Foresight
Capital Management Advisors, Inc.

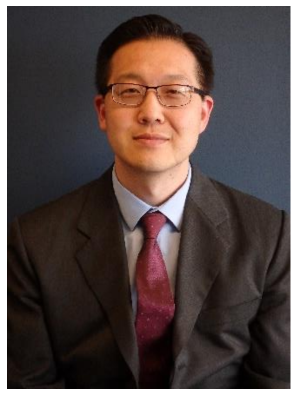
Newsletter 2Q 2017 and Market Summary

FCMA's Model Portfolios have gains, net of fees, for 2017 as follows:
Conservative Model +5.08%, Moderate Model +5.64%, and Aggressive Model +5.96%. The market continues on an upward journey and could result in double digit earnings by yearend if positive conditions continue. Economic indicators are strong and unemployment has reached its lowest since pre-2008, at 4.40% as of June 2017.

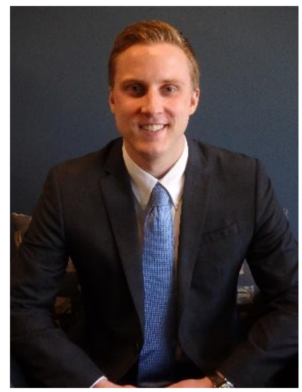
Welcome to our newest employees at Foresight

Amanda Glass-Cleary Univ
Financial Analyst

Robert Park-CFP
Financial Planner



Patrick Carney-UofM Intern



New Analytics at Foresight- Hidden Levers

Foresight has implemented a new tool called Hidden Levers which allows us to analyze portfolios by putting them through a stress test from history and simulate how the portfolio will react in today's market. An example would be to say what if the S&P 500 stocks rose 10% or dropped 10%? How much of the positive 10% and negative 10% would a specific portfolio capture? Another would be what will happen if interest rates rise by 2% how much will it affect my portfolio? This tool has many historical algorithms and can apply it to your portfolios to help access risk before it hits the market. We intend to utilize this important tool on all the Foresight portfolios and will review its outcomes with you in your annual review meeting.

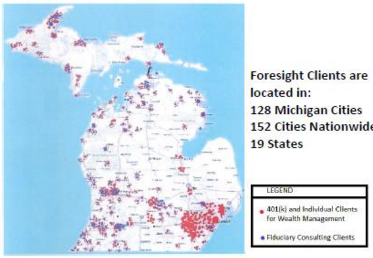
Important Web Portal Access for All Quarterly and Billing Information at Foresight

Currently all billings are now sent to your Web Portal. Go to https://cwp.morningstar.com to access them. If you need help on how to access this information please call or email us. Beginning in Jan 2017 we will began billing quarterly to add efficiencies. Both of these have added security by utilizing the web portal.

HSAs at Foresight

We now offer Health Savings Accounts which can be invested in our Model Portfolio strategies of Aggressive, Moderate, and Conservative. The HSA savings is a triple win for the consumer because you get to save in the HSA and get a tax deduction, then it grows tax deferred, and when you use the HSA for medical expenses it is tax free! There are also optional debit cards with our HSA program. Please call if you are interested in further details 734-429-4680.

Foresight Client Base



FCMA Model Returns
June 30, 2017 YTD

Conservative Model	+5.08%
Moderate Model	+5.64%
Aggressive Model	+5.96%
Indexes:	
S&P 500 Index	+8.24%
MSCI EAFE Foreign	+11.83%
10Yr T-Bond Index	- 0.14%

Future performance is not guaranteed; above returns are 2pt actual averages

Foresight's Outlook and Portfolio Strategies

The summer of 2017 brings not only beautiful sunny weather, but the market is off to a great start and is likely to continue with positive returns for the year. The Dow has topped 21,800, the S&P 500 nearly 2500, and the Nasdaq 6300, however, most analysts do believe it will not be perfect smooth sailing, and there will be some volatility which is normal for an aged bull market. However, if the market continues on an upward course, 2017 could bring double digit returns! Washington continues to see angst among lawmakers and President Trump continues to love his tweets. The Health Repeal Bill got turned down, 90 executive actions have been signed by President Trump since taking office, yet nothing seems to be getting accomplished. The market doesn't seem to care, in fact it likes it!

