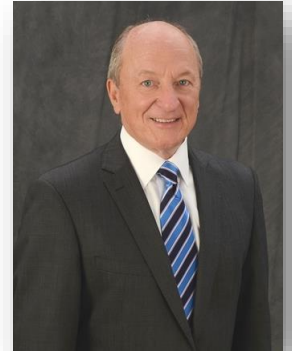


April 19, 2017

Alex M. Petrovic, Jr., In Memoriam – Alex Petrovic III

Thank you to those of you who were able to attend my father's funeral. The family and I have spoken with many of you over the past weeks, and we appreciate your kind sympathies, warm and funny stories and the assistance you have given us. All of those gestures have helped us remember our Alex with smiles and tears and aided our family in our time of need.

I felt the most appropriate comments I could include in this newsletter would be to reprise my remarks from his funeral service. For those of you who were unable to attend, or who didn't know him as many of us did, hopefully his eulogy helps you know and remember him better.



Alex Petrovic Jr's Eulogy – March 3, 2017

Family and friends, thank you for coming today to celebrate my father's life and the impact he had on all of us. My brother and I are truly humbled and honored to speak about our father and relay our appreciation to you for being a positive force in his life.

My father, Alex M. Petrovic, Jr. passed away on February 18th, 2017. The suddenness of his passing has shocked all of us. His brief battle with acute myeloid leukemia, an aggressive blood cancer, and sudden passing is still beyond belief. Many of us are not yet at the point of acceptance. A healthy, vivacious man who loved life, family and humanity was taken from us too early. Yet, we remind ourselves life is fragile and impermanent. So we appreciate the time we spent with him, the memories we will cherish and the influence he had on all of us.

As I reflect on my father's character and deeds, themes emerge that encapsulate his life.

He was a loving, positive and compassionate person. He was an inclusive man, who would rather bring people into his life, than exclude people from it. His easy smile, relaxed charm and compassionate nature allowed him to develop numerous deep friendships. Bonding with others and having meaningful relationships were more important than protecting his ego or advancing his own desires.

I come from a lineage of talkative extroverts, including my father. However, he was also a committed listener who felt your pain or joy. He was opinionated at times giving his honest thoughts, but not overbearing. He would give his honest thoughts, and if need be encourage us to take the high road, respect the family name and push ourselves to reach our potential.

Over my father's 34-year career as a financial advisor, and my 12 years working next to him, I saw him lead by example. He believed it was a privilege to advise and serve his clients. He treated everyone with respect and gave our clients the honest advice he believed they deserved. Since his passing, I have spoken with many clients who told me they not only appreciated his advice and service, but also considered him a friend. His qualities and deeds have certainly influenced me, and I will continue to serve our clients with the same care and integrity he exhibited in all aspects of his life.

He was committed to his family, and he rarely faulted in his duties. After our parents' divorce, they had joint custody of my brother and me, and every two weeks John and I went back and forth between my mother and father's houses. This lasted for years. But my brother and I didn't view this as a difficult time, as we felt the love and commitment from both of our parents.

He believed all of us must be an active, positive force in our community. He was a long-time board member of the Bridge Home for Children. In the early years, he helped gut and renovate the first Bridge Home. Over the years, he also mentored a few of the young men who lived there. He was a Rotarian for many years, and believed in Rotary's motto, "Service above self." He enjoyed the friendship, comradery and assistance he and fellow Rotarians gave to others in need.

He was an inclusive man, who would rather bring people into his life, than exclude people from it. My father started dating Peggy about 15 years ago. Though it of course took some time, Katie, Sarah and Michael became his children too. He shuttled them to their activities, went to all their performances and school events, and made their sack lunches, as he did for my brother and me. He delighted in their successes and happiness, and he anguished over their challenges... as any parent would.

We can take solace in that he lived a long life, full of memorable experiences, cherished friendships and a loving family. He was lucky to have loving and supportive parents. Despite his occasional rebel streak, he loved and was loved by them. He was fortunate to have 5 siblings, Fran, Teresa, Chris, Mark and Stasia, who are all loving, compassionate people and siblings. All 6 of them are blessed to have each other.

He saw 4 of his 5 children get married. He loved being a grandfather to his 6 grandchildren. He would stop by, unannounced at times, our houses to check in and see how his grandkids were doing.

