

No matter your ethnic background or nationality, it's a pretty good bet that your salutation to friends and family this New Year's holiday included "happy", "healthy" and "prosperous". Those first two wishes are pretty tangible. Then we get to "prosperous" and things get a bit fuzzy. First off, there's a reasonable argument that happy and healthy people are, by definition, prosperous people. That concept predominates Eastern cultures. It was also the implication in Western society in 1806 when Daniel Webster published his first dictionary. Webster held that being prosperous had very little to do with money. Instead, he linked to its Latin origins, "toward hope." Prosperous people were hopeful people.

Fast forward to our modern Anglo-American perspective: "Successful, usually by earning a lot of money." Now to be sure, our prelude to this edition of the *Commentary* may strike you as a bit judgmental, maybe even antithetical, to the implied purpose of Financial Planning newsletters. After all, our definitive intention in creating these editions quarter after quarter is to help Plan participants attain their personal financial goals. So how does subtly bashing the financial side of prosperity aid that cause?

Longtime readers of our *Commentary* have come to realize that we ascribe to a holistic view of financial success. The most constructive personal financial goals don't hinge on what global markets are doing. Instead, they have everything to do with what's most important to YOU. (Note: If that's the markets, you're in for a tumultuously stressful life!) In short, we continually attempt to refocus your construct of financial goals to finding that right balance FOR YOU across the three kinds of capital that each of us control.

- Human: *Our time, health, knowledge, skills and motivation.*
- Social: *Our partnerships with families, communities, businesses, trade unions, schools, and charities.*
- Financial: *What results from converting our human and social capital into monetary savings.*

In short, the sooner we each realize that prosperity is far more complex than the accumulation of financial capital, the quicker we can get down to being truly prosperous. Consider a couple of means to that end:

How we spend our time is a window into our money values: Time is part of your human capital. Many of us are so caught up in our high-speed worlds attempting work/life balance that the simple act of contemplation as to "Why" we spend our time doing what we do can be a luxury. But consider this: If you do indeed devote that much time to whatever endeavor dictates your balance - whether that be your career, your kids, or past judgements that worked out less-than-great - you're already tied to a set of personal financial values that may not really be YOURS. How does the time you spend on your home, or hobbies, or _____ (fill in the blank) peg that pursuit's relative importance to your other goals? For a real insight into your values, review your calendar before your checkbook. You may discover that you're spending far too little time on something that's really important to you. That's when you'll know that this exercise actually works!

To change the future, let go of the past: Now, IF (and that's an important if) you conclude that your priorities are significantly out of sync with your values, then you have a decision to make. Will you let your life control you, or will you control your life? And more specifically, where/how will you generate and spend your human, social and financial capital? Now and/or in the future... For some this could require close to a life makeover. For others, a heart-felt commitment to tuning up a facet or two. But the "Blood from a rock" adage holds firm. We are all constrained by "You get what you give." Want more time to pursue non-money-producing values? Reduce your need for work income by downsizing your lifestyle. Want to raise your probability of a financially secure retirement? Re-educate and re-invent yourself, or downsize your lifestyle, or live healthier, or some of each!

Regardless of your definition of prosperous, you will need happy and healthy to get there. By identifying, prioritizing and reconstituting your values, you'll find a way to turn your capital into your dreams.

Dechert-Hampe & Company Employees' Savings and Profit Sharing Plan

Compensation & Capital's December 31, 2017

Retirement Saving and Investing "Action Points"

The Story Doesn't End At Crazy Great One-Year Performance.

It's easy to feel that we *deserve* the good fortune of 2017's stellar market surprises. That's especially true for anyone with a Plan account that endured the bone-chilling fear of the 18-month bear market that began a decade ago. So don't be modest. Bask in the warmth of extraordinarily positive returns. Soak it in! Remember how it feels. Then store it up as positive energy for bear markets to come.

Staying mindful that there's much more to superlative investment performance than just the star performers will help you keep your elation in perspective. So with this happy backdrop on tap, let's drill into the numbers on Page 3 with some of the "code" that can unlock those insights.

With a properly selected fund line-up, every fund shines in its own way: DHC/MWC Plan participants reap the benefit Compensation & Capital's investment advisory expertise. C&C helps the Plan's Trustees select, monitor (and replace as necessary) the Plan's very diverse "team" of mutual funds from Vanguard. That selection focuses on funds with long-tenured, high-quality, low cost investment management teams that stick to the strategies that have put them at the top of their respective fund categories over multiple market cycles. The category names appear in the first column, in italics, underneath each fund's name. The funds are arranged on each page, top to bottom, from least to most volatile/risky. Notice that Page 3's "Select Venue" includes options from the three major investment classes: a Money Market fund, two Bond funds, a fund with both bonds and stocks, then nine different Stock funds. Raw performances of each of the funds will vary significantly over shorter time periods as evolving market trends benefit one category over another. Notice Column 7's *Total Return Performance - 12 Months*: The Plan's "Star" performer for 2017 was *International Growth Admiral* at 43.2% compared to 19.5% for *Selected Value*. That's a significant difference in one year returns. That said, both are excellent funds: Per Column 3 *Morningstar™ Category Rankings – 1 Year*, each beat over 93% of its peers in 2017!

