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A Note from the President

At Plancorp, everything we do is focused on advocating for our clients in their financial lives and delivering an experience that exceeds your expectations.

It is this passion for delivering a best-in-class client experience that has made us successful—and has led to our exciting new partnership to develop a digital platform that will deepen our engagement with you and enhance our service.

We recently sent out letters to all our clients with details on this new development and hope you share our enthusiasm for how this can improve your experience. Of course, you will still have the same access to our team, and there is no obligation to use this offering once it is launched later this year. It will only serve to enhance the digital experience for those who would like to take advantage of it. As technology continues to play a role in our daily lives, we are confident this partnership positions us to best serve our clients now and for generations to come.

We hope to see you at our client event on April 26th, and we look forward to keeping you informed as our new digital platform comes to life.

Sincerely,



Chris Kerckhoff, AIF®, CFP®
President

Interest Rates Are Rising— But Not in Your Savings Account

Peter Lazaroff, CFA®, CFP®, Co-Chief Investment Officer

The Federal Reserve increased short-term interest rates in March for the third time since December 2015 and indicated that more rate hikes are on the way this year.

Ready to earn dollars instead of pennies on your savings account? Not so fast.

Banks usually wait for a few rate hikes before paying more on deposits; and historically the rate on savings deposits rises by only 0.34 percentage points for every one percent increase in the fed funds rate¹.

Deposits are essentially short-term loans that the bank uses to make longer term loans at higher interest rates. If the bank pays you 0.10% on your deposits and loans that money to a home buyer at 4.00%, then the bank keeps the profits generated from the 3.90 percentage point difference or “spread.”

As rates rise and cash becomes expensive for depositors to hold in terms of opportunity cost, banks pay higher rates of return to incentivize depositors to keep their money in place. However, this time around the banks don’t need to attract additional dollars.

According to the Federal Deposit Insurance Corporation (FDIC), U.S. bank deposits total \$12.9 trillion or 65% higher than a decade ago. Meanwhile, growth in the demand for loans hasn’t kept pace with today’s loan-to-deposit ratio at 72% versus 92% a decade ago.

In addition, banks are relying less on interest to attract and retain capital. Heavy investment in technology and marketing have proven to be cost effective relative to interest expenses from a depositor retention perspective.

In short, your savings accounts will continue paying very little interest. Obviously some cash buffer belongs in your primary checking account to meet regular expenses, but excess cash is better off in an online savings account that pays a higher interest rate than traditional brick-and-mortar banks.

People say that cash is king, but there is such a thing as having too much cash. The appropriate amount of cash will differ from each person, but saving for long-term goals like retirement requires you to grow your

savings faster than inflation without taking undue risks.

Holding too much of your money in cash can make this process difficult for two reasons. The first reason is that cash has provided poor long-term returns. The second problem with holding too much cash is the psychological mind games that come into play. When stocks are going up, people frequently tell themselves that they will wait for a pullback to deploy excess cash; and when stocks fall, there is an urge to wait for them to fall further.

In an ideal world, we could meet all our life goals by simply being good savers and use safe, liquid assets such as cash. However, investors need to take risk to generate real returns. Markets will fall from time to time – sometimes more than others – but investors with a long horizon have time to ride out short-term volatility.

Women Who Inspire Us

Haleigh Albers, CFP®, Planning Associate

Thank you to the amazing women who attended our Women Who Inspire Us event March 30th at Meadowbrook Country Club. We are so excited to be able to connect women such as yourselves and help foster relationships within our community.



The goal of our Women Who Inspire Us event was to bring some light to the amazing things that women are doing in the St. Louis community. We are bombarded

with negativity in our day-to-day lives: reasons why our ideas won't work, why we can't do something, and even more so, just by turning on the news. So instead, the Plancorp Women's Initiative wanted to provide a venue to showcase amazing women who are making a difference in our community.

During our event, around 100 women joined us to hear the stories of Rose Hanley (Little Bit Foundation), Katie Collier (Katie's Pizza & Pasta Osteria) and Karen Kirk (Lydia's House). Not only did these women tell us how they got to where they are today, but they told us about the positive impact they are making in St. Louis. For a

recap of their stories, visit plancorp.com/women-who-inspire-us.

Thank you again to our attendees and speakers alike. As always, we want to hear from you. If you have feedback or topics you'd like to see us address in the future, please submit at plancorp.com/womens-initiative.



Our Latest Awards

Plancorp is pleased to announce that Financial Planning Magazine has included us in its list of Top 150 RIA Leaders² in 2017. We experienced strong growth in 2016—a year when more than a third of the country's largest RIA firms lost assets. Plancorp was the highest-ranking St. Louis-based firm of those listed.

Plancorp has also once again been named to AdvisoryHQ's list³ of the "Top 9 Best Financial Advisors in St. Louis." The publication highlights our evidence-based investing philosophy, which is rooted in Nobel Prize-winning research. Incorporating decades' worth of academic research on financial markets, our unique approach emphasizes discipline and risk control in achieving long-term returns.

For a complete list of Plancorp's media recognitions, visit plancorp.com/awards-recognitions.



Client Event Reminder: April 26th

The Ritz Carlton, 100 Carondelet Plaza, 63105

- **Cocktails and appetizers:** 5:30 p.m.
- **Presentation:** 6:00 p.m.
- **Coffee and dessert:** 7:00 p.m.

RSVP to (314) 392-4634 or plancorp.com/insidelook.

Guests are always welcome.