In conclusion, our collective shock will soon turn to painful acceptance. And as we continue our lives without Alex's physical presence, he will live on in our memories and his life sets a loving example for how we should live ours. The family looks forward to hearing your stories about our Alex, both humorous and sincere. From all corners of my father's large family, thank you for honoring his life today. Your presence is a beautiful tribute to him. Thank you.

The Markets and Your Money – Sandi Weaver, CPA, CFP®, CFA®

We've had quite a run lately, but perhaps this bullet train is slowing some. The stock market's S&P 500 companies pulled in a 6% return this quarter, on the heels of 3% returns in both the 3rd and 4th quarters of 2016. Compare these to the prior 2% and 1% quarterly returns early in 2016, and you can see growth is back.

Our typical portfolios – that's your money – have the most dollars invested here, in U.S. companies. But in the typical portfolio here we also invest about 15% of your money overseas. How are those markets doing? Overseas stock markets have zipped ahead of us this year, earning 7%. In the past 4 years, overseas investments have earned less than U.S. so that trend may be reversing.

Our typical portfolios – again that's your money – have significant amounts invested in bonds. Those made .8 of 1%. It's been difficult to make money in bonds lately. Although bonds earned 4% over the last 10 years, it's been below that the last couple years and will likely remain so this year.

Our best guess?

Barring unforeseen factors – either negative or positive – hitting the economy, we are hopeful that the typical portfolios here should see modest single-digit growth, similar to last year, perhaps something between 5% and 10%. The years of double-digit returns, which we had in 2012 and 2013, are likely over until the next business cycle swings. What matters

most to your returns? Short term? Almost anything. Over the long-term, it's the growth rate of corporate earnings and interest rates.

Like many other pros, we see the market heading sideways for a while, or perhaps pulling back (think -10%). A correction (think -20%) is possible but not likely. But we're due, and the odds are low that the short-term action from here will mimic what we've seen since last November's election.

What's been going well for us?

Corporate earnings are looking sanguine. The experts are predicting 1st quarter's earnings to grow 9%, which may be a tad optimistic. But 4th quarter's earnings grew 4%, and 3rd quarter's earnings grew 8%, which reversed a long line of flat-ish growth.



Unemployment remains low, at 4.7%. Our economy is at full employment. Wages grew at 2.8%, a healthy figure.

Consumer confidence is reaching new highs not seen since the year 2000.

President Trump's ground roots "de-regulation" efforts are spurring business expectations. If his tax changes get through, that should boost business too. See my article in the *Kansas City Star* for more details:

<http://www.kansascity.com/news/local/community/joco-913/article144152209.html>.

Europe's prospects for growth may be coming back on track, given recent political elections.

What's not so hot?

Our U.S. GDP (gross domestic product) growth came in at a tepid 1.6% for 2016.

Britain's filing of Article 50 has started their departure steps from the European Union. Hopefully others will not follow.



President Trump is batting 0 for 2 thus far, if you count his travel ban and attempted repeal of ObamaCare.

The U.S. stock market's valuation is pretty high – 26.5 on trailing 12-month earnings, and 18 on forward earnings. The historical range is 12-22; 16 is viewed as fair value. In order to bring this high valuation back down to average, stock prices have to drop or corporate earnings need to increase.

Music to soothe...

We have plenty of smart heads in this firm: 4 CFP's, one with a CFA, plus years of experience. Our best strategy is to identify what we know, to know what we can't know, and to use probabilities. We read to stay current. We check our opinions against the research data. We're slow to make changes because history has proven that's prudent. While we leave the emotions out, we are always mindful of how much you depend on us.

Market Recap – Jim Stoutenborough, CFP®

Let's do the numbers:

- The U.S. stock markets took a breather in March after hard runs up in January and February. International markets provided most of the oomph with a 2.5% gain, but bonds were down a skosh with a (-0.05%) return.

- First quarter returns for 2017:
 - Large U.S. companies, the S&P 500 Index and Dow, advanced 6.1% and 5.2% respectively with the Russell 2000 Index (small U.S. companies) up 2.5%. The international index, the MSCI World ex US, ended the first quarter up +6.8%.
 - The Barclays U.S. Aggregate Bond Index (quality U.S. corporate and gov't bonds) was up 0.82%.

