

INTERESTS & TIDBITS

- “Success is not final, failure is not fatal: it is the courage to continue that counts,” Winston S. Churchill.
- Dr. Kevin Elko’s Morning Cup of Inspiration can be found at drelko.com
- Golf Tip: If you want to improve your putting, get your senses involved. Tap into the right side of your brain to sense pace, line, and depth.

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Long-term Investment Truths

You learn lessons as you invest in pursuit of long-run goals. Some of these lessons are conveyed and reinforced when you begin saving for retirement, and others you glean along the way.

First & foremost, you learn to shut out much of the “noise.” News outlets take the temperature of global markets five days a week (and even on the weekends), and fundamental indicators serve as barometers of the economy each month. The longer you invest, the more you learn to ride through the turbulence caused by all the breaking news alerts

and short-term statistical variations. While the day trader sells or buys in reaction to immediate economic or market news, the



buy-and-hold investor waits for selloffs, corrections and bear markets to pass.

You learn how much volatility you can stomach. Volatility (also known

as market risk) is measured in shorthand as the standard deviation for the S&P 500. Across 1926-2014, the yearly total return for the S&P averaged 10.2%. If you want to be very casual about it, you could simply say that stocks go up about 10% a year – but that discounts some pronounced volatility. The S&P had a standard deviation of 20.2 from its mean total return in this time frame, which means that if you add or subtract 20.2 from 10.2, you get the range of the index’s yearly total return that could be expected 67% of the time. So in any given year from 1926-2014, there was a 67% chance that the

OPM Data Breach — What Should You Do?

By Lisa Weintraub Schiffrerle

Attorney, FTC Division of Consumer and Business Education

A data breach at the Office of Personnel Management (OPM) – and you’re a current or former federal employee whose

personal information may have been exposed. What should you do? Take a deep breath. Here are the steps to take.

First Steps: Check your credit report at annual-creditreport.com. Look for accounts or charges you

don’t recognize. Even if the breach didn’t involve credit card information, thieves may use your Social Security number, address and date of birth to open accounts in your name. OPM announced that it plans to offer credit report access, credit moni-



You learn to be patient in long-term investing.

“Across a sustained bull market, it is common to see your level of risk rise parallel to your return.”

Long-term Investment Truths cont'd

yearly total return of the S&P might vary from +30.4% to -10.0%. Some investors dislike putting up with that kind of volatility, others more or less embrace it.¹

You learn why liquidity matters. The older you get, the more you appreciate being able to quickly access your money. A family emergency might require you to tap into your investment accounts. An early retirement might prompt you to withdraw from retirement funds sooner than you anticipate. If you have a fair amount of your savings in illiquid investments, you have a problem – those dollars are “locked up” and you cannot access those assets without paying penalties. In a similar vein, there are some investments that are harder to sell than others.

Should you misgauge your need for liquidity, you can end up selling at the wrong time as a consequence. It hurts to let go of an investment when the expected gain is high and the P/E ratio is low.

You learn the merits of rebalancing your portfolio. To the neophyte investor, rebalancing when the market is hot may seem illogical. If your portfolio is disproportionately weighted in

equities, is that a problem? It could be.

Across a sustained bull market, it is common to see your level of risk rise parallel to your return. When equities return more than other asset classes, they end up representing an increasingly large percentage of your portfolio’s total assets. Correspondingly, your cash allocation shrinks as well.

The closer you get to retirement, the less risk you will likely want to assume. Even if you are strongly committed to growth investing, approaching retirement while taking on more risk than you feel comfortable with is problematic, as is approaching retirement with an inadequate cash position. Rebalancing a portfolio restores the original asset allocation, realigning it with your long-term risk tolerance and investment strategy. It may seem counterproductive to sell “winners” and buy “losers” as an effect of rebalancing, but as you do so, remember that you are also saying goodbye to some assets that may have peaked while saying hello to others that you may be buying at the right time.

You learn not to get too attached to certain types of investments.

Sometimes an investor will succumb to familiarity bias, which is the rejection of diversification for familiar investments. Why does he or she have 13% of the portfolio invested in just two Dow components? The investor just likes what those firms stand for, or has worked for them. The inherent problem is that the performance of those companies exerts a measurable influence on the overall portfolio performance.

Sometimes you see people invest heavily in sectors that include their own industry or career field. An investor works for an oil company, so he or she gets heavily into the energy sector. When energy companies go through a rough patch, that investor’s portfolio may be in for a rough ride. Correspondingly, that investor has less capacity to tolerate stock market risk than a faculty surgeon at a university hospital, a federal prosecutor, or someone else whose career field or industry will be less buffeted by the winds of economic change.

