



THE ALTFEST ADVISORY LETTER

OUR NEW TECHNOLOGY GIVES YOU A REAL-TIME FINANCIAL PLAN THAT CHANGES WITH YOUR LIFE

BY PAUL PALAZZO, CFP®, COA
MANAGING DIRECTOR



At Altfest, we're continually asking how we can do better by you. How we can better invest for your success. Technology is one way. Financial planning technology,

to be specific.

While we know it can never replace our deep personal relationship with you, improved financial planning technology can strengthen that bond.

Right now you may be asking why you should care about a tool that we use behind the curtain. The answer is that we don't want it to remain behind the curtain. We would like it to be right out front, connecting us and you in the creation of your financial plan.

Now, before we get into what's new,

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IN THE NEWS

FORBES AMERICA'S TOP NEXT-GEN WEALTH ADVISORS

We are pleased to announce that **Andrew Altfest, CFP®**, has been named to *Forbes'* 1st ever listing of America's Top Next-Generation Wealth Managers. We believe Andrew's high ranking reflects his continued commitment to the expertise, care, and extra effort we offer our clients.

NEW ALTFEST SOCIALLY RESPONSIBLE PORTFOLIO HELPS YOU MAKE AN IMPACT

BY
DAVID MANUKJAN, CFP®: FINANCIAL ADVISOR
DAVID KRESSNER, CFP®, CFA: SENIOR FINANCIAL ADVISOR

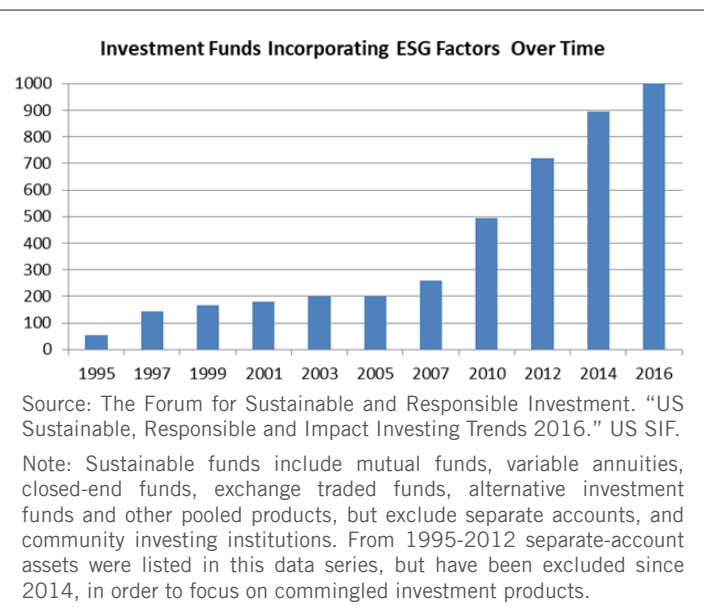


Many of our clients over the years have expressed an interest in having Altfest Personal Wealth Management® consider their specific social values when selecting their portfolio investments. They share with us their genuine concerns over issues such as climate change, labor and human rights abuses, product safety, corporate political contributions and other topics of importance to them.

We always listen closely to our clients, and have customized their portfolios in a way that balances their concerns with investment prudence, using a management style referred to as "sustainable investing." Often, our recommendations for these clients have included a sustainable mutual fund — or perhaps several — that

takes these issues into account as part of its investment analysis.

However, the quantity and quality of funds with this focus has grown rapidly. As a result, we now feel it's possible to build a fully diversified portfolio of sustainable funds that also meets our rigorous investment standards. For our clients seeking to incorporate sustainability values into their investment portfolio, we are pleased to introduce the Altfest Sustainable Portfolio, which offers a comprehensive investment solution for some or all of your assets under management.



Altfest's decision to build and offer our Sustainable Portfolio is the culmination of many years of industry progress in this field. Although widespread investor

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NEW ALTFEST SOCIALLY RESPONSIBLE PORTFOLIO HELPS YOU MAKE AN IMPACT

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awareness of, and demand for, sustainable investing is relatively new, the concept has existed for decades.

For example, the third-oldest U.S. mutual fund, the Pioneer Fund founded in 1928, employed so-called negative screens that shunned alcohol- and tobacco-related holdings. The idea of integrating personal values in one's investment portfolio kept gaining ground as part of the wave of social activism of the 1960s and 1970s. During that time, citizen concerns about war and military weapons, pollution, labor-management relations and human rights escalated. As some investors sought to align their worldview with their portfolios, investment firms emerged that specialized in integrating personal values into their analysis.

Fast-forward to today. Sustainable and responsible investing today looks at asset-allocation decisions using an "ESG" lens based on environmental, social and corporate governance criteria. These factors include:

- How a company performs as a steward of the natural environment;
- How a company manages its relationships with employees, suppliers, customers and the communities where it operates; and
- The way in which a company supervises itself through leadership, executive pay, audits, internal controls and shareholder activities.

