

Weekly Rep Call

Click [HERE](#) to listen to a recording of this week's rep call.

Call Notes (Click on the [red links](#) to learn more):

Compliance/Administration

- FCCS: Reminder - Standing Payment Instruction Supporting Documentation Requirement

- Cambridge has [announced](#) that effective June 3, all Fidelity Clearing & Custody Solutions (FCCS) first party standing bank instructions will require supporting documentation a of copy of a voided check, or pre-printed deposit slip, or bank letter on bank letterhead signed by bank official
- Existing standing payment instructions *ARE* grandfathered in, and will continue to remain valid without needing supporting documentation

- Cambridge E&O Policy Renewal:

- Cambridge has [announced](#) that the Errors and Omissions (E&O) policy will renew on June 15, 2019. Renewal's E&O pricing will not increase
 - Pricing Options:
 - Option A - Pay as you go: \$3,000.00, charged at \$125.00 per compensation cycle. This payment plan will begin with the June 14, 2019 compensation cycle
 - Option B - Pay in full upfront (by credit card, check, or compensation debit): \$2,750.00. If this option is elected, there is no refund available if an advisor leaves the firm during the policy year. If you have an existing credit card on file that you would like to be charged please send an email to payouts@cir2.com. You will not need to provide a separate credit card authorization form if existing information is on file.

If you elected Option B during the 2018 Renewal Period, your default for 2019 will be to continue to pay in full upfront. This will be deducted from your June 14, 2019 Compensation Statement. If you wish to pay by credit card or check, please contact payouts@cir2.com.

If you have not previously elected Option B, your default for 2019 will be to "pay as you go" per compensation cycle. **Please contact payouts@cir2.com by July 5, 2019**, to register for Option B and take advantage of the \$250 discount or to switch from paying in full upfront to "pay as you go"

- Oppenheimer and Invesco Funds Merger

- Clients and advisors with direct accounts may face potential account servicing challenges in the coming weeks as the transition takes place:
 - Multiple sponsor company telephone numbers have been disconnected
 - Extended hold times when calling the remaining functional service lines
 - Difficulty submitting transactions
 - Delay in advisor compensation
- We are working with Cambridge to make them aware of reported problems and needed solutions
- For more details on the data conversion, see the [Cambridge announcement HO-19-36](#)

- Updates to WealthPort forms:

- Cambridge has updated the WealthPort Wrap Client Agreement and Application. **The previous version will not be accepted after July 3, 2019**
- Cambridge has updated the WealthPort - CAAP and UMA Strategy Election Forms. This will NOT impact DWA accounts - advisors may still submit the Strategy Election Form to request a model change for clients invested in DWA portfolios
 - The model election form can be found on the Duncan Advisor Resources [website](#) after logging in (new users, click [here](#) to register)

- Account Updates Due to the Death of a Client

- In order to update accounts appropriately upon the death of a client, it is important to follow and complete the required steps to avoid regulatory violation. Details are provided in Cambridge announcement [CO-19-16](#)

Practice Management

- Reflections from the 2019 DAR Branch Meeting

- We are still very optimistic over the short to intermediate term. 40 years of experience has shown that it has always been the best policy to be optimistic on the stock market.
- Much more concerned about the long-term growth potential for the U.S. Economy, and stock market
 - According to Alexander Tyler, a Scottish history professor at the University of Edinburgh, the average length of a great civilization is about 200 years
 - Some of the reasons for concern:
 - Current entitlement programs.
 - Immigration
 - Municipal unions.
 - Current political rhetoric from the left
- If a fall of our great civilization occurs, we will need to find alternatives for our client's portfolios. Looking ahead, we will be vigilant and prepared.
- For a copy of the full newsletter, click [here](#)

- Duncan Walsh Advisors update & market insights

- Current state of the yield curve (inversion of the normal upward-sloping curve historically cause for concern). We are now in a "ladle" yield curve: curve is flat from ultra-short to six-month maturities, then declines to the 3-year maturities, and increases back up to the 30-year maturities.
 - Similar to fevers, yield curves are symptoms of something larger - could be simple, could be more concerning, and is being closely monitored by the DWA investment team
 - ClearBridge not concerned about a recession anytime soon. They follow 12 [economic indicators](#) (risk status rated in color-coded scale as green, yellow, or red), and yield curve is currently the only red indicator. Of the other indicators, 8 are positive, and 3 are middle-of-the-road
- Has been a good, but not great, decade. As of now, this decade's S&P 500 is up just under 13% per year (average annual return of previous decades is just under 10% per year). Assuming little change to the annual average return, this marks the fifth best decade out of twelve (the

previous decade was the worst we have had since

previous decade was the worst we have had since 1900, S&P averaging down 1% per year).

- Market insights: value stocks have gotten inexpensive vs. growth, smaller companies inexpensive vs. larger companies, foreign stocks inexpensive vs. domestic, emerging markets inexpensive vs. developed. Our managers follow these valuations, instead of hype or headlines, very closely to determine investment choices, tending to tactically direct holdings towards categories that are trending as less expensive
 - Earlier this year, DWA moved to overweight positions in U.S., growth, and smaller funds
 - Baseline in portfolios: 50% growth, 50% value. Currently 55% value, 45% growth
 - Growth, particularly large cap growth, has gotten ahead of itself in terms of return vs. valuation increase. Holdings based on taking advantage of that
- **Performance** updates:
 - Over 35 participating branch advisors, over 300 accounts, and over \$60 million in assets
 - DWA platform offers both active and index versions of models. Their performances are very closely matched, which speaks to the ability to choose successful active funds
 - Competitive, sometimes better, returns compared to those of CAAP & SEI
- Advantages to using Duncan Walsh Advisors
 - Access to portfolio managers
 - Available to attend client meetings
 - Mainstreamed into WealthPort platform
 - Streamlined operational processes
- For DWA portfolio offerings, click [here](#)
- For additional information about getting started with Duncan Walsh Advisors, please contact:
 - Tom Walsh, CFA
 - Phone: 513.624.6618
 - Email: TJWalsh@WalshAssetMgt.com

*** Accounts must be submitted under a special rep code specific to the DWA team-directed platform - to request a DWA rep code, please contact [Greg Hicks](#) (T) 1-800-517-9901, ext.2231 ***

Larry L. Qvistgaard
President
Duncan Advisor Resources

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