

Q3 news

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IRS Warns of Scams Related to Natural Disasters

In the wake of Hurricane Florence, the Internal Revenue Service is reminding taxpayers that criminals and scammers try to take advantage of the generosity of taxpayers who want to help victims of major disasters.

Fraudulent schemes normally start with unsolicited contact by telephone, social media, e-mail or in-person using a variety of tactics.

- Some impersonate charities to get money or private information from well-intentioned taxpayers.
- Bogus websites use names similar to legitimate charities to trick people to send money or provide personal financial information.
- They even claim to be working for or on behalf of the IRS to help victims file casualty loss claims and get tax refunds.
- Others operate bogus charities and solicit money or financial information by telephone or email.

Donate to Real Charities

To help taxpayers donate to legitimate charities, the IRS website, IRS.gov, has a search feature, Tax Exempt Organization Search, that helps users find or verify qualified charities. Donations to these charities may be tax-deductible.

- Contribute by check or credit card. Never give or send cash.
- Don't give out personal financial information — such as Social Security numbers or credit card and bank account numbers and passwords — to anyone who solicits a contribution.

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Index	Year to Date
S&P 500	10.56%
Russell Midcap	7.46%
Russell 2000	11.51%
MSCI EAFE	-1.43%
Barclays Aggregate Bond	-1.60%
Barclays Muni Bond Index	-0.40%
Dow Jones Industrial Average	8.83%

*Index return data is provided by Morningstar DirectSM

Quarterly Market Review

- Domestic equity markets posted another quarter of impressive gains with the S&P 500 taking its YTD return to 10.56%. Domestic equity markets surged higher, even as, economic and political headlines were mixed. Markets chose to focus on very strong earnings today versus what could be the worries of tomorrow.
- Perhaps the most notable trend in the first three quarters of 2018 was the dispersion of returns between asset classes. We have seen some fairly dramatic outperformance from growth stocks versus value stocks. Similarly, we are seeing smaller companies outperform larger companies. Lastly, we are seeing domestic stocks outperform foreign investments, as the dollar remains strong.
- The volatility in interest rates has continued as the 10-year treasury ended the quarter at 3.05% vs. 2.85% in June and 2.4% at the end of 2017. Rates have risen materially in the last year, sparking some concerns that the Fed will raise rates too much, too quickly.
- The U.S. mid-term elections are right around the corner. Historically, mid-term elections are negative for the stock market performance in the third quarter, but that has not been the case this cycle. Based on market polls, Democrats are expected to win the majority of seats in the House of Representatives while the Republicans are expected to hold the majority of seats in the Senate. A split government is generally not bad for the markets. But, as we have learned over the past few years, polls can be very misleading. ▲

News and Notes

- On the political front, it would seem to be a period of two steps forward, one step back. President Trump continues to push on global trading partners to improve what he sees as unfair trading policies. Progress was made with Mexico and Canada on a revised trade agreement. Unfortunately, tensions appeared to have increased with some other trading partners, particularly China. Uncertainty from these tensions remains a concern for investors.
- The negotiations around The United Kingdom's exit from the European Union (Brexit) have returned to the headlines as rhetoric has taken a hostile turn. There is concern that a hard exit could prove disruptive to markets and to the global economy.
- The Federal Reserve chose to move forward with another 25 bps hike in September. The Fed's overriding message continues to be one of gradual policy tightening. As inflation and growth seem to be trending in line with broad expectations, chairman Powell and the Federal Open Market Committee will be keeping a watchful eye on economic trends and any signs of slowing growth.
- The U.S. economy continues to be very strong as growth and employment remain at very healthy levels. Thus far, we have not seen significant impact from either the rise in interest rates or the trade conflicts on the overall economy. It is important to note that it is very early and should the tensions and rate increases continue, we will likely feel some effects in the future. ▲



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Things to Know about Medicare Fall Open Enrollment

Fall Open Enrollment occurs each year from October 15 through December 7.

- Any change you make during Fall Open Enrollment will take effect January 1.
- In most cases, Fall Open Enrollment is the only time you can pick a new Medicare Advantage or Part D plan.
- If you have Medicare Advantage, you can also switch to Original Medicare. To get drug coverage, you should also join a Part D plan.
- Depending on where you live, you may be able to buy a Medigap policy, which helps pay Original Medicare costs. Limitations apply as to who can buy a Medigap and when.

Review your current Medicare health and drug coverage. If you are dissatisfied with your coverage for next year, make changes during Fall Open Enrollment.

- If you have Original Medicare, take a look at next year's Medicare & You handbook to know your Medicare costs and benefits for the upcoming year.
- If you have a Medicare Advantage Plan or a Part D plan, you should receive an Annual Notice of Change (ANOC) and/or Evidence of Coverage (EOC) from your plan. Review these notices for any changes in the plan's costs, benefits, and/or rules for the upcoming year.
- Even if you are satisfied with your current Medicare coverage, look at other Medicare options in your area that may better suit your individual needs in the upcoming year. For example, check to see if there is another plan in your area that will offer you better health and/or drug coverage at a more affordable price. Research shows that people with Part D could lower their costs by shopping among plans each year. There could be another Part D plan in your area that covers the drugs you take with fewer restrictions and/or lower prices.

Help is out there.

- Use Medicare's Plan Finder tool if you need help finding Part D plans. The Plan Finder tool compares plans based on the drugs you need, the pharmacy you visit, and your drug costs.
- If you want to join a Medicare Advantage Plan, call 1-800-MEDICARE to find out which plans are in your area. When you receive the list of plans, check the plans' websites or call them to see which best fits your needs.
- If you research a plan online, also call the plan itself to confirm what you have learned. Make sure the plan includes your doctors and hospitals in its network. Confirm that the plan covers all your drugs, and that your pharmacies are in the preferred network. Write down everything about your conversation, including the date, the representative you spoke to, and any outcomes or next steps. This information may help protect you in case a plan representative gives you misinformation.
- Call or visit the website of your State Health Insurance Assistance Program (SHIP). Your local SHIP can help you understand your Medicare coverage options and navigate any changes. ▲



Donate to Real Charities, continued...

Taxpayers suspecting fraud by email should visit IRS.gov and search for the keywords "Report Phishing." More information about tax scams and schemes may be found at IRS.gov using the keywords "scams and schemes." ▲

Help for Disaster Victims

Comprehensive information on disaster-related tax issues, including provisions for tax relief, can be found on the disaster relief page on IRS.gov. In the case of a federally declared disaster, affected taxpayers may also call the IRS Special Services Help Line, 866-562-5227, with disaster-related tax questions. Details on available relief can be found on the disaster relief page on IRS.gov. ▲