Our economy, in the USA, is propelled by people not the government. Therefore, the health of our economy is being fueled by the companies and people running them. There are many analysts that believe we could be heading into the longest bull market in history! Time will tell, but there are some key factors supporting this theory. Given the USA is growing at a slower rate of +2%, the millennial population is the largest workforce at 86 million, unemployment is at 4.4% with mild wage inflation, interest rates are just beginning to rise, and inflation is nil. All these are supporting indicators that our bull market could continue for quite some time.

Beginning in October 2017 the US government plans to begin buying back bonds at a rate of $10B per month, according to John Bilton of JP Morgan. This coupled with a $600B budget deficit could cause long term interest rates to increase. If long term rates increase and short-term rates increase this will keep the Bond Curve steep, therefore prolonging the bull market. Additionally, he sees PE's (Price to Earnings Ratios) on stocks being slightly over valued in the US at +17 PE's. Therefore, a recommended portfolio move is to increase and include foreign investments at this time.

Foresight continues to monitor the geo-political situations and continues to be optimistic. We have moved all our portfolios into their normal risk allocations and increased foreign holdings for 3Q 2017. The mutual fund portfolios have increased weightings in foreign-large blend, foreign growth, emerging markets, world stocks, healthcare, industrials, and materials. We reduced US large cap holdings slightly and removed energy and precious metals at this time. For clients with stock portfolios we have created three models Aggressive, Moderate, and Conservative and have moved all our clients into the appropriate risk they have chosen. In 3Q 2017 Foresight added Amazon as a holding to all stock portfolios. We continue to monitor the stock portfolios weekly and have stop losses on most double digit gains within the stock portfolios. The overall belief is to be globally invested in stocks and less fixed income currently. 2017 is likely to be a decent market and showing no signs of a recession. If the market has a pullback this will not concern us as we believe the economy is healthy and it will recover quickly. Please contact us if you have any questions about your portfolios.

Foresight Planning Ideas

New Health Savings Accounts-HSAs with Foresight: Foresight now offers HSA accounts for your Company or Individual HSA savings. An HSA with Foresight will allow you to choose the same 3 Model portfolios of risk either Conservative, Moderate, or Aggressive. If you have a High Deductible Health Plan then you can consider opening a HSA = Health Savings Account with Foresight. The HSA will allow you to save in 2017 up to $3,400 for single and $6,750 for a family; if +55 then $4,350 for single and $7,750 for a family. The HSA savings are not subject to Federal Tax and will grow, much like a Roth IRA, with no tax due if used for all qualifying health expenses, note cannot be used to pay health insurance premiums. If you are interested in more information on this strategic investment idea for your healthcare savings please contact us. 2017 HDHP=minimum deductible for single $1,300 and family $2,600 and out of pocket maximum for single $6,550 and family is $13,100.

The B-List Expansion for Retirement Plans: To accommodate requests and ease the quarterly rebalance burden Foresight has decided to begin 2017 with 80 fund choices as our B-List. All these funds will be available on the website for your investment choices. The Foresight Models of Aggressive, Moderate and Conservative will also be available as Auto-Pilot choices. As the year unfolds if a fund on the B-List of 80 becomes undesirable we will remove it from the list so only top funds remain for investment. There are several new categories for investment so we think you will find this a great way to begin 2017!

Foresight's New Web Portal Reporting: The Web Portal is for your protection and information security. Beginning in Nov 2016 all of our quarterly information will be sent to the Web Portal. We want our communication to be timely and beneficial to you. Go to **https://cwp.morningstar.com.** If you have any access issues please call or email us at 1-877-429-4690 or mgallagher@fcmadvisors.net.