Asset Class	Index/Category	YTD	2016	2015
Cash and cash alternatives	Average 1-yr CD Rate	0.3%	0.3%	0.3%
U.S. Bonds	Barclays US Aggregate Bond Index	0.8%	2.7%	0.6%
World Bonds	Morningstar World Bond Category	2.3%	3.6%	-4.0%
U.S. Large Companies	S&P 500 Index	6.1%	12.0%	1.4%
U.S. Small Companies	Russell 2000 Index	2.5%	21.3%	-4.4%
International Markets	MSCI EAFE NR USD Index	7.3%	1.0%	-0.8%

Numbers come from Morningstar.com and Bankrate.com

Inclusion of these indexes and other information herein is for illustrative purposes only and should not be considered indicative of future results. Individual investor's results will vary. Information included herein has been obtained from sources considered to be reliable, but we do not guarantee that such material is accurate or complete. Expressions of opinion are as of this date and are subject to change. Nothing contained herein should be considered an investment recommendation. You should consider any tax or legal matters with the appropriate professional.

A Common Insurance Planning Mistake – Rey Arellano, CFP®

Although often overlooked, insurance planning is a fundamental aspect of being financially sound. Usually, people do not like to talk about insurance because it involves losing something, *i.e.*, wrecking your car, an injury preventing you from working, or the loss of your property. However, being underinsured (or in some cases over insured) could be a costly mistake that can easily be avoided with proper planning. The following is an example of how analyzing a policy led us to saving clients' money and making sure they were properly insured.

Comprehensive vs Liability Auto Insurance

People usually get comprehensive coverage when they first insure a new car. They renew their policies without ever checking to see if the car being covered is worth the extra coverage. Over time, the amount people pay for comprehensive coverage no longer makes financial sense.

A general rule of thumb on when to drop comprehensive coverage and only carry liability insurance is when the replacement value of the car is less than ten times the annual premium one would pay for that coverage. For example, if your car is worth \$5,000 and you are paying \$540 a year for comprehensive coverage, consider dropping that coverage. If a person were to file a claim, they would have to pay a deductible, usually in the range of \$250-\$1,000. Although insurance companies have made it very easy to renew auto policies, their automatic renewal procedures might cost you.



Earlier in the year, we had two clients for whom we did an insurance review (we have changed their names for privacy reasons). Tom had a 2009 Honda CRV worth close to \$8000. Ann had a 1998 Honda Civic worth \$500. They both had comprehensive coverage on the cars, with an annual cost of \$266 for the CRV and \$185 for the Civic. The deductibles on the policy were \$1,000 for each car; that is what Tom and Ann would have to pay if they filed a claim.

Per our rule of thumb, Tom's CRV is still valuable enough to have comprehensive coverage ($\$266 \times 10$ is less than \$8,000). However, Ann's Civic is not ($\$185 \times 10$ is more than \$500). Additionally, if Ann were to file a claim on her Civic, her insurance company would only pay for the replacement value of the car, minus the deductible. Meaning, if Ann totaled her car, the insurance company wouldn't pay anything because the \$500 replacement value is lower than the

deductible. The \$185 Ann is paying for her comprehensive coverage is only going into the insurance company's coffers because there is no benefit even if Ann filed a claim!

It is no surprise these scenarios occur often. However, by analyzing a policy, we can help clients determine if they are properly covered and if they can save money.

Is Your Child Graduating Soon? – Sandi Weaver, CPA, CFP®, CFA®

May is the month for graduations, both high school and college. Once the pomp and ceremony is over, launch your child into their new job and help them make smart decisions with their money!

Send them to us for a thorough review of their employer benefits. We will be glad to explain how pension plans work, and the wisdom of getting that employer match.

We discuss their employer's medical insurance, assist in evaluating the options available, and recommend a suitable choice. We cover any need for life insurance, disability coverage, and how a flexible spending account works. If an employee stock purchase plan is available, we can address those.

In preparation for the meeting, we'll ask for a link into the employer's benefits webpage or a paper booklet explaining same.

Just give us a call or email to set up a meeting. Some parents come along; some don't. Because you're a client, there's no charge.

Sandi



Play Parent One More Time

Has your child recently gotten their first job?
Bought their first house? Gotten married? Had their first child?

Set them up with a phone or office meeting with us. We will review the financial planning steps to take to get started on the right foot.

