



**MARKET INSIGHTS**  
 After the first six months of the Trump administration, there are many unanswered questions and concerns.  
 see page 2



**ROLLING THUNDER**  
 All gave some, and some gave all. So we ride to give thanks!  
 see page 3



**MONEY STEPS IN YOUR 50S**  
 Helpful advice on crucial money steps everyone should take in their 50s  
 see page 4

**ADVANCE** <sup>30</sup> **ANCE**  
 ANNIVERSARY  
 CAPITAL MANAGEMENT  
**FINANCIAL LIVING**

volume  
**Q3**  
 2017

A QUARTERLY NEWSLETTER FOR THE CLIENTS AND FRIENDS OF ADVANCE CAPITAL MANAGEMENT

# Advance Capital Named a 2017 *Financial Times* Top 300 Adviser

In late June, Advance Capital Management was named to the 2017 edition of the *Financial Times* 300 Top Registered Investment Advisers. The list recognizes top independent RIA firms from across the U.S.

This is a tremendous honor for us.

Even more rewarding, we are one of only nine Michigan-based firms to make the list.

Of course, we provide the same level of service to our clients across the nation, such as those who work with our outstanding advisers based in the firm's Ohio, Illinois and Grand Rapids locations.

What's important about this list is that it is merit-based. Firms are not required to pay fees or any other considerations. Instead, firms are selected based on a comprehensive set of metrics developed by the *Financial Times (FT)*, a leading global business publica-

tion, in collaboration with Ignites Research, a subsidiary of the *FT* that provides business intelligence on the investment management industry.



FT 300 Ranking June 2017

MICHIGAN		ROB	WUP	USA	INTL
Advance Capital Management	Southfield	✓	✓	✓	✓
Blue Chip Partners, LLC	Farmington Hills	✓	✓	✓	✓
Client segments served					
Name	City	ROB	WUP	USA	INTL
Center for Financial Planning, Inc.	Southfield	✓	✓	✓	✓
Financial Advisory Corporation	Grand Rapids	✓	✓	✓	✓
Hennepin Capital Management, LLC	Grand Blanc	✓	✓	✓	✓
Plante Moran Financial Advisors	Southfield	✓	✓	✓	✓
Provider Investment Management, Inc.	Novi	✓	✓	✓	✓
Referent Income Solutions, Inc.	Ann Arbor	✓	✓	✓	✓
Vantage Financial Services	Ann Arbor	✓	✓	✓	✓

Ultimately, recognition as a top financial adviser is the direct result of the tremendous support we've received from our clients over the past 30 years. So, thank you! We are fortunate to have such thoughtful and committed clients, and we are more honored to serve you than to receive any reward or accolade.

This achievement is also the product of our talented, hard-working team, who work diligently to meet our clients' needs and exceed their expectations. Our goal is to provide the best

financial services we can to help people realize their hopes and dreams. It's what drives us in everything we do, every day. ■



# Market Insights: Q2 2017

**A**fter the first six months of the Trump administration, there are many unanswered questions and growing concerns that anything of importance can't get addressed in this increasingly polarized political environment. For investors, three big questions linger: Will Trump's plans eventually drive growth and inflation?

Will the forces of technology and globalization slow under a new populism? Will the Federal Reserve continue to push interest rates higher?

## **Sluggish but positive U.S. growth**

Although characterized by relatively weak growth and pay gains, the current economic expansion is about to complete its eighth year – and may become the longest on record. A recent economic survey put those odds at 60 percent, with positive growth expected to continue at least through mid-2019. Most recently, first quarter Gross Domestic Product (GDP) came in at a meager 1.2 percent (annualized) rate.

At the start of the year, experts were optimistic the Trump administration could enact a pro-growth economic agenda. Now, this enthusiasm has been tempered. This is generally not due to a reassessment of economic fundamentals. Instead, it reflects doubts that any of the main pillars of Trumponomics will be successfully implemented.

## **Job, housing & manufacturing growth continues**

By the numbers, the main drivers of growth – employment, housing, domestic manufacturing – remain generally intact. The nation's unemployment rate fell to 4.3 percent, a 16-year low, while the number of discouraged workers also declined. Demand for workers is quite high but the supply of available and qualified workers is dwindling. A shortage of workers would make it harder for employers to fill vacancies, leading to slower payroll gains and higher wages.

In housing, the upward trend in new home sales continues. However, there are some signs of weakness. Single-family home sales decreased 11 percent and the median sales price of a new home dropped 3.8 percent from this time last year. The supply of homes rose to 5.7 months, the highest since September 2015. Still, the combination of relatively low mortgage rates, a robust jobs market and high home affordability should sustain housing sector growth.