Over time, sustainable investing has evolved from the use of simple negative screens, like those of the early Pioneer Fund, to a much more sophisticated and nuanced

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Past performance is not a guarantee of future results. All investing involves risk, including the potential for loss of principal. There is no guarantee that any investment plan or strategy will be successful.

Forbes' ranking of "America's Top Women Wealth Advisors" was developed by SHOOK Research. It is based on in-person and telephone due diligence meetings and a ranking algorithm that factors in client retention, industry experience, review of compliance records, firm nominations, and quantitative criteria. "America's Top Next-Generation Wealth Advisors" was developed by SHOOK Research. Eligible advisors were born in 1980 or later and completed an interview to measure them qualitatively. Each advisor also completed a lengthy survey.

Barron's listings of "America's Top 100 Independent Financial Advisors" as well as "America's Top 1,200 Financial Advisors" are based on assets under management, revenues generated by advisors for their firms, and the quality of the advisors' practices. Investment performance is not an explicit criterion because performance is often a function of each client's appetite for risk. In evaluating advisors, they examine regulatory records, internal company documents, and 100-plus points of data provided by the advisors themselves. Additional details regarding the criteria and process utilized in formulating these rankings can be found at <http://www.barrons-conferences.com/advisor-rankings.html>.

Rankings and recognitions by unaffiliated publications should not be construed by a client or prospective client as a guarantee that Altfest will provide a certain level of results in client accounts nor should they be construed as current or past endorsements of Altfest by clients. Listed publications base their selection on publicly available information. Altfest is not responsible for any content prepared by outside publications regarding the products or services offered by Altfest.

methodology. Along with negative screens, many strategies now employ positive screens and investor engagement, along with traditional financial analysis, across virtually every asset class and global region. The discipline has matured to such a degree that it's now viewed by investment professionals as being able to reliably generate long-term, competitive financial returns while making a positive societal impact.

After initial negative screening, sustainable fund managers chosen by Altfest implement positive screens to identify companies with strong financial characteristics and a favorable ESG profile. The funds that Altfest recommends seek to invest in companies that exhibit positive ESG characteristics relative to peers and also have attractive return prospects, based on traditional financial analysis. Positive screens could include a focus on companies that sell products that promote a healthy lifestyle, firms working to expand the use of renewable-energy sources, or businesses with a strong track record on diversity.

While the managers of Altfest's recommended sustainable funds seek to identify companies with outstanding business practices and high ESG ratings, no company is perfect. To address this, each fund's management has the opportunity to influence corporate behavior through proxy voting, shareholder resolutions, dialogue with company management and other forms of investor engagement. The potential impact from this activity on behalf of shareholders is considerable.

According to data compiled by US SIF, the Forum for Sustainable and Responsible Investment, from 2014 through the first half of 2016, more than 200 institutional investors and money managers controlling \$2.56 trillion in assets filed or co-filed shareholder resolutions on ESG issues in the U.S. Many of these resolutions resulted in tangible changes in corporate political spending, executive compensation, separation of CEO and board chair, climate change mitigation, environmental stewardship and non-discrimination policies, among others.

With our Sustainable Portfolio, we believe it is possible to do well financially while doing good.

Please contact your Altfest adviser if you would like to learn more.

David Manukjan has been following the sustainable investment space for over 5 years. As a financial advisor, he works to ensure clients are on track to achieving their financial goals, but as the firm's principal analyst for sustainable investments he also looks for ways to incorporate client values into their customized portfolios. David holds a Certified Financial Planner (CFP®) designation and a Series 65 license, and has received both his MBA in Financial Management and his BBA in Finance from Pace University.

David Kressner is a Senior Financial Advisor at Altfest, advising clients on all aspects of their financial lives. Dave has earned the Chartered Financial Analyst (CFA) and CFP® designations. He is a member of the New York Society of Securities Analysts and the CFA Institute.

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let's talk about what isn't. At Altfest, we've always prided ourselves on providing smart, thoughtful, objective recommendations, on hiring good, smart people and encouraging them to think logically and creatively. That doesn't change with new software. What we do want to change is the financial planning experience itself, to make it more collaborative, more immediate, more clear.

Let's start with the biggest change. Our new program, called "eMoney," owned by Fidelity Investments®, allows us to create a real time financial plan and a digital financial manager. You will be able to link the new software to your accounts, including your bank accounts, so that you can see everything in one place. Planning is only as good as the data that goes into it, and expenses are frequently the most difficult to track accurately. Linking the software to your banking and credit card accounts will enable you to do this more easily. What is the benefit to you? First, the retirement plan we can offer you will be more precise, since current expenses provide a benchmark for future expenses. Second, it will reduce the burden on you by eliminating the need for you to manually complete an expense questionnaire. Third, knowledge is power. It's your money – you might as well know where it's going. The plan will be live and real time, and change as your expenses and account values do.

