

PERSPECTIVE



NOVEMBER 2018

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Helping You to Reduce the Risk of Investing

November is Long-Term Care Awareness Month

Asset Allocation by Risk Level

Fixed Income
Equities

Conservative



Moderate Conservative



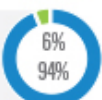
Moderate



Moderate Aggressive



Aggressive



There are many factors that impact the performance of your investments, and most of them are out of your control. That's why it is important to have a strategy to help you stand against the ups and downs of the market.

ASSET MANAGEMENT

Asset management is the process of developing, maintaining and disposing of assets cost-effectively. The asset management team within a financial firm, such as Lincoln Investment, is dedicated to managing its clients' assets.

The asset management process can help you achieve that delicate balance between risk and reward.

In one comprehensive package, asset management portfolios provide professionally crafted diversification and ongoing asset allocation.

ASSET ALLOCATION

Asset allocation, or choosing a mix of different asset classes in a portfolio, spreads investments across many different types to help increase returns and decrease risk. Research shows that asset allocation is an important focus in developing an investment plan.

Lincoln Investment offers two types of asset allocation strategies:

» **Strategic asset allocation** is a long-term approach to investing that ensures your portfolio always includes multiple asset classes. Strategic programs set target allocations and then periodically rebalance the portfolio to maintain the original asset class mix.

» **Tactical asset allocation** is a more active approach that makes short-term, tactical deviations from the original portfolio allocation to take advantage of potential investment opportunities.

THE PORTFOLIO REVIEW

One of the keys to building and maintaining a successful investment portfolio – whether

Targeted benchmark allocation is illustrated; the allocations are subject to change and may not be reflective of actual client portfolios. There is no assurance that any investment process will consistently lead to successful results. There are risks associated with investing, including the risk of loss of principal. The fixed income portion of certain portfolios may include an allocation to cash or cash equivalents. The holdings of fixed income funds may vary in the quality, type, and maturity. The equity portion of certain portfolios may include allocations to small-capitalization equity funds, international equity funds, and real estate funds.

you are a beginner or a seasoned investor – is the annual portfolio review. No matter how the market is performing, it is essential to evaluate asset allocation, assess the performance of investments and select a new investment strategy, if necessary.

A good time to review your portfolio is at year-end when you're preparing for the upcoming tax season.

Contact us for more information regarding asset management or to schedule a year-end portfolio review.

Neither asset allocation nor diversification guarantee a profit or protect against a loss.

If you choose an asset management program, you will receive an Investment Advisory Agreement and Disclosure Statement. Read these carefully for more complete information including a description of services and costs before you invest or send money. None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.



LONG-TERM CARE FACTS

- » **At least 58% of men and 79% of women aged 65 and older will need long-term care services and support².**
- » **A year in a nursing home can average \$85,776 for a semi-private room and \$97,452 for a private room³.**
- » **The average length of a nursing home stay is 835 days—or more than two years⁴.**

November is Long-Term Care Awareness Month

With more Americans living longer into retirement, the majority of those aged 65 and older will require some type of long-term care during their lifetime¹.

Unlike traditional health insurance, long-term care insurance helps pay for the cost of care for people with chronic disabilities. This type of coverage is not typically covered by regular medical insurance. For instance, employee group health and major medical plans provide limited long-term care coverage. Medicare provides limited nursing home and home healthcare coverage, and Medicaid requires individuals to spend most of their savings and assets before becoming eligible for coverage.

Some plans can guarantee that your premiums never increase and offer a benefit whether you need care or not.

This year, make it a point to learn more about long-term health care. It's the smart way to protect your income and assets and remain financially independent should you need long-term care services someday. If you haven't investigated long-term care insurance, give us a call to discuss your options.

¹ www.longtermcare.gov, U.S. Department of Health and Human Services, October 2017.

² www.forbes.com, *Cost and Incidence of Long-Term Care*, January 2016.

³ *Genworth 2017 Cost of Care Survey*.

⁴ www.longtermcarelink.net, *National Care Planning Council*, 2017.

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