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OPM Data Breach — What Should You Do? cont'd

Place a [fraud alert](#) on your credit reports. With a fraud alert, businesses must verify your identity before providing new credit. An initial fraud alert lasts 90 days but you can renew it.

Next Steps: If your information was exposed, then OPM will send you a letter explaining what information was involved. Your next steps depend on the type of information exposed:

Social Security number

Consider placing a [credit freeze](#). Why? Thieves can use your Social Security number to open new accounts. With a credit freeze, no one can open a new account in your name (until you lift the freeze). Next year, try to file your taxes early – before a scammer

can. Once your Social Security number is exposed, a thief can use it to get your tax refund.

Bank account, credit card, or debit card information

Contact your bank or credit card company to cancel your card or close your bank account. Request a new account number. If you have automatic payments, update them with your new account number. Review your transactions regularly to make sure no one has misused the account.

Online login or password

Log into the account to change your username or password. If you can't login, then ask to shut down the account. If you use the same password elsewhere, change that too. For updates about the breach, check [OPM's website](#). For more informa-

tion about what to do after a data breach, and a handy checklist of steps, visit [Identitytheft.gov/databreach](#). Remember to continue checking your credit report at [annual-creditreport.com](#), in case information is misused in the future. You can order a free report from each of the three credit reporting agencies once a year. If you discover that someone is misusing your information, you'll need to take additional steps, including [filing a complaint with the FTC](#). [IdentityTheft.gov](#) walks you through those steps – because recovering from identity theft is easier with a plan.

**Lisa Weintraub Schifferle's article appeared on June 4, 2015, as part of the Federal Trade Commission's Consumer Information Blog.*

“OPM announced that it plans to offer credit report access, credit monitoring, and identity theft insurance and recovery services to potentially affected individuals.”

Colorado Flavors

GLUTEN-FREE PEANUT BUTTER COOKIES

By Lauren Gaddie-Johnson

- 2 Cups All-Natural Peanut Butter
- 2 Cups Sugar
- 2 Tsp. Pure Vanilla Extract
- 2 Eggs lightly beaten

Preheat oven to 350 degrees.

In medium bowl, combine all ingredients until well mixed.

Spoon about 1 tablespoon of the mixture onto ungreased baking sheets, about 1 inch apart. Twelve cookies per baking sheet.

Flatten the individual mounds with the back of a fork making a criss-cross

pattern (like old-fashioned peanut butter cookies).

Bake until edges are golden — about 10 minutes per batch. Transfer to cooling racks.

**Mrs. Johnson worked for a catering business in Tallahassee, Florida, for two years before moving to Colorado.*



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Works Cited

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From “OPM Data Breach — What Should You Do?”

<http://www.consumer.ftc.gov/blog/opm-data-breach-what-should-you-do>

Golftipsmag.com

Pikespeakorbust.org

Travelks.com



Colorado & Kansas Happenings

By Lauren Gaddie-Johnson

COLORADO SPRINGS — Colorado Springs’ 75th Pikes Peak or Bust Rodeo Days kicks off one day early on Tuesday, July 7th, with a parade through downtown starting at 6:30 p.m. The parade will be on Tejon from St. Vrain to Vermijo.

The Rodeo events run Wednesday, July 8th, through Saturday the 11th, at the Norris-Penrose Event Center starting at 7:15 p.m. each night and an added 12:45 p.m. matinee on Saturday as well.

Events include mutton bustin’ tryouts, gold panning, pony rides, mechanical bull rides and many more family activities. Grounds open at 4 p.m.

Adults can enjoy live music at the Coors Roadhouse Saloon each night after the rodeo. Tickets are on sale at www.pikespeakorbust.org/events or at the Norris-Penrose Event Center Box Office. Tickets start at just \$15 and



Pikes Peak or Bust Rodeo Days Celebrates 75 years.

children two and under are free. Children 3-years-old to 12-years-old are half price in the grandstand. Military discounts are also given. This event benefits military personnel and their families.

WICHITA, KS — Final Fridays are still happening the last Friday of each month downtown and will continue through December.

Now is a great time to get out and visit art galleries, museums, restaurants and retail shops which stay open later on Final Friday. Hours vary for each gallery, but most remain open from 7 p.m. to 9 p.m. All venues are free and open to the public.