The portal contains a client vault, where if you wish you'll be able to store electronic copies of personal financial documents such as wills and insurance policies. "eMoney" regularly assesses and tests its security, both internally and externally, to protect the data passing through the site. We will not automatically have access to stored documents – you will have to provide permission for us to see what is stored. However, if you give us access, we will be able to review everything together with you when you come in for meetings. In our recent survey, many clients expressed an interest in using the new software in this way. But if you are not one of them, you will still benefit. When we sit down together, we'll be able to show you clearly how planning can help in whatever areas are important to you. If you want to establish a college savings plan for your child or grandchild, we'll show you how different savings amounts will grow over time. If you want to know

what changes in your estate plan will mean to your heirs, we'll be able to show you that.

Risk planning is very important. We want to be sure that you're properly covered when it comes to life, disability and long-term care insurance.

In this way, our new software will lend immediacy to the process. Armed with information we gather beforehand, we can potentially share reports and analyses with you when you come in for your meeting. Then, together, in person, we'll be able to make changes in the assumptions and see how those changes affect your plan. For example, let's say that we're doing a retirement plan for you, and that it calls for you to retire at 65. You see the report and wonder what the result would be if you decided to retire at 62 instead. We would like to be able to show that to you while we meet, rather than doing the work in our offices and mailing you a report. Beyond adding convenience and timeliness for you, we are confident that this will invigorate the planning process overall. It will facilitate deeper and wider-ranging discussions of your financial goals and concerns, leading to better problem-solving.

In the end, collaboration remains the greatest planning tool of all. Please stay tuned and contact us if you have any questions.

Paul Palazzo leads a team of advisors who help clients with all of their financial planning and investment needs. In addition, he heads the firm's Financial Planning Committee, sits on the Leadership and Investment Committees, and is co-director of the Altfest Dental Group. A CFP® licensee, he specializes in quantitative financial planning analysis.

ALTFEST UPCOMING EVENTS

SAVE THE DATE

Women's Financial \$pa®

Date: November 14, 2017 | Time: 12:00 pm to 2:30 pm
Location: Scandinavia House, 58 Park Avenue
Lunch will be served

The Couple's Dilemma: How to Get on the Same Financial Page

Date: November 16th, 2017 | Time: 6:00 pm to 8:00 pm
Location: The Altfest Education Center
445 Park Avenue, 6th Floor

35th Anniversary Altfest Annual Event

June, 2018; More information to follow.

RSVP: Please call Marina Marsillo at 212.406.0850 or at mmarsillo@altfest.com to reserve a spot for you and a guest.

Invite an Altfest Professional to speak to your organization:

Altfest professionals are often asked to speak on wealth management topics. If you know of a company, an organization, or a group of friends who might benefit from our educational sessions, please contact Reza Rezvi at (212) 406-0850 or rrezvi@altfest.com

Recent topics include:

- Overcoming Mental Roadblocks to Achieve Financial Success
- 6 Tips for Realizing a Secure Retirement
- Current Portfolio Strategies for 2017
- Moving Forward after the Loss of a Loved One



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THE ALTFEST ADVISORY LETTER: QUARTERLY NEWSLETTER

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E-mail rezvi@altfest.com to receive the next Altfest Advisory newsletter via email.

ALTFEST PERSONAL WEALTH MANAGEMENT: IN THE NEWS

1. Altfest Personal Wealth Management has been selected by *AdvisoryHQ* as one of the “9 Best Financial Advisors in New York, NY.”
2. Andrew Altfest has been named as one of “America’s Top Next-Generation Wealth Advisors” in *Forbes*’ inaugural listing for 2017. Andrew ranks # 61 out of 500 national next-generation advisors.
3. On *Forbes*’ inaugural list of “America’s Top Women Advisors,” Karen C. Altfest ranked #17 out of 200 female advisors.
4. For the fourth year running, Lewis Altfest was ranked among the “Top 1,200 Financial Advisors in the Country” by *Barron’s*.
5. In the Medscape article, “Doctors’ 5 Most Frequent Investing Mistakes - and How to Avoid Them,” Karen Altfest highlights several investment pitfalls for healthcare professionals to be careful of.
6. Paul Palazzo discussed investing for college in the article “The Best College Savings Plans,” published by *Kiplinger’s Personal Finance Magazine*.

7. Karen Altfest authored the *Bottom Line Personal* article, “Do This Before a Trump Tax Law Changes the System.”
8. Lew Altfest was interviewed for the *Financial Advisor* article, “Dismiss Stock Market Doomsters and Diversify, Advisors Say.”
9. Karen Altfest’s comments on capital gains taxes and charitable donations are highlighted in the *Financial Advisor* article, “How to Take Advantage of Trump’s Tax Proposal.”

CLIENT REMINDER: Please Return Your Non-Spousal Emergency Contact Form

We recently encountered a situation where a client of ours was unable to make critical decisions during a time of need. In an effort to ensure your best interests are always upheld, we ask that you provide us with an updated non-spousal emergency contact. Download the form at www.altfest.com/updatecontact/