If you haven't already, be sure to register for our client education seminar, "Navigating the Market: An Inside Look," **April 26th from 5:30 -7:30 p.m.**

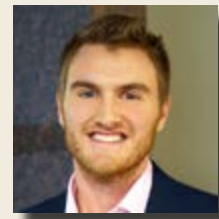
We'll offer a behind-the-scenes look into how our investment committee sifts through market noise—so you don't have to. Hear from Peter Lazaroff, Co-Chief Investment Officer, followed by a Q&A session with Chris Kerckhoff, President.

Fresh Faces

As our firm grows, it's our pleasure to welcome new members to the Plancorp team. Meet our newest hires.

Troy Blakely, Portfolio Analyst

Troy joined us from Boeing, where he worked as a Contracts Representative. In his spare time, Troy enjoys exercising and attending St. Louis sporting events. He still lives conveniently close to the SLU campus—where he earned his Bachelor's in Finance—and never misses an opportunity to cheer on the Billikens.



Amy Jones, Chief Talent Officer

A St. Louis native, Amy graduated from Missouri State University with a Bachelor's in Communication and minors in International Management and Spanish. Her 16+ years in HR have been concentrated in the professional services space. Although Amy's work is often of a serious nature, she doesn't take herself too seriously. When not wearing her HR shoes, she enjoys spending time with her husband, son and daughter.

Edward Rothweil, Accountant

Born and raised in South City, Edward earned his Bachelor's in Management at Lindenwood University and studied Accounting at the University of Missouri-St. Louis. He spent 16 years in store management positions before pivoting to accounting-focused roles. Edward still resides in South City and plays in a Berra Park co-ed softball league, through which he met his now-wife, Jolena.



Drew Tingle, Planning Associate

Born in Franklin, Kentucky, Drew attended Western Kentucky University and graduated with his Bachelor's in Business Management and Finance in 2016. In his free time, Drew enjoys exploring St. Louis, getting involved with non-profits and cheering on his newly adopted team, the Cardinals. He plans to sit for his CFP by the end of the year.

3 Ways We're Increasing Cybersecurity

Mike Esson, Director of Operations

Because data security is a top priority at Plancorp, we take a holistic approach that includes employees, clients and vendors. This ensures we're implementing best practices at all levels of the organization.

We have a number of ongoing measures in place to support this commitment, including a partnership with ACA Aponix—a New York-based company that helped orchestrate our current system, make our network more secure and establish internal procedures. The firm also assists with Plancorp's vendor due diligence by routinely assessing vendor security and redundancy.

Within their first week, Plancorp employees are also required to complete a cybersecurity training course. Lessons cover everything from identifying insecure websites to sophisticated phishing attempts.

In addition to these ongoing efforts, we took three major steps last year to keep your information secure.

1. Verified all disks and drives before exposing them to the Plancorp network.

Clients often bring information they'd like us to enter into our system in different formats, such as disks or thumb drives. There are all kinds of risks associated with these formats the client may not even be aware of.

To process these devices, we use a system completely outside our network to scan for viruses. Only once a device has been cleared is it allowed on our network. Even then, all our laptops are encrypted to keep information confidential.

2. Ensured containerization of corporate and employee data.

In the past year, our Technology Risk and Information Security Committee has made a concerted effort to differentiate between corporate and employee data, particularly on mobile devices. By separating into two distinct networks, we can keep corporate data protected.



“We sleep better at night knowing we are working with experts to keep your data safe in an ever-changing environment.”

If something would happen to an employee's mobile device, we have the technology to remotely wipe it of sensitive data.

3. Added protection to our guest wireless network.

Clients can freely access the internet while in our office via our guest wireless network—which is completely separate from the Plancorp network. It also requires a complex password to access.

Cybersecurity is all about protection of data, and we sleep better at night knowing we are working with experts to keep your data safe in an ever-changing environment.

FOOTNOTES & DISCLOSURES

1 Source: Drechsler, Itamar and Savov, Alexi and Schnabl, Philipp, The Deposits Channel of Monetary Policy (December 28, 2016). Available at SSRN: <https://ssrn.com/abstract=2536230> or <http://dx.doi.org/10.2139/ssrn.2536230>

2 To be considered for these rankings, a firm must be an SEC-registered investment advisor, provide wealth management services and focus primarily on serving individual clients. Firms managing large funds, hedge funds, broker-dealers or having disciplinary disclosures were excluded.

3 To develop [its rankings](#), AdvisoryHQ developed a “Top-Down Advisor Selection Methodology” (explained in full at www.advisoryhq.com/articles/advisory-hq-methodology-for-selecting-top-advisors/) that is based on a wide range of filters including fiduciary duty, independence, transparency, level of customized service, history of innovation, fee structure, quality of services provided, team excellence, and wealth of experience.

Awards are not indicative of future performance. Awards and Other Recognitions should not be interpreted as a guarantee or suggestion that a client or prospective client will experience a certain level of results if our firm is engaged, or continues to be engaged, to provide investment advisory services, or as an endorsement of our firm by any past or present client. None of the sponsoring publications or organizations are affiliated with our firm, none of the Awards or Other Recognitions are based on client evaluations of our firm, and we have not made any payments for or in anticipation of any Award or Other Recognition. We encourage you to contact the sponsoring publications or organizations if you would like additional information regarding their processes or methodologies.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Investing involves risk. It should not be assumed that recommendations made in the future will be profitable or will equal the performance shown. Investment returns and principal value of an investment will fluctuate and losses may occur. Diversification does not ensure a profit or guarantee against a loss.