertainty, and when investors are uncertain, they are far more likely to sell than buy.



	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	Inception
Conservative Model Annualized	-0.46%	-0.50%	-1.20%	3.79%	20.80%	37.67%	92.95%
				1.25%	3.85%	3.25%	3.94%
Moderate Model Annualized	-0.46%	-0.50%	-1.20%	3.79%	20.80%	37.67%	92.95%
				1.25%	3.85%	3.25%	3.94%
Aggressive Model Annualized	-0.07%	-1.00%	-2.40%	6.20%	32.49%	85.46%	259.58%
				2.02%	5.79%	6.37%	7.82%
S&P 500 Annualized	5.15%	-1.82%	3.80%	27.68%	93.01%	91.32%	116.25%
				8.49%	14.06%	6.70%	4.64%

Aggressive Model  
Moderate Model  
Conservative Model  
S&P 500 Index

### US RSP Plan



USAirways Pilots RSP (as of October 31, 2016)

**AAL**— American Airlines stock jumped more than 10% during October after posting surprisingly strong earnings and revenue data. AAL is still negative YTD though as it fights back from being down more than 40% YTD in late June.

■ AAL      ■ S&P 500



	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	Inception
Conservative Model Annualized	-0.59%	-0.60%	-1.20%	24.64%	22.49%	65.46%	73.24%
				7.62%	4.14%	5.16%	3.29%
Moderate Model Annualized	-0.90%	-1.00%	-1.90%	35.65%	37.52%	128.59%	141.04%
				10.70%	6.58%	8.62%	5.31%
Aggressive Model Annualized	-1.18%	-1.25%	2.40%	32.39%	28.56%	142.93%	158.69%
				9.80%	5.15%	9.28%	5.75%
S&P 500 Annualized	5.15%	-1.82%	3.80%	27.68%	93.01%	91.32%	116.25%
				8.49%	14.06%	6.70%	4.64%

## American 401k

American 401k Plan Conservative Model		
Symbol	Fund Name	Allocate
-	AA Fed Credit Union	60.00%
-	Emerging Markets Stk	10.00%
-	Inflation Protection	10.00%
-	Diversified Bond	10.00%
-	U.S. Lg Cap Val Stk Idx	10.00%
		100.00%

## US RSP

USAirways RSP Plan Conservative Model		
Symbol	Fund Name	Allocate
-	WF Stable Fund C	60.00%
-	Emerging Markets	10.00%
-	Conservative Fund*	10.00%
-	Real Asset Fund	10.00%
-	Bond Fund	10.00%
		100.00%

American 401k Plan Moderate Model		
Symbol	Fund Name	Allocate
-	AA Fed Credit Union	36.00%
-	Emerging Markets Stk	16.00%
-	Inflation Protection	16.00%
-	Diversified Bond	16.00%
-	U.S. Lg Cap Val Stk Idx	16.00%
		100.00%

USAirways RSP Plan Moderate Model		
Symbol	Fund Name	Allocate
-	WF Stable Fund C	36.00%
-	Emerging Markets	16.00%
-	Conservative Fund*	16.00%
-	Real Asset Fund	16.00%
-	Bond Fund	16.00%
		100.00%

American 401k Plan Aggressive Model		
Symbol	Fund Name	Allocate
-	AA Fed Credit Union	19.00%
-	Emerging Markets Stk	27.00%
-	Inflation Protection	27.00%
-	Diversified Bond	27.00%
		100.00%

USAirways RSP Plan Aggressive Model		
Symbol	Fund Name	Allocate
-	WF Stable Fund C	19.00%
-	Emerging Markets	27.00%
-	Real Asset Fund	27.00%
-	Bond Fund	27.00%
		100.00%