Finally, in April manufacturing activity posted the largest monthly gain in over three years. Production of most household and business goods rose, and the factory capacity utilization rate uptrend bodes well for future capital spending. May and June were more modest, however, as a slowdown in auto production highlighted some weakness, such as tighter lending standards and higher prices.

## **Fed seeks to “normalize” rates**

The Federal Reserve continues to take notice of the relatively healthy U.S. economy. After more than seven years of unprecedented monetary accommodation (low interest rates), the Federal Open Market Committee on June 14 raised short-term interest rates for the second time this year. Further, the Fed indicated it is likely to begin unwinding its bloated balance sheet. In the aftermath of the credit crisis, the Fed stepped in and purchased bonds in the open market to force interest rates on government and mortgage-backed bonds to historic lows. Now that economic conditions have stabilized, the Fed views it prudent to reduce its holdings. Investors are

concerned this will result in higher interest rates and lower bond prices. Although possible, chairwoman Janet Yellen reiterated the Fed will move gradually to keep interest rates low and not disrupt the capital markets.

## **Our take**

Looking ahead, we continue to believe the economy will grow around 2-2.5 percent for the full year with modest inflation and a robust jobs picture. Yet, as the economic expansion grows older across developed countries, plus given the range of potential downside risks, we remain concerned the global economy is driving without a proverbial spare tire. The Federal Reserve's policy measures might be insufficient during the next downturn, whenever it might materialize. While the capital markets have handled this environment well, valuations in both domestic stocks and bonds are quite elevated relative to historical metrics. There may be more room to run in risk assets, but we are maintaining a slightly more cautious position across model portfolios. This does not imply we have raised our cash position. Rather, we continue to utilize alternative investments where appropriate and are utilizing funds with a history of performing well in weak market conditions.

As always, investing in the capital markets comes with some risk and uncertainty. We thank you for your continued support of our investment process as we work hard to deliver positive risk-adjusted portfolio returns to our clients. Should you have any questions, please do not hesitate to reach out to your financial adviser. ■

*It is not possible to invest directly into an index. The indices mentioned in this article are unmanaged and are not affiliated with Advance Capital Companies.*

# Advance Capital Rolls into Rolling Thunder

On May 25, Advance Capital adviser Sean McDonnell, Advance Capital ambassador Ken Benardino and other fellow riders hit the road for Rolling Thunder, an annual motorcycle rally held in Washington, D.C. on Memorial Day weekend to raise awareness of America's POWs and MIAs.

In all, the trip consisted of 6 bikes and 7 riders spanning 1,200 miles round trip.

Below are some thoughts and pictures that were shared on Advance Capital's Facebook page (if you haven't yet, be sure to like us!). And, for more information about the Rolling Thunder Run, visit [www.rollingthunderrun.com](http://www.rollingthunderrun.com).

**SEAN:**

This is my first ride to Rolling Thunder. I always feel eager to hit the open road, but preparing for this trip generated far more emotions than any other one. I feel blessed to be a U.S. citizen. The freedoms we all enjoy are greater than in many other countries. These liberties were declared more than 240 years ago. Since then, millions of brave men and women have fought to preserve them, many making the ultimate sacrifice for us. More than 80,000 soldiers are still unaccounted for – Prisoners of War or Missing in Action. The Rolling Thunder Run recognizes these POWs and MIAs and works to make sure we never add another name to those lists.

**KEN:**

My first ride to Rolling Thunder was 1996. Our club activities director, a Vietnam veteran, got us involved in many events for veterans. We helped with the Vietnam Traveling Memorial Wall whenever it was in town. We helped raise money for the Michigan Vietnam Veterans Memorial. And, we rode to Rolling Thunder. While the ride through the West Virginia



mountains and the Virginia countryside was breathtaking, watching an endless parade of bikers thunder down Constitution Avenue left me speechless – as it has every year since! For many of these years, George Benskey, a great friend and Vietnam veteran, has led the ride. More recently, Rhys Blair, Steve Penczak and George Steel, all veterans, have joined in. When asked why we return year after year, a phrase comes to mind: "All gave some, some gave all." So, we ride to give thanks! ■

