



KEEP SAFE INVESTMENTS

Welcome to the KEEP Safe Investments Quarterly Newsletter

3rd Quarter 2016

UAL News:

Make Your Annual Enrollment Changes:
Oct 28, 2016 is the deadline

This year you will find all of your benefits and Annual Enrollment information on Your Benefits Resources (YBR)

Access YBR, through Flying Together (Flying Together > Employee Services > YBR), to see all that is available to you and to find out how to take full advantage of your benefits.

We've made the information you need more accessible by bringing everything into one place. This year on YBR, during annual enrollment, you will be able to:

- Learn about relevant benefits news, 2017 changes & enhancements, and key dates
- Explore the benefits available to you
- See your benefit coverage options and associated costs, and enroll

Back In The Black

Finally a positive quarter for all three equity indices! It feels like an eternity since we have had all three indices in the black for a quarter. (Actually it has only been 5 quarters, but in the investing world, that's forever!) The indices were led with a strong showing for the technology sector: Nasdaq was up 9.7%, followed by the S&P 500 up 3.3% and the Dow straggling behind up only 2.1%. For the year the equity indices are up as well, however the first two quarters put a damper on the Nasdaq, which is only up 6.1%. The S&P follows closely on the year up 6.1% and the Dow is once again in third place up only 5.1%.

The third quarter was by far less volatile than we experienced in the first half of the year. Who can forget the start of 2016 with markets down 15% from their highs (was that really this year?!)

We also had to contend with issues with China, problems in emerging markets and Greece – remember those from a few months ago? What about the Syrian civil war the refugee crisis? Yes, still going on, but no one seems willing to do anything.

In the US we were in the full swing of the presidential campaign (more on the candidates later) – which was nicely interrupted by the Olympics – and it quickly became a “she’s a liar; he’s crazy” central theme. Every election we find ourselves asking: what will happen to the markets when someone is elected? We thought we would dedicate most of this newsletter to that specific question: what will happen to the markets if Hillary Clinton wins and what will happen to the markets if Donald Trump wins?



On Tuesday, November 8, 2016 the United States Presidential election of 2016 will take place. So what do we think will happen if the Democratic nominee, Hillary Clinton gets elected? Clinton has taken some definitive stances that could impact certain sectors and industries, some positively and some negatively.

Renewable Energy: Hillary Clinton is a huge proponent of renewable energy. She has made it clear that she is not a friend of the coal industry. Fossil fuels, carbon emissions, and other “dirty” energy forms are in her crosshairs. Green and renewable energy has been a big part of her policies and she has promised to install 500 million solar panels by 2020.

Obamacare: Clinton will be making sure that the Affordable Care Act stays put. Under a Hilary Presidency, health care-related stocks should benefit from this.

Defense: Hillary has an aggressive position on foreign policy. Most people equate Donald Trump

as being tough on foreign policy, but Hillary has taken a tough stance as well. Analysts expect Clinton to take a more aggressive militaristic tone than President Obama. She has promised to get tough with ISIS, as well as hold China accountable in the territorial dispute in the South China Sea. Clinton has consistently backed Israel and has stated she will get tough with Vladimir Putin.

Bank Stocks: Clinton would be bad news for bank stocks. She has promised tougher financial reforms and recently has been pushing for a wide-sweeping financial reform bill. While she hasn’t called for an outright breakup of the big banks, she has stated how much influence and power they have, which would be a problem among the big banks.

For-Profit Education: Clinton is a huge fan of making college affordable for middle and lower class families. This includes boosting money for scholarships and grants at both the community and state universities. One hitch: this does not include for-profit colleges.

Low Wage-Focused Companies: Clinton has already proposed raising the Federal minimum wage to around \$12-\$15 and she has sought to help expand various workers’ benefits. Ultimately, her policies on this front would be a boon to labor, but not so much if your business model makes use of cheap labor to keep profit margins high. Labor-cost pressures have a big drag on earnings and some companies have already felt this impact as some states have already adopted high minimum wages.

