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Securities and advisory services
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Longwave News

January 2017

IN 2016, we became Longwave Financial, an event that many of you shared with us. For us this was way more than a name change. Right out of the gate, we felt our new identity illuminated what is our number one priority: creating successful outcomes for you.

Longwave represents our distinct approach to achieving that financial success: sticking to a long term plan and focusing on areas of your financial life that you can control. We feel this makes our process distinctly more **reliable and repeatable**.

Furthermore, Longwave believes that investing, while quite unpredictable over the short term, moves in cyclical patterns over time. We just need patience to stay the course. We certainly saw this in 2016 which started with extreme volatility and ended with a powerful rally. (We will need to call upon that patience over the next few years on the political front as well.)

Thank you again for all the great feedback you've given us about our name, logo and website this year.

OUR TEAM

As we turn the page on 2016, we also say a heartfelt thank you and goodbye to Marie as she moves on to other opportunities, and introduce two new team members: **Patrick May** will step into the Operations Manager role while **Lucille Bruno** is our new Client Concierge. Coincidentally, both Patrick and Lucille grew up in North Carolina.

Patrick has worked for The White House in advance travel logistics for the First Lady Michelle Obama and prior to that, at Bank of America. He has an 8 year old son named Max who loves robots.



Lucille, was born in Ireland and raised in North Carolina, graduated from the Savannah College of Art and Design and has worked in California and Miami in the beauty industry. She loves to paint and explore the city's museums and galleries.



We're confident you'll be won over by their southern charm as much as we were. Please help us welcome them both!



This year was also big for Paul Purwin and his wife Jessica, who welcomed their first child, a healthy and energetic **Paul Purwin III** to the world on October 25th! We are thrilled for them and for P3 who is now virtually sleeping through the night.

We're also proud to announce that Paul Purwin will be promoted and transitioning to the position of Financial Advisor. He will continue with his previous responsibilities while also taking on this advisory role. We have tremendous confidence in Paul's abilities and professionalism and consider him an essential part of Longwave Financial.

Your author won't bore you with the achievements of "My Three Sons", but suffice it to say, Jonah, Dov and Leo are very much the little tiger cubs boys are supposed to be at this age. There is a way to tame them however:



Nathan continues to be active in his Synagogue, chairing the Planned Giving and Social Action Committees. Meg and Nathan are also active in the PKD Foundation and Meg is in the initial stages of getting her masters in Clinical Nutrition.

NEWS FROM WASHINGTON

As stewards of your investments, part of our role is helping you understanding how government policy affects your financial picture. In 2016, a number of important regulatory themes emerged that we feel are important to share with you.

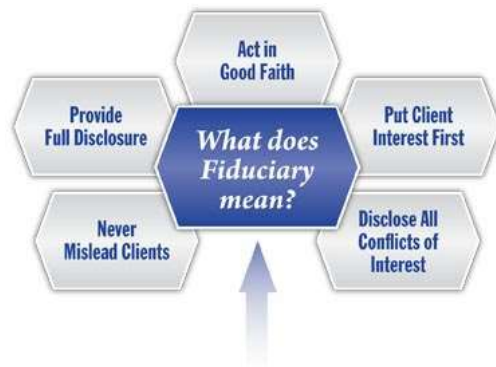
One big one was "cross-selling" which got a top bank hauled before the Senate when it was revealed that salespeople were pressured to load customers up with multiple banking products, sometimes without their permission or knowledge. It was a good reminder that when it comes to financial relationships, simpler and fewer is often better.

Although the cross-selling issue got most of the headlines, no issue in decades has shaken up the financial advice industry more than the "Fiduciary Rule" issued by the Department of Labor. This 1,023 page regulation will affect nearly every investor and advisor in the country when it kicks in on April 10th 2017.

In short, the Fiduciary Rule mandates that financial advisors must provide advice that puts investors' interests ahead of their own. Please read that again -

yes, the government had to make this a rule since the financial industry had been blocking a fiduciary standard for years up until now. While the purpose of the rule – to reduce abusive sales practices in the financial industry – is right, the entire financial industry now has to streamline its practices in order to comply.

The good news is that as fee-based advisors, the fiduciary standard is nothing new to Longwave; we have been operating under the high level of transparency and ethics mandated by the new Fiduciary Rule for over a decade.



The flip side however is that the new regulations will create major operational and logistical challenges for companies that support Longwave's business including the fund companies we use, our back office partner, Commonwealth Financial and NFS, our custodian for client assets.

While Longwave and our clients will certainly see much less change than others (for example, clients of commission-based stockbrokers), some administrative changes will almost certainly come our way. Over the next few months leading up to the April 10th deadline, we will be communicating to you any possible impact the Fiduciary Rule will have on how we work together.

THE YEAR AHEAD

In the next few weeks, we will be releasing our **2016 Year in Review**. This newsletter is our broad annual re-cap of notable economic events of the past year and what we're looking forward to in 2017. Please look out for it!

At Longwave, we are optimistic for the long-term but we don't rest on that optimism because the path forward is never easy or straight. In 2017, we aim to continue providing great service and advice to our clients, sharing the Longwave story with others and nurturing the professional development of our team.

Thank you for a great 2016 and with gratitude, we wish you a healthy and successful New Year!

