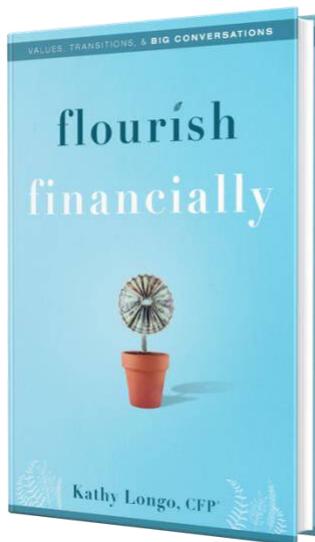




FLOURISH
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News from Flourish

On behalf of the entire team at Flourish Wealth Management, we want to thank all of the supporters who attended the book launch party in Edina on September 17th. It was wonderful to see so many familiar faces in the audience and share the excitement of the evening with everyone. I have also received supportive e-mails and calls from people that couldn't attend the event, along with some positive comments about *Flourish Financially*. I have often compared the process of writing a book to having a baby, and based on the early feedback and support it looks like me and my "baby" are making some positive first steps.



The book launch party wrapped up a busy couple of months as summer came to a rapid conclusion in Minnesota. We share some stories about the book in the pages below along with market comments and other updates.

As a follow-up to the launch of *Flourish Financially*, I've had the opportunity to participate in a few podcasts and radio interviews. It has been fun to share my perspectives about why money conversations are so difficult for people, particularly couples.

Our first series was on why couples lie about money. I will post links to a couple of the interviews which have been spread across markets in Seattle, Florida, Iowa, Canada, and other parts of the country on our website. Please visit [my new Kathy Longo website](#) for more information about the book which is available for purchase on Amazon.com and BarnesandNoble.com.

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Q3 2018 QUARTERLY ARTICLE

A Little More Conversation...

By: Kathy Longo, CFP®, CAP®, CDFA

President & Founder

A few days after I published my book I was having a chat with my mom. I asked her what she thought of *Flourish Financially* and, with an earnest tone of surprise, she said “It was better than I thought it was going to be.” I laughed aloud at her surprise and then humbled myself to ask what her tone meant. She explained that to her (and to many) the idea of reading a book about personal finance doesn’t evoke positive emotions and feels a bit like a chore. So, she continued, she was excited to read the book because it was written by her daughter, but not really because of the subject matter. My mom was a little surprised when she started to read and found herself excited to turn the page because she was moved by the stories and their lessons. I must say that it made me very happy to hear her say that! The point of this process was to share stories – my own as well as the people I have worked with over the years. While nobody has been more supportive of my career than my mother, she has always (to my great benefit) also been a wonderful critic and her response was a source of great pride for me.

The stories in *Flourish Financially* are deeply personal and I hoped readers would feel as I did when I experienced them or experienced hearing them. Often, when reflecting on my discussions with friends, loved ones and clients in the process of writing, it was the relevance to my own money story and life story that moved me and made me want to share these stories with more than just my inner circle. Since publishing I have heard from many readers that the stories that strike them are the ones in which they can see themselves.

I had one guest at my reading share his story of growing up in a house where money was never talked about, being promised an allowance that was rarely paid because it was frequently taken away as a form of punishment, and who is now thinking about the importance of creating positive money conversations with his family despite not having that in his own money history. When he spoke, it was clear that he

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was emotional about his experience and he was grateful that there were others who had gone through something similar. I think we often feel lonely in our financial experience. That is part of why it may be difficult for people to talk about money even with those closest to them. It has been incredibly rewarding to see people expressing their stories, their concerns, their joys and their journeys with me and with others after reading *Flourish Financially*. If the outcome of having written this book is that people feel even a little bit more comfortable sharing, talking and engaging with others about their financial lives, then I can ask for no greater gift.

MARKET COMMENTARY

By: Jay E. Pluimer, AIF[®], CIMA[®]
Director of Investments

Market performance was a mixed bag in the third quarter of 2018. Aggressive foreign trade tactics from the US continued to disrupt global markets, compounding issues with a strengthening US Dollar. We started to see a recovery in small cap stocks in domestic markets but value strategies continue to lag. In addition, rising interest rates supported by the Federal Reserve created a headwind for bond investors. The result was an environment where a diversified portfolio with exposure to global markets and fixed income struggled to make money. Positive performance in 2018 has been limited to a few specific sectors of the market despite frequent press headlines about the strong economy and stock market highs. In fact, Technology stocks generated over 75% of total market gains through the first 9 months of the year, blinding many investors to the lack of participation from other market sectors. Long-term evidence proves the value of a diversified portfolio, although that message can be more difficult to remember when a small portion of the market is generating outsized returns and dominating positive comments from the media. At this stage of the market cycle we are making sure to maintain portfolio diversification for downside protection, have cash raised to meet spending needs plus weather market downturns, and look for opportunities to rebalance.

The first couple weeks in October were a reminder that volatility, valuations, and diversification still matter. We started the month with rising



interest rates as the 10-year bond yield reached its highest level in over 10 years, pushing down bond prices. The stock market reacted the following week with a significant correction in the high-flying Technology stocks that have been driving market performance. Although we do not see any signs of a long-term market correction, nor have we been looking for a big near-term change in the markets, it was helpful to see that a diversified portfolio was able to hold ground and provide some downside protection. The big market swings were also a reminder about the importance of maintaining a long-term perspective focused on achieving retirement planning goals instead of keeping up with a market driven almost entirely by one sector. We will continue to monitor fundamentals to position accounts for up and down markets.

For more information on investments and the markets this quarter you can look at our [Quarterly Market Review](#).

CONCLUSION

As always, we are here to listen to our clients and share our perspective. We hope that our newsletter and articles provide you with inspiration and useful information. We encourage you to share our resources with family and friends who you think would benefit from them. Happy Fall!



Sincerely,

Kathy Longo & the Flourish Team

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