



THE LIGHTER SIDE

Friends are like walls. Sometimes you lean on them and sometimes its good just knowing they are there.

Be happy...it drives people crazy!

I know my limits. I don't always obey them, but I know them.

There are over a billion nerves in the body and there are people who have the ability to irritate all of them.

in this issue

<i>Mutual Fund Facts</i>	2
<i>Compliance Facts</i>	
Darraugh A. Valli	2
<i>Insurance Matters</i>	
Steve Goldberg	3
<i>Investment Terms</i>	4
<i>Family Chatter</i>	4

Family Investors Company
265 South Avenue
Fanwood, NJ 07023
908-322-1800
info@familyinvestors.com
www.familyinvestors.com

Who Wants to be a Millionaire?

There are some easy steps to becoming just that! 1. Start saving early in your working career. It makes sense that the longer you give yourself the opportunity to amass a million dollar investment portfolio, the better your chances of achieving that goal. 2. Take full advantage of your employer’s 401(k) match. 92% of companies offer a 401(k) plan to their employees. But, 25% of employees do not contribute enough to get that match. 3. Invest wisely. If you have 10 years or more until retirement, it makes sense to take some risk in the market. 8% is just a little below the stock market’s average return.

Retiring with \$1 million or more comes down to saving consistently and making smart investment decisions.

We can help you with those decisions. Contact our office!

Future Happenings

There are no programs planned for the summer season. Be sure to check back in our Fall issue for upcoming events and seminars.

If you have any suggestions for our Fall season programs, please contact the office and let us know what you would like to see presented.

Credit Cards

Bankrate.com has issued a list of the bests credit card offers for June 2018. These cards offer low interest rates, high value rewards and exclusive perks. Here are a few of the cards from bankrate.com: Chase Freedom Unlimited, Barclaycard Ariva! Plus World Elite Mastercard, Chase Slate, Citi Simplicity, Citi Double Cash. Always remember to use credit wisely!

**Family Investors Company is not affiliated with bankrate.com or any of the above companies.

Be Smart

Be smart with your spending. Take the following steps:

- Comparison shop
- Make lists
- Avoid impulse buying
- Avoid charging too many items on your credit cards
- Avoid payday lending traps

Mutual Fund Facts

- According to a report published by the ICI (Investment Company Institute) in March, 2018, fund investors overwhelmingly take the long term view of their investments. 75% of fund owning households say that saving for retirement is their primary goal. 5% say they are saving for education, while 3% are saving for a home or other big ticket purchase. Thus, more than 4 out of 5 fund investors are looking towards long term goals and beyond the daily ups and downs in the markets.
- According to the ICI, the bear market of 1973–1974, the S&P 500 fell by 42%. Over those two years, stock-fund investors redeemed just 5.8% of those funds' assets.
- And in that same report, the ICI found that in October 1987, the month of "Black Monday," the S&P was down 22%. Outflows from stock funds were only 3.2% of assets.

Compliance Facts

DARRAUGH A. VALLI, VP

FINRA (Financial Industry Regulatory Authority) regulations require Family Investors Company (and all broker/dealers) to have up-to-date information on their clients in order to recommend the appropriate investment products based on factors such as current investment holdings, time horizon, risk tolerance, age, income, etc. In other words, we, as financial professionals, are required to **know our client(s)**.

When Family Investors Company asks you to update your Client Information Form, please know that it is because we are required to do so.

We ask that you inform your representative of any material changes to your financial circumstances (i.e. marriage, birth of a child, divorce, death of a spouse, loss of job) as soon as reasonably possible.

GoGoGrandparent.com

In today's busy lifestyle, time constraints can make it difficult for you to drive a parent or other loved one to take care of errands, etc. GoGoGrandparent turns on demand transportation companies like Lyft into services that help families take better care of older adults.

