

## Jessica Lotito

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**From:** Gabor Nagy  
**Sent:** Thursday, October 19, 2017 3:59 PM  
**To:** Gabor Nagy  
**Subject:** When winter comes, will you be prepared? (October Client Newsletter)  
**Attachments:** 10-2017 Newsletter.pdf

You may have heard by now, that today is the 30<sup>th</sup> anniversary of Black Monday or perhaps you're pleasantly oblivious to that fact and still riding high after the Yankees took the series lead last night.

To refresh your memory, on Monday, October 19, 1987 the Dow Jones Industrial Average plunged 508 points or 22.6%, cementing "Black Monday" as the worst day in stock market history. The equivalent of that today would be a drop of 5200+ points! There has never been one agreed upon cause of Black Monday, but the real take-away is: what would the impact be to your financial model & the planning you have put in place if we had a repeat of Black Monday next week? I am not at all suggesting that we are due for this type of correction or trying to predict the markets. I am merely asking a rhetorical question for you to think about. Would your retirement plan still be on track or would you have to push it back a few years? If you're already in retirement, would your income decrease dramatically? Would you have to go back to work? Would your children have the same choices for college? Would you have to put off buying that vacation property or building your dream house? Would the level of your charitable giving be impacted?

One of the first things we teach our clients is that having an investment plan is not the same as having a financial plan. The former is one component of the latter. Many times this is a new concept to them, especially if they've come to over to us from one of the large Wall St. firms. By creating balance on your model between risk, safety/guarantees, and protection, you will have buffers in place for whenever the capital markets or any other market (real estate, etc.) go through a natural down-turn. The key is understanding how to build this structure efficiently and effectively so you can also reap the rewards during times where the markets are on an upswing. Like the Yankees.

So, is the stock market headed for a huge correction? Are the Yankees going to win the World Series? I don't know because I'm not in the prediction game. But I do know I'll be fine either way and so will my clients.

Enjoy the rest of this perfect fall day and don't hesitate to call me, even just to say hello.

Best Regards,

Gabor

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