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

### AA 401k CHANGES in ALL 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.

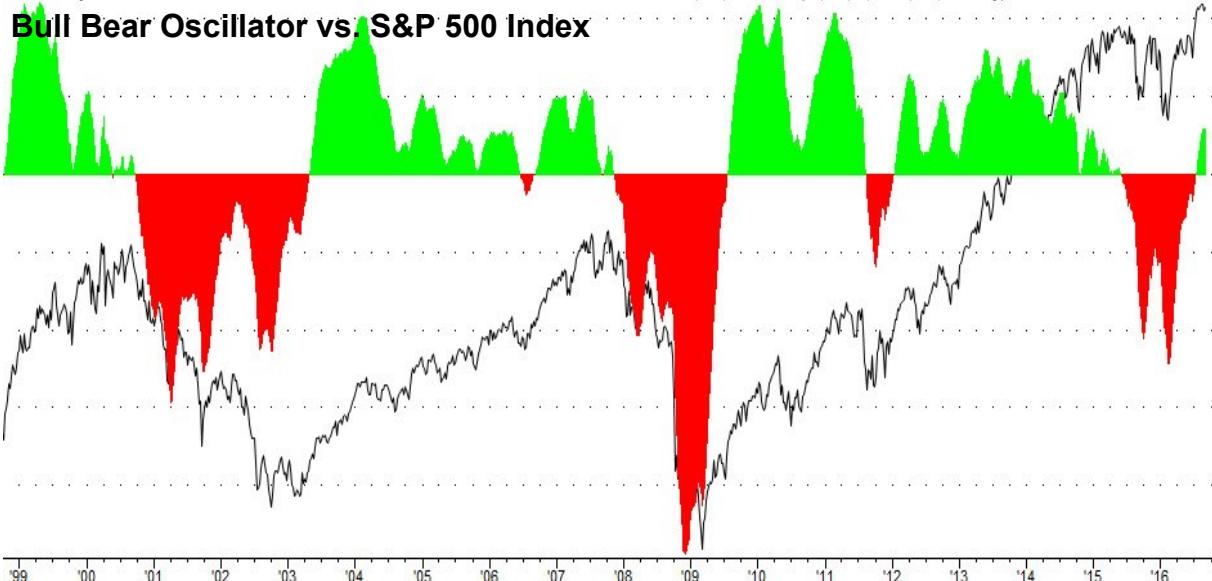
- Future Contributions: The models work smoothly if you direct ALL future contributions into the following, the AA Fed Credit Union for the 401K and Wells Fargo Stable Value Fund for the RSP.

**\*IMPORTANT:** Wells Fargo is 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

- 12/5/16
- 1/5/17
- 2/3/17
- 3/3/17
- 4/5/17
- 5/4/17
- 6/5/17
- 7/6/17
- 8/3/17



## from the CAPTAIN'S TABLE

### Presidential Cycles and Stocks

In any presidential election, investors will undoubtedly consider the effect on stock prices if their candidate wins or loses. Given what's at stake, there is understandable anxiety around election outcomes and its effect on the economy and consumer sentiment, which both influence the direction of stock prices. But to what extent? And is all of the handwringing warranted?

Those are both very difficult questions to answer, but one could get a glimpse of what to potentially expect by analyzing the past election cycles. Admittedly this may be a foolish game, especially when you consider that this election, these candidates, these campaigns, resemble nothing like we have seen in recent memory or maybe ever. Contributing to the abnormally high concern regarding this particular election is the high unpopularity of both of these candidates. So, it's easy to see why investors feel uneasy about their investments.

### Can stocks predict a winner?

While predicting future performance in stocks is rather difficult, the recent movement of stock prices often give us clues about ultimate election winners. In a tight election, prognosticators often look at the state of the economy, demographic analytics, polls and more polls, in an attempt to determine which candidate will win. It turns out there may not be any better predictor of the winner than the stock market. If the stock market is up the three months leading up to the election, put your money on the incumbent party. Losses over these three months tend to usher in a new party.

In the past 22 presidential elections since 1948, 14 were preceded by gains in the three months prior. In 12 of those 14 instances, the incumbent, or the incumbent party, won the White House. In 7 of the

8 elections preceded by three months of stock market losses, incumbents were ousted. Exceptions to this correlation occurred in 1956, 1968, and 1980. This shows that the S&P has an 86.4% success rate in forecasting the election. It's worth noting that the S&P 500 is down 2.13% since August 1.

### Does it matter for stocks who wins the election?

Most of us feel strongly about one party or the other when it comes to your politics, but when it comes to your portfolio, history suggests that it doesn't much matter which party wins. In fact, Democrats have only slightly been better for stocks dating back to 1900 compared to markets under a Republican administration.