KSI | FUN FACTS

The Lyrics to “America the Beautiful” were written by Katharine Lee Bates following a trip to the top of Pikes Peak, Colorado in 1893. (PBS NewsHour)

John Kennedy is the youngest elected U.S. President at 43. Ronald Regan is the oldest elected U.S. President at 73.(Second term)
(History.com)

Hurricanes were first named in 1953, after women. Men’s names were added to the rotation in 1978. (PBS NewsHour)

The Star Spangled Banner was played at sporting events as early as 1918, 13 years before it became the official U.S. National Anthem. (PBS NewsHour)

Barack Obama is the nation’s 44th President but in reality there have been only 43 Presidents. Grover Cleveland is counted twice as our 22nd and 24th President because he was elected for two non-consecutive terms.
(History.com)



What will happen to markets if the Republican Party nominee, Donald Trump gets elected in November?

While it's assured that Trump's policies vastly differ from his rival Hillary Clinton, it has been a bit difficult to pin down what all of his policies will be. This is causing headaches for market analysts, as he is much more of an unknown than Clinton. It is safe to say, many of the classic Republican standby will be big winners under a Trump presidency.

Defense: Trump has been a huge advocate of increasing defensive spending in order to end radical Islam and stopping ISIS have become major talking points for Trump. "Bomb the hell out of them!" is an actual rallying cry for his campaign. Also, securing our borders and ending violence in our cities have also become

major sticking points. All of these promises equate to incredible news – and billion dollar contracts – for the defense contractors and military hardware suppliers.

Energy: Energy will be a big winner! Donald supports lower regulation for fracking and drilling and is a proponent of Keystone XL. He has promised to boost the domestic energy sector by reducing regulations tied to fracking and drilling. This includes less environmental requirements, as well as opening public/Federal land for more natural resources exploration. Part of his plan for eliminating ISIS would also include taking back their oil to hand over to American companies.

Obamacare: Trump hates the Affordable Care Act and has pledged to dismantle the act. This will be a big problem for the major health insurers.

Big Banks: This is an area that Trump and Hillary both agree on: they both feel the "Big Banks" hurt Main Street during the Great Recessions. It came as a big surprise to many that Trump was in favor of reinstating the Glass-Steagall Act – which is the Depression-era bill that kept commercial banks from going into

capital markets businesses. The repeal of this act has led to the creating of the monster financial institutions: JPMorgan Chase, Citigroup, etc.

Importers: Trump is a huge support of American-made goods. He feels the recent trade deals the United States has been making have pushed manufacturing jobs overseas to places like Mexico and China. Trump wants to see more good made here, despite the consequence of price. This includes placing tariffs on foreign-made goods and rewriting various trade policies. This will impact companies who build their products in China (Apple) or companies like Wal-Mart who relies on cheaply made good for its profit margins.

So that's a wrap on what we think could happen come election time. Our hope is that the markets stay stable through the last quarter of 2016 so we can see this year-end on a positive note for the markets, regardless of who gets elected! As always, if you have any questions or concerns, please do not hesitate to contact us.

About KEEP Safe Investments

KEEP Safe Investments is a Registered Investment Advisor. We are dedicated to enhancing the financial lives and enriching retirement funds of our clients. We are a single fee, non-commission based firm.

As a privately held asset and financial advisory firm, we endeavor to offer independent, unbiased financial advice focusing on each individual client's retirement goals.

Kristi Berge

Founder and CEO of KEEP Safe Investments, LLC. Kristi has worked in the financial industry for 15 years at Morgan Stanley and the Guinness Family Office (Iveagh Ltd).

A graduate of Columbia University with degrees in Economics and Mathematics, Kristi is fluent in French. Upon graduation, she joined Morgan Stanley where she worked on the bond sales and trading desk in Paris, London and New York. Kristi returned to London and joined Iveagh Ltd to work on the Investment team covering a range of products: equities, fixed income, currencies, commodities, alternative investments and property.

Kristi holds the Series 63 and Series 65 as well as the SFA and Life Insurance license.

Carin Johnson

Carin serves as Chief Compliance Officer for KEEP Safe Investments. Carin is charged with being an independent and objective resource that oversees implementation of KEEP Safe Investment's compliance and regulatory efforts.

Carin's experience in the financial industry spans more than 20 years. Previously serving as a Financial Center Manager with Wells Fargo Bank, N.A., she was responsible for the overall operation and success of the branch. As a managing Assistant Vice President, she coached her team in service, sales and financial guidance. Carin was a prominent face in the Wells Fargo community, cultivating relationships with many of the area's businesses and leading her region in performance.

Carin attended Northampton Community College and East Stroudsburg University and holds a Series 65 license and Life Insurance license.

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Contact Us

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