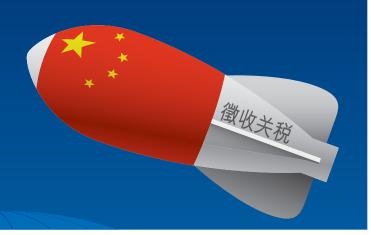
LANDMARK FINANCIAL ADVISORS, LLC

WEALTH MANAGEMENT

JULY 2018

DO WE HAVE A TRADE SKIRMISH OR A TRADE WAR?





This question warrants utmost concerns and the month of June amplified these trade war fears. In our opinion, we view a trade war as a no win scenario for all participants. Decades of globalization have created very complicated supply chains that crisscross the globe, and new trade barriers will have ripple effects that could have unintended consequences. On a positive note, rising multinational businesses will apply political pressure to limit this to being just a skirmish.

In the short term the primary loser in these talks has been emerging markets, which have moved down in excess of 10% in the past 90 days. Global protectionism is the leading concern for this asset class, so it comes as no surprise that most of the damage to emerging markets has been in the short-term. We live in a world where relatively few asset classes can be considered cheap, but emerging markets do offer some intriguing value. Improved profits, dividends, and free cash flow lead us to believe that opportunities for long-term investors are positive. In addition, emerging markets have favorable demographics and urbanization and will

garner a large portion of the world's GDP growth in the future. Short-term, exposure to this asset class has been a large detractor to performance; however, it deserves a place in most portfolios.

In the US earnings growth, employment gains, and low long-term interest rates are the motors that should keep this nine year global economy moving forward. The most powerful of these factors is interest rates. Technology and global trade have been the main players for keeping inflation in check, therefore accommodating this low interest rate environment. Technology will continue to be a force that allows consumers to buy more goods at lower prices. Global trade has also been a huge force of deflation, as businesses can source goods and services from an infinite number of competitors. A trade war could spark inflation and cause the Fed to act more aggressively, so this is the piece that warrants attention. The silver lining in this story is that these forces have been in effect for so long, switching gears could be a herculean task.

PLANNING FOR HEALTH CARE

A crucial part of any retirement plan is estimating the cost of health care expenses. We separate health care costs from basic living expenses due to the fact that inflation has been much higher for these services. A Price Waterhouse Coopers employee survey of baby boomers listed health care costs as their greatest concern in retirement (38% of those surveyed), which was higher than the fear of running out of money. We agree that special attention to health care costs in building a financial plan is critical.

A recent study by Vanguard and Mercer could help us build plans that are a better estimate than in the past. We have been breaking out future inflation and life expectancy, but this new study will shed some light on health care cost factors that will lead into building a better plan. The following is a summary of key items:

- O HEALTH STATUS AND RISK: Helps identify the volume of services a person will consume. The report identifies 12 conditions that put you in a low, medium or high-risk pool. The higher risk score means more funding is needed to cover health care.
- MEDICARE COVERAGE CHOICE: Coverages differ in cost and comprehensiveness, so spending time understanding your options is important.
- RETIREMENT AGE: A strategy to bridge the gap between retirement and Medicare.
- GEOGRAPHY: Projected premium costs differ by where a retiree lives.
- MEDICARE SURCHARGES: As retirees reach higher levels of income, government subsidies are reduced. Planning your income as you approach and enroll in Medicare can lead to substantial benefits.

This Vanguard/Mercer report contains a lot of good information and insight, please let us know if you would like us to forward you a copy. Digging in a bit deeper regarding health care goals will lead to better results and better decisions in the future.



WHEN IT COMES TO
HEALTH, YOUR ZIP CODE
MATTERS MORE THAN
YOUR GENETIC CODE.

-DR. TONY ITON

IN THE MIDST OF CHAOS, THERE IS ALSO OPPORTUNITY.

-SUN TZU

THERE IS NO
INSTANCE OF A
NATION BENEFITTING
FROM PROLONGED
WARFARE.

-SUN TZU