No charge.

Inside & Outside of PWFS

Alex Petrovic III – As is sometimes necessary in life, we have been focusing on the positive! And so the best aspects of the past few months have been connecting with family and friends we haven't seen in a while (albeit under unfortunate circumstances) and spending time with Dasha, playing with Benny and watching him develop into an increasingly noisy 16-month old. ☺

Ben Ben (one of his many names around our house) just had his 16-month checkup and all is well. He is learning so many new words, and he loves reading books on our laps. He is eating well, even though momma Dasha gets upset when he doesn't clean his plate... or when he throws it on the floor and walls, and then follows this by saying the ubiquitous 'uh oh'. He is a good little boy, and we are enjoying every day. We are beginning to understand the phrase, "they grow up so fast".



Sandi Weaver – I just spent a 4-day weekend in Washington D.C., seeing and learning about cherry trees. This was another Road Scholar trip, an awesome travel company which clients Ben and Mary have recommended. The group of travelers was diverse and keenly inquisitive, so we all had a wonderful time.

Jim Stoutenborough – I despise cold weather and the one thing that helps me make it through the winter is knowing that opening day is coming. I have been watching spring training games on TV from locations where the weather is sunny and 75 degrees in February and March. That gives me the where with all to make it through those sometimes-gloomy Kansas City late winter days.



We started looking through the schedule to see what games we wanted to see this year. The Royals unfortunately lost their first game but my favorite national league team, the Arizona Diamondbacks won theirs – so after opening day one of my two favorite teams are in first place. One down – 161 to go.

Rey Arellano – I am coming around third base on my schooling, as I only have four classes to finish before I'm done with my MBA program. One of my favorite classes recently has been Behavioral Finance, which is the study of psychological, social, and cognitive factors that affect our economic decisions.

Dan Ariely, a Duke Professor of Psychology and Behavioral Economics, is a prominent leader in the subject. He has many TED talks he's uploaded to YouTube concerning how, contrary to economic theory, people are irrational when it comes to their personal economic decisions. And not only are people irrational, but people are **predictably** irrational. It is a fascinating subject that has made me question my own financial decisions.

Marsy Gordon – The last few months have included a nice weekend trip to Branson for my husband and me, and spending time with our daughter and her family in Lawrence. We're looking forward to a trip to California, and possibly Denver in the coming months to visit more kids and grandkids.

Spring seems particularly welcome this year. Maybe I will get some flowers planted in the yard. In the meantime, I do love those perennials!

It's been good to see so many of our clients recently, and we look forward to seeing more of you in the coming weeks.

Ann Kloster –Spring is here and I am thinking of my future flower garden as I do every year. My thoughts of a garden overflowing with blossoms, greenery, flitting butterflies and buzzy bees usually exceeds the actual amount of time I can devote to achieving said lushness, not to mention my bank account.

Not too many years ago, I would be in the yard literally all afternoon – and loving it. Just my trusty trowel and a water bottle. *sigh* Nowadays, I don't head out for an hour without first downing a few Tylenol®. Fingers are crossed that last year's plants return to bloom again.

LaDonna Parker – In February I attended a large family and community event in southeast Kansas, close to where I grew up. It was wonderful to see all my aunts, uncles and cousins. I also saw people I have not seen in 40 years. Of course, none of us recognized each other!

My sister, Carol, and I stepped out for a while and enjoyed a wonderful dinner at Chicken Annies!

Jeannine Shaffer – We have a new family project and like all projects, getting started is the hard part.

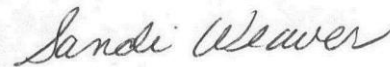
As we were cleaning out my mother in law's apartment, we volunteered to store the dozen or so scrapbooks and photo albums she had kept. Some are quite old with yellowed newspaper articles once glued to pages that are so fragile you're afraid to touch them. There are photos that were once stuck to plastic covered adhesive pages that fall out of the book when you pick it up.

Reorganizing these will be a challenge, since there is no one now to tell us about the people and places in those photos. We hope to preserve them by making digital copies and creating a book so each of the grandchildren will have visual history of her life.

Once we finish with her books, we can start on our own!



Alex Petrovic III, CFP®
President



Sandi Weaver, CPA, CFP®, CFA®
Senior Advisor