Tax Information will be put in your Web Portal for ease of access. Please be sure to check here first as this will help save you time when gathering data for your tax preparer. Go to **https://cwp.morningstar.com.**

Did you Know? you can give your Tax preparer access to download your tax information directly into the tax software and save them a lot of input time. This will also likely save you a lot of money in tax prep fees. It is worth asking your tax preparer how this might save you. However, be sure to change your access to your custodian accounts, UID and PW, after your taxes are completed to re-securing your investment accounts.

Quarterly Billing began January 2017

Did you Know?: Foresight has written two white papers. **Low Cost Investing- The Costly Approach?** and **Target Date Funds-The Next Retirement Dilemma**. Please email us at **consultant@fcmadvisors.net** if you would like a copy to read.

New White Paper Coming Soon: a new white paper on **A Study of Mutual Fund Share classes- and Why the Cheapest Fund Class May Not be the Best!**

IRS Contribution Limits for 2017!* *$18,000 deferral max and for 50+ $24,000 deferral, and IRA limits $5,500 and if age 50+ $6,500.

Did you Know? If you have Roth 401(k) it is wise to roll these funds to a Roth IRA before you turn 70 ½ because if the Roth funds are left inside a 401(k) they must take RMD (required minimum distributions) just like the pre-tax funds which defeats the purpose of letting the Roth grow! However, if you roll it over into a Roth IRA before 70 ½ then you do not need to take the RMD from the Roth IRA. This is a very important hint to remember!

Did you Know?: You can take a distribution from your 401(k) or 403(b) prior to age 59 ½ without a 10% penalty; if you have separated from service no earlier than age 55. Funds must be in a 401(k) or 403(b) and cannot be in an IRA. Additionally, if you retire and wish to begin normal distributions prior to 59 ½ then a 72-T calculation can be done to allow funds to be removed from your IRA without a 10% penalty as long as you have separated from service.

Roth IRA Ideas if interested in additional savings ideas consider opening a Non-deductible IRA. This will allow you to save the maximum in your 401(k) and also save an additional $5.5k in a Non-deductible IRA, and $6.5k if age 50+. Then convert the Non-deductible IRA to a Roth IRA! It is a way to obtain a backdoor Roth IRA funding even if you are not able to save directly into a Roth IRA.

On-line Access each year we encourage everyone to test your on-line access to your account(s) at the custodian or third party administrator for your plan. Please visit **Journeyrps.com** or **Noblepension.com** if a retirement participant. For individual clients at TD Ameritrade access **Advisorclient.com** for Schwab Institutional Clients access **Schwaballiance.com.** To access your web portal for individual accounts go to **https://cwp.morningstar.com** . If you have any difficulty accessing your account, please email or contact us.

A lot of people are thinking that, since the stock market has been going up for eight years, it's got to be in bubble territory. That's untrue.

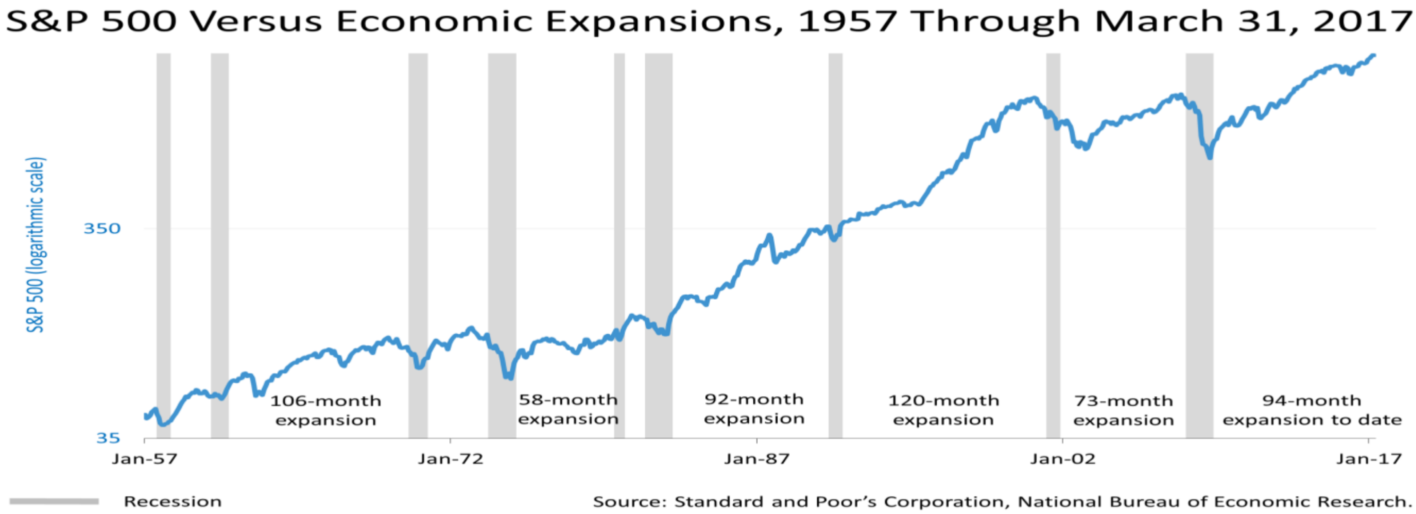
Don't forget how extraordinary the plunge in the financial crisis was. Stocks lost close to half their value.