## Fall Client Meetings - Save the Date!

THURSDAY, SEPTEMBER 7  
Saginaw, MI

TUESDAY, SEPTEMBER 12  
Petoskey, MI

WEDNESDAY, SEPTEMBER 13  
Southfield, MI &  
Traverse City, MI

THURSDAY, SEPTEMBER 14  
Grand Rapids, MI

TUESDAY, SEPTEMBER 19  
Port Huron, MI

WEDNESDAY, SEPTEMBER 20  
Lansing, MI &  
Independence, OH

TUESDAY, SEPTEMBER 26  
Downers Grove, IL

WEDNESDAY, SEPTEMBER 27  
Champaign, IL

TUESDAY, OCTOBER 3  
Brookfield, WI

WEDNESDAY, OCTOBER 4  
Cadillac, MI

THURSDAY, OCTOBER 5  
Kalamazoo, MI

*Look for more information with venue locations and registration details in the next few weeks!*



# New E-book Covers Money Steps in Your 50s

As a firm that prides itself on financial education, we're excited to announce the release of our latest e-book: **Money in Your 50s: A Retirement Planning Guide for Procrastinators AND Avid-Savers.**

The book provides helpful advice on crucial money steps everyone should take in their 50s, whether you're finally getting started or have been diligently saving for retirement since day one. Topics include: saving and investing for retirement, preparing for your next act and estate planning.

To clients who've already lived this financially important decade, we think it will be a valuable resource to those you know – children, relatives, friends, colleagues, etc. – who are about to hit the big 5-0 or who are currently there.

For a sneak-peek, here is an excerpt of the book's introduction. Happy reading!

## Why Your 50s Are So Financially Important

*"Life moves pretty fast. If you don't stop and look around for a while, you could miss it."* –Ferris Bueller

This guide covers the most important financial steps you should take in your 50s. What's so special about this decade?

Your 50s is an exciting time. You've likely reached your peak earning years, and the kids are out of the house. Now, you're back to focusing on you.

It's also a critical time in your life, because retirement is coming at you fast. The average retirement age in America is 65. Therefore, most of you reading this will retire in just the next 10 to 15 years.

Are you ready?

Your answer greatly depends on what type of retirement saver you've been.

Maybe you're a procrastinator. You've been living in the moment, and numbers kind of terrify you. So, you've put off finding out how much you need to retire until now.

Or, you're an avid-saver.

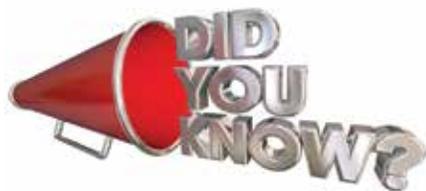
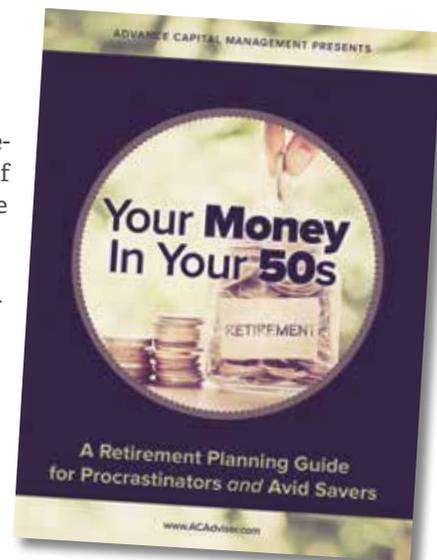
You've taken pride in living a frugal lifestyle, tracking every dollar and saving every penny.

The good news is that no matter what group you're in, the financial steps you should take in your 50s are generally the same. They can either help you catch up or give your retirement savings and plans a boost.

The bad news? Time is passing by. Therefore, it's imperative to start taking these steps now.

When you're prepared for the future, you'll have the peace of mind to comfortably enjoy the present and not miss a thing.

The book will be available to freely download from the Education Center located on our website ([www.acadviser.com/education-center](http://www.acadviser.com/education-center)). ■



Over the years, we have used a few different email domain addresses, including "@acfunds.com" and "@advancecapitalonline.com." In an effort to streamline things, we are phasing out all of the domains EXCEPT "@acadviser.com." Please make sure to send your email communications to us using only this domain address going forward.

Investment advisory services are provided by Advance Capital Management, Inc.

Investments are not insured, and may lose money. Client should be prepared to bear the risks associated with investing.

## HEADQUARTERS

One Towne Square  
Suite 444  
Southfield, MI 48076  
(800) 345-4783  
(248) 350-0115 Fax

## GRAND RAPIDS, MI

2959 Lucerne Drive  
Suite 210  
Grand Rapids, MI 49546  
(800) 444-1053  
(616) 954-2499 Fax

## LISLE, IL

4225 Naperville Road  
Suite 160  
Lisle, IL 60532  
(800) 327-3770  
(630) 955-3404 Fax

## INDEPENDENCE, OH

Crown Centre  
5005 Rockside Road, Suite 100  
Independence, OH 44131  
(800) 457-4304  
(216) 520-1535 Fax