Step 1: CALL 1 (855) 464-6872 and wait to hear "thanks for calling GoGoGrandparent"

Step 2: PRESS 1 for a car to your home

PRESS 2 for a car to where we dropped you off last

PRESS 3, 4 or 5 for a car to a custom pick up location (once you're registered please give a call to set these up)

PRESS 6 to order a ride with an operator

PRESS 0 to speak with an operator about anything else

Naturally, entrusting your loved one to a stranger would make you ask a question.

Question: Is GoGoGrandparent safe?

GoGoGrandparent orders licensed and authorized Transportation Network Companies on your behalf as your representative so that you can seamlessly access and use the low cost, fast and efficient transportation services with a landline or flip phone.

For more information, go to GoGoGrandparent.com. **This service may not be available in all areas.**

INSURANCE MATTERS by Steve Goldberg

Happy summer!!! We survived a wet and not so spring-like spring in beautiful New Jersey. Today is a 90+ degree day. Oh how I long for those cold, snowy days of winter.

Recently, I have had the opportunity to speak with many of our clients in their 50s and 60s about life insurance and long term care insurance. Several of them are planning for retirement and want to make sure their current insurance program meets their current needs. Frequently, the options to convert group life insurance to individual life are cost prohibitive. Group Long Term Care Insurance plans can often be continued, but their benefits tend to be less comprehensive than an individual policy.

There are several options to make sure that you have the right amount and type of coverage. A solution may be to have a life insurance policy with a long term care rider to advance some of the death benefit for use to defray the costs of long term care. Maybe term life with a regular long term care policy is the best plan. Also, there are annuities that have long term care benefits as well. There is no single solution that is right for each individual.

Planning for those big "what ifs" in life is a major part of retirement planning. If you would like a review of your current program, please feel free to give me a call at the office. I am always happy to help.

Have a happy and safe summer!!!

Are you a Safe Internet User?

YOU MAY BE AT RISK IF YOU ANSWER YES TO ANY OF THE FOLLOWING QUESTIONS:

- Do you visit websites by clicking on links within an email?
- Do you reply to emails from companies or persons you are not familiar with?
- Have you received packages to hold or ship to someone you met on the Internet?
- Have you been asked to cash checks and wire funds to an employer you met online?
- Would you cash checks or money orders received through an online transaction without first confirming their legitimacy?
- Would you provide your personal/banking information as a result of an email notification?

If you answered yes to any of these questions, the answer is: NO!

Identity Theft

Identity theft happens when someone steals your personal information and uses it without your permission. It is a serious crime that can wreak havoc with your finances, credit history, and reputation and it can take time, money, and patience to resolve. Visit The Federal Trade Commission (FTC) page: <https://www.consumer.ftc.gov/features/feature-0014-identity-theft>. This website will provide information to help you repair the damage that identity theft can cause and reduce the risk of identity theft happening to you. The FTC is the nation's consumer protection agency.

Holiday Closings

Our office follows the schedule of the NYSE and will be closed on **Monday, September 3rd** in observance of Labor Day. The office will close at **4PM on Friday, August 31st**.

Speakers

Family Investors Company representatives are available to speak on various financial topics to your club or organization. There is no charge for this service. Contact the office for more information.

Congratulations!

Congratulations to Frank Bohnhorst, winner of our Spring Newsletter Client Appreciation Contest. Don't forget to do the word search contest which can be found in this issue!

Fanny Wood Day

Fanwood's 23rd annual **Fanny Wood Day** street festival will be held on Martine Avenue and South Avenue from 10AM until 5PM on **Sunday, September 16th**. (No rain date) There will be family entertainment, children's rides, food vendors, crafters, and local business displays. Stop by and say "Hi" to us at the Family Investors Company display and enter our contest. (We LOVE seeing you in your Family Investors Company tee shirt.)

INVESTMENT IDEA

DARRAUGH A. VALLI, VP

If you have sufficient monies in your IRA to cover your retirement years, you can use an IRA to help pay for your children's post secondary education costs. (Always remember—your children can get loans for college, but no one will give you a loan for retirement).