Yes, the S&P 500 tripled off its bottom in March 2009, but it's merely reverted to a long-term mean return of about 9.4%, as calculated by Professor Jeremy Siegel.

Recently, stocks have gotten a little bit ahead of the 9.4% per year averaged annually over the last 25 years. That's in line with the stock market's long-term returns going back to 1926, or back even further back, to 1871, according to Siegel's calculations.

If you want to see what a bubble looks like, look at 2000 and the period before the financial crisis of 2008, times when returns veered way off from the long-term trajectory of the 9.4% average return in the slope in this chart.

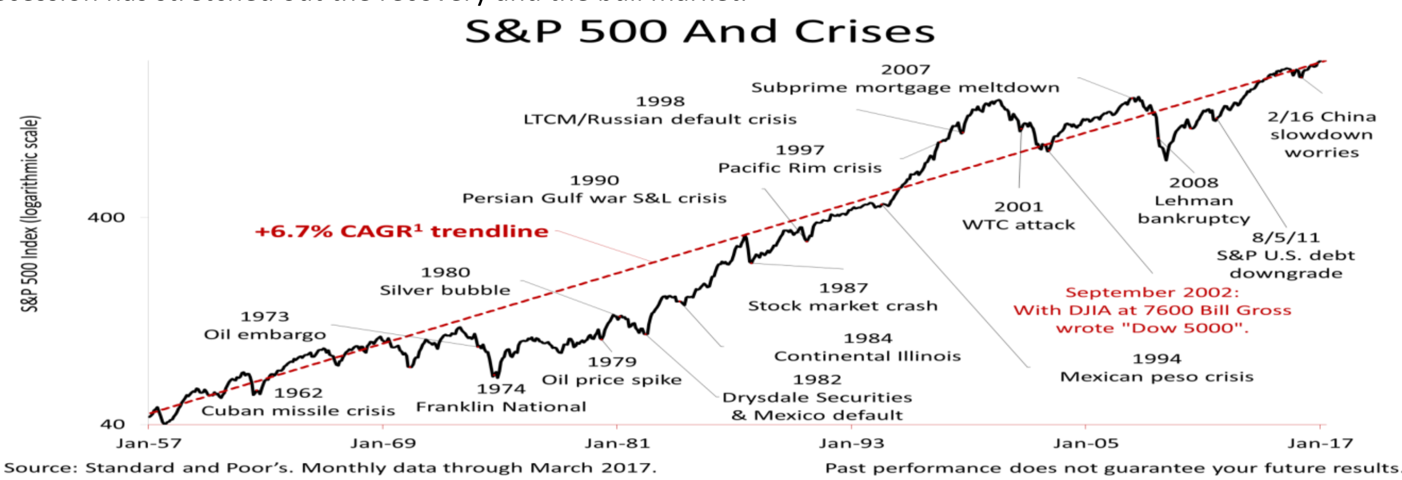
Point is, the stock market has actually been doing exactly what one would expect it to do and is not in nosebleed territory just because the bull market and expansion have gone on for so long.