Regardless of who wins, history also suggests that we could be in for a couple of slow growth years. That will not be welcome news to advisers and investors alike since slow growth has been the bane of investors for several years now. History shows that bear markets and recessions tend to start in the first two years of a president's term. In fact, the first and second years of a president's term see average gains of only 2.5% and 4.2%, respectively. However, the last four years have been out of sync with normal cycles, so all bets are off when it comes to 2017 and beyond.

Given the nastiness of these two campaigns and the well-publicized flaws of the candidates themselves, it's important to remember that markets and economies don't implode due to election results. Certainly, the election injects a fair amount of unpredictability into the equation for the market to digest. There is already angst and uncertainty swirling around the Fed and the constant "will they or won't they hike rates" question that has loomed over markets for the last few years. So the election only adds to the persistent level of uneasiness, and if there is one thing the markets don't like, it's uncertainty. So it's normal that we see volatility pick up around the election. And one should expect short term gyrations in markets post-election, regardless of which party wins. But whatever immediate reaction stocks have to the election; it will most likely be short-lived.

Much like the Brexit, the vote in Great Britain to leave the European Union triggered immediate panic in markets; then it was over as fast as it started.

In summary, investors should always be mindful of anything that can affect their money. But presidents have much more influence on policies and programs, as they attempt to push through Congress aspects of their agenda, than the stock market. No doubt there will be specific stock winners and losers, but by and large, those will be related to specific sectors that are impacted by the candidate's or party's platform than by his/her mere presence in the White House.

Have a great month. *Weston*



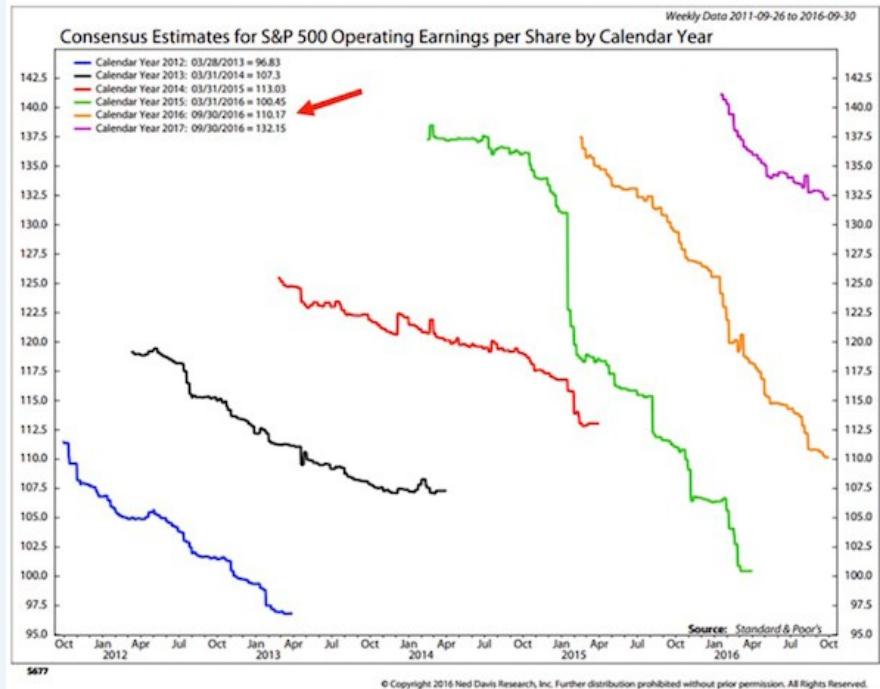
**Weston Pollock** is a Managing Partner at Smith Anglin Financial, and leads the firm's marketing and business development. He regularly meets with prospective clients, counsels existing clients, participates in investment portfolio analysis and develops materials for communicating with the firm's clientele and target markets. He holds a BBA in Finance and Real Estate 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.

(Continued from page 2)

The Earnings Exception Chart (on pg. 2) shows averages for the 17 quarters from 2Q 2012 through 2Q 2016: Profit projections made one year out are usually way too optimistic. Over the next twelve months they fall steadily to a point just below the eventual actual number. Voila: a huge failure to deliver on the year's goal gets transformed into a "we beat expectations" victory.