Generally, taking a distribution from an IRA before age 59½ is subject to federal income tax plus a 10% early distribution penalty. However, if you are considering using your IRA (including SEP and SIMPLE) to pay for a portion or all of your children's higher education, there is an exception to the early distribution penalty: the education-expense exception. The exception does not, however, apply to distributions from a qualified plan such as a 401(k), 403(b), 457, etc. If you're eligible for a 401(k) distribution, funds can be rolled into an IRA and then distributed in order to qualify for the education-expense exception. The education expenses can be for you (the IRA owner), a spouse, children, or grandchildren. Further, eligibility doesn't require children to be claimed as a dependent on your tax return. There is no maximum amount of funds you can distribute from your IRA. This means that you can take penalty-free distributions—and as much as needed—from your IRA to pay for college tuition (and fees, room and board, etc.), a computer, or other educated-related expenses for a child and or grandchild.

Tip: To qualify for the exception, the expense and IRA distribution must take place in the same tax year. In other words, the educational expense must be paid in the same calendar year as the IRA distribution was taken.

INVESTMENT TERMS

You hear investment terms on television and read them in print media and on the internet. But what do they mean? Here is a primer of some common investment terms:

Average Maturity: For a bond fund, the average of the stated maturity dates of the debt securities in the portfolio. Also called average weighted maturity. In general, the longer the average maturity, the greater the fund's sensitivity to interest-rate changes, which means greater price fluctuation. A shorter average maturity usually means a less sensitive - and consequently, less volatile - portfolio.

Federal Funds Rate (Fed Funds Rate): The interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The most sensitive indicator of the direction of interest rates, since it is set daily by the market, unlike the prime rate and the discount rate, which are periodically changed by banks and by the Federal Reserve Board.

Letter of intent: A letter of intent may be issued by a mutual fund shareholder to indicate that he/she would like to invest certain amounts of money at certain specified times. In exchange for signing a letter of intent, the shareholder would often qualify for reduced sales charges. A letter of intent is not a contract and cannot be enforced, it is just a document stating serious intent to carry out certain business activities. strategies.

Prospectus: Formal written offer to sell securities that sets forth the plan for proposed business enterprise or the facts concerning an existing one that an investor needs to make an informed decision. Prospectuses are also issued by mutual funds, containing information required by the SEC, such as history, background of managers, fund objectives and policies, financial statement, risks, services and fees.

FAMILY CHATTER

Peter Chemidlin and wife, Joan, traveled to Boston to celebrate daughter, Morgan's 21st birthday. Peter and Joan also vacationed in Key West. **Darraugh Valli** and husband, Peter, are enjoying time at the Jersey shore with twins, Micaela and Sean, who are home from college for the summer. **Matt Chemidlin's** daughter, Angela, graduated from high school on June 21st and will be attending Montclair State in the fall. Congratulations Angela! Matt will be running in his first 5K on July 4th. It is the Revolutionary Run in Washington Crossing, PA. Good Luck, Matt! **Janet Lesce's** daughter, Caroline, successfully finished her freshman year of law school at Villanova and is interning with the Innocence Project in Philadelphia. Her daughter, Grace, wrapped up her sophomore year at Marymount University and is coaching swim team for a local swim club. She is also looking forward to visiting friends in California. Our best wishes to **Edna Trujillo's** daughter, Andrea, who became Mrs. Stephen Rubino in May. We wish you many years of happiness together. **Lynn Galgano** recently had a spectacular trip to Spain. Her oldest daughter, Emma, recently changed jobs and is now working as a Digital Innovator for Roivant Sciences in New York City, while younger daughter, Elisabeth, has an internship for the summer in Westfield, NJ. **Steve Goldberg** finished his successful year as President of the Fanwood-Scotch Plains Rotary Club. He will be Membership Chair for the 2018-2019 Rotary year, in addition to being Deputy Governor for the new Rotary District 7475.