Are the expansion and bull market getting long in the tooth? Are we about to roll over into a bear market?

At 94 months, the current economic expansion and bull market are certainly getting on in years, but this compares to a 120-month expansion during the 1990s, and 92-month expansion during the 1980s, and 106 months in the 1960s.

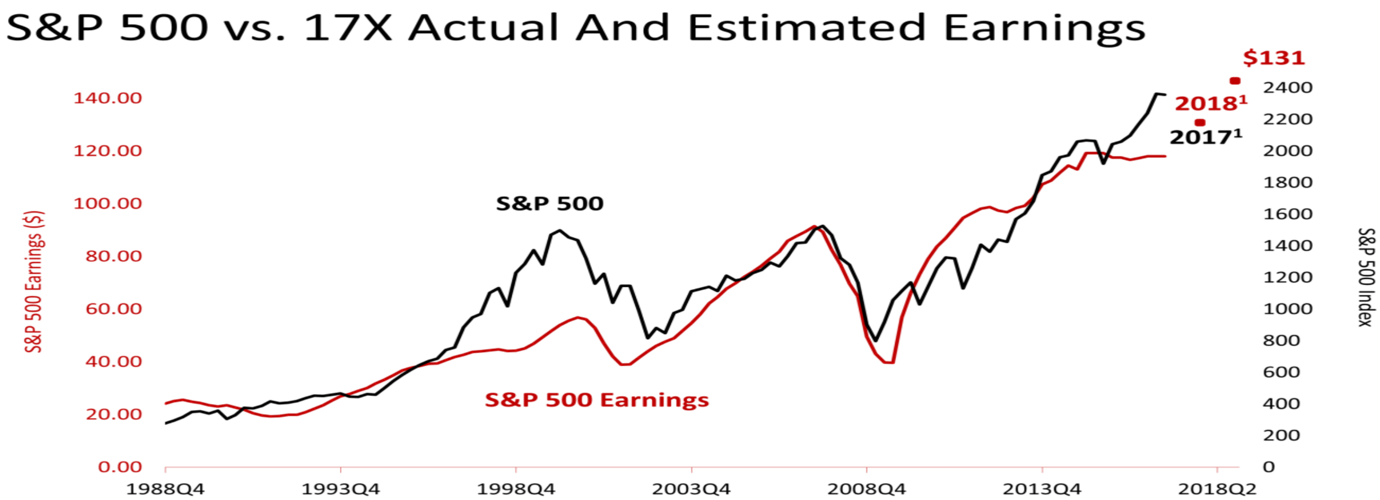
This very well could turn out to be the longest expansion in since the end of World War II. The depth of the last recession has stretched out the recovery and the bull market.



North Korea is not far from being able to hit the U.S. with intercontinental ballistic nuclear missiles. The Syrian refugee crisis is a moral outrage and is destabilizing Arab capitals across the Mideast, and Europe has remained politically unsettled following the June 24, 2016, Brexit vote.

This chart shows the march of progress in the world despite unrelenting crises for the past 60 years.

Geopolitical events have proven to be buying opportunities over and over again, but they really are scary and there is never a guarantee that things won't fall apart. The stock market short-term will get whipped around by a lot of different considerations. What drives the stock market long-term are corporate earnings, which I'll get to in a second.



Past performance does not guarantee your future results.

Here's the best picture of what drives stock prices over the long-term, and that is earnings. Earnings drive stock prices.

Earnings are shown in red and stock prices are in black.

Estimated earnings on the average share in the Standard and Poor's 500 Index, as of March 31, 2017, was $130.80 in 2017 and $146.67 in 2018. Stock prices have climbed in tandem with earnings, both actual and projected. Though they are perhaps slightly rich, the valuation on stocks is reasonable. A valuation bubble looks like what happened in 2000. Nothing like that can be seen in this recent snapshot.