This next chart shows how this phenomenon works itself out over several years of data. The chart starts with the year 2012, and there has not been one year since that has not seen a significant revision downward of earnings forecasts. Note that initial estimates have been higher every year than the year before, except in 2016, and that the drop-off in earnings estimates was more precipitous in 2015 and 2016 than in prior years. In 2015, consensus estimates went from an initial forecast of \$137 to barely above \$100 by the end of the year. That is a huge miss – over 30%. But that expectations dive didn't dismay the analysts, because they initially predicted roughly the same level of earnings for 2016; and as of September 30, it looked as though earnings are going to come in at roughly \$110.



For 2017, earnings predictions started above \$140 and are now down to \$132. In a world where GDP growth may be in the neighborhood of 2%, does it really seem likely that earnings are going to grow by 20% in 2017?



Reading someone else's copy?  
Visit us on Facebook to get our New Member—3 months FREE offer now!



**Like us on Facebook!**



<https://www.facebook.com/USPFA>

**Commodities** – assets you can hold in your hands – are having a good run as of late. For the first time since June, crude oil prices climbed above \$50 a barrel in early October, but they've given back some value since then. Still, oil prices are up more than 30% for the year so far. Gold is also up markedly year-to-date, having appreciated almost 20% for the year. Silver is also up substantially, posting a gain of almost 30% for the year. Precious metals are seen as a safe haven in a crisis, so they tend to appreciate when investors are fearful.

**The seasons, the markets, and political elections here** and around the world all show us that the one constant in our world that we can count on is change. We spoke a few months ago about technology innovations that are coming, including autonomously driven vehicles. Many tech experts say that self-driving trucks will be the first wave of vehicles that we'll see on the road because of high demand for the technology. Logistics firms just can't find enough drivers to man their routes and traditionally driven vehicles can only be operated for 11 hours at a stretch. In a major milestone for autonomous trucking, some 45,000 cans of Budweiser beer arrived recently at a Colorado warehouse after traveling more than 120 highway miles in a self-driving semi with no driver at the wheel. The driver monitored the truck's activity from the sleeper berth for the entire two-hour journey. Another application of driverless technology is "platooning". Here, a lead truck has a human driver and leads a "road train" of several other trucks with empty cabs programmed to follow the leader.

Another change we're seeing here in the U.S. is the legalized consumption of recreational marijuana. The issue is on the ballot this month in five states: Arizona, California, Maine, Massachusetts and Nevada. Recreational marijuana usage is already legal in four states: Colorado, Washington, Oregon and Alaska, plus the District of Columbia. If the issues pass in all five states, then 23% of U.S. citizens will live in a state where recreational marijuana usage is legal. If there's anything worse than being passed by an 18-wheeler barreling down the highway and driven by a stoned trucker, it would be realizing that same trucker has 4 driverless trucks "platooning" behind him and following his every lead. Now that's a convoy I'd just let roll on by ....



## Upgrade your 401k Autopilot Program<sup>SM</sup> with BrokerageLink®!

Remove the restrictions imposed within the 401k platform fund choices and open your retirement savings to more investment opportunities.

- ♦ no longer limited to just the funds in the AA Plans; you have access to hundreds of actively managed mutual funds, exchange traded funds (ETFs), and even individual stocks
- ♦ freedom to trade without fear of "frequent trading" warnings; and ETFs, stocks and similar securities are able to be traded during a trading day
- ♦ Call today, 1-888-254-1727

### Manage My 401k for Me!

Are you too busy to keep up with your 401k? Do trips and time zones keep you out of the loop? Want to make sure changes are made automatically to your account?

The 401k Autopilot Program<sup>SM</sup> is offered through Smith Anglin (not the newsletter). The firm provides *daily supervision*, going beyond the newsletter recommendations. All this for a fee smaller than the amount the market often fluctuates in a *day*. There is a \$250,000 minimum combined 401k plus any transferred accounts.

Get your free Autopilot Starter Kit at [www.smithanglin.com/401k-autopilotprogram/](http://www.smithanglin.com/401k-autopilotprogram/)

Services provided through Smith Anglin, a Registered Investment Advisor