Disclosures

This research report was compiled by Fritz Meyer, an independent economist, in collaboration with a veteran financial journalist. While these are sources we believe to be reliable, the information is not intended to be used by as financial or tax advice without consulting a professional about your personal situation.

Indices are unmanaged and not available for direct investment. Investments with higher return potential carry greater risk for loss. Investing in small companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity. Foreign securities have special risks, including exchange-rate changes, political and economic upheaval, lack of information about companies, relatively low market liquidity, and different accounting standards. Emerging market investments involve greater risk than developed-country markets, such less liquidity in markets, high inflation, central bank monetary policy and controls, weak institutions in accounting, banking and markets, government policy, adverse political developments and lack of timely information.

Gold and precious metals mining companies are dramatically affected by precious commodity prices. Changes in political or economic climate for the world's two largest gold producers, South Africa and the former Soviet Union, may have a direct effect on the price of gold worldwide.

Data for the CPI, Unemployment Rate, and Non-farm Payrolls are from the Bureau of Labor Statistics. Data for the GDP are from the Bureau of Economic Analysis. The Purchasing Managers Diffusion Index is a release of the Institute of Supply Management. Retail spending data are from the Bureau of the Census. Data for Consumer Confidence are from the Conference Board. Historic Treasury yields are from the U.S. Treasury; global and U.S. equity index performance numbers are from the respective index vendors, as are commodity benchmarks. Currency numbers are from OANDA.com. Sector and dividend statistics are from Standard & Poor's.

The Conference Board Leading Economic Index® (LEI) components: 1) average weekly hours worked, manufacturing; 2) average weekly initial unemployment claims; 3) manufacturers' new orders — consumer goods and materials; 4) ISM index of new orders; 5) manufacturers' new orders, nondefense capital goods; 6) building permits — new private housing units; 7) stock prices, S&P 500; 8) Leading Credit Index™; 9) interest rate spread; 10-year Treasury less fed funds; 10) index of consumer expectations.

The Bureau of Labor Statistics publishes two employment surveys each month, the Current Population Survey (CPS; household survey) and the Current Employment Statistics survey (CES; establishment survey). The household survey is a sample survey of about 60,000 eligible households conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics (BLS). The establishment survey collects data each month from the payroll records of a sample of about 144,000 businesses and government agencies, representing approximately 554,000 individual worksites, in order to provide detailed industry data on employment, hours, and earnings of workers on nonfarm payrolls. The active sample includes approximately one-third of all nonfarm payroll employees. The household survey sample is selected to reflect the entire civilian noninstitutional population. Based on responses to a series of questions on work and job search activities, each person 16 years and over in a sample household is classified as employed, unemployed, or not in the labor force. The establishment survey sample is drawn from private nonfarm businesses such as factories, offices, and stores, as well as from federal, state, and local government entities. Employees on nonfarm payrolls are those who received pay for any part of the reference pay period, including persons on paid leave. Persons are counted in each job they hold. The household survey includes agricultural workers, self-employed workers whose businesses are unincorporated, unpaid family workers, and private household workers among the employed. These groups are excluded from the establishment survey. The Current Employment Statistics (CES) program produces nonfarm employment series for all employees (AE), production and nonsupervisory employees (PE), and women employees (WE). For AE and PE, CES also produces average hourly earnings (AHE), average weekly hours (AWH), and, in manufacturing industries only, average weekly overtime hours (AWOH). AE average hours and earnings data are derived from reports of hours and payrolls for all employees. PE average hours and earnings data are derived from reports of production and related employees in manufacturing and mining and logging, construction employees in construction, and nonsupervisory employees in private service-providing industries. [1] Compound annual growth rate. [2] S&P 500 total return index. [3] per Professor Jeremy Siegel's seminal Stocks for the Long Run, first published in 1994. [1] Compound annual growth rate. Standard and Poor's Corporation, National Bureau of Economic Research. Data through April 7, 2017. Yardeni Research, Inc. and Thomson Reuters I/B/E/S for actual and estimated operating earnings from 2015. Standard and Poor's for index price data through April 7, 2017; and actual operating earnings data through 2014.