The best funds excel over multiple market cycles: Sticking with *International Growth* and *Selected Value*, check out Column 4 *Morningstar™ Category Rankings - 15 Years*. While we're pleased with each funds' *1 Year* rankings as mentioned above, the far more impressive stat is for 15 Years. Long term category rankings present a very difficult bar indeed. Continuing this sort of comparison across all the funds of Page 3 will clarify C&C's commitment to presenting a set of funds that can be true, long-term "stars", not just those that can shine when short term market conditions happen to favor their strategy.

All funds in an investment class (bonds vs. stocks) will follow similar trends over a market cycle: The current market cycle began when stock markets "topped" roughly 10 years ago in late 2007. Over the ensuing 10 years through 12/31/17, we experienced a historic bear market followed by this historic bull. Column 10's *Average Annualized Total Return - 10 Years* illustrates that the most impactful selection criterion is investment *class*, bonds vs. stocks. That conclusion is borne out by the fact that 10 year returns for the major U.S. stock fund categories have a mere +/- 0.7% range around a median of 7.6%. On the other hand, your two bond funds' category average was 3.5%. Conclusion: Determining your Plan account's exposure to the relative risks of stocks vs. bonds is far more important than deciding on specific categories within the bonds or stocks classes, or especially specific funds within each category.

Beware upcoming 10 Year Return stats: September and October of 2008 saw U.S. stocks fall 9.1% and 16.9% respectively. Later in 2018, these two apocalyptic months will no longer be included in trailing 10 Year stats. As a result, raw 10 Year returns on stock funds will likely be eye-popping. Don't get fooled.

Understanding the relationships between the data on our Performance charts is not just interesting; it acts as vital support to maintaining balanced emotions during both bull and bear markets. As we present these Performance charts over the coming quarters, take some time to apply this "code" to that evolving scene.

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

(All for periods ended December 31, 2017)

(1) A fund with a 3rd Ranking outperformed 97% of its peers.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

NAME OF VANGUARD SELECT VENUE FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		1 Year	15 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TREASURY MONEY MARKET - VUSXX	Money Market	3rd	17th	0.09%	0.3%	0.8%	0.4%	0.2%	0.4%	1.2%
<i>Taxable Money Market Funds >></i>		<i>Category Average >></i>		0.50%	0.1%	0.3%	0.2%	0.1%	0.3%	0.8%
TOTAL BOND MARKET INDEX ADMIRAL - VBTIX	Bonds	55th	53rd	0.07%	0.4%	3.6%	2.2%	2.0%	4.0%	4.1%
<i>Intermediate Bond Funds >></i>		<i>Category Average >></i>		0.78%	0.3%	3.7%	2.2%	2.1%	4.1%	4.2%
INFLATION PROTECTED SECURITIES ADM - VAIPX	Bonds	39th	8th	0.10%	1.1%	2.9%	1.9%	0.1%	3.4%	4.3%
<i>Inflation-Protected Bond Funds >></i>		<i>Category Average >></i>		0.69%	1.1%	2.7%	1.6%	-0.2%	3.0%	3.8%
WELLINGTON ADMIRAL - VWENX	Bonds & Stocks	29th	3rd	0.18%	4.5%	14.8%	8.5%	11.0%	7.6%	9.2%
<i>Allocation Funds – 50% to 70% Equity >></i>		<i>Category Average >></i>		1.16%	3.4%	13.2%	5.9%	8.0%	5.5%	7.3%
WINDSOR II ADMIRAL - VWNAX	Stocks	40th	25th	0.28%	5.9%	16.9%	8.7%	13.3%	7.2%	9.7%
<i>Large-Cap U.S. Value Stock Funds >></i>		<i>Category Average >></i>		1.03%	6.0%	15.9%	8.7%	13.3%	6.9%	9.0%
500 INDEX ADMIRAL - VFIAX	Stocks	29th	24th	0.05%	6.6%	21.8%	11.4%	15.8%	8.5%	9.9%
<i>Large-Cap U.S. Blend Stock Funds >></i>		<i>Category Average >></i>		0.99%	6.4%	20.4%	9.7%	14.2%	7.6%	9.2%
SELECTED VALUE - VASVX	Stocks	7th	18th	0.41%	5.4%	19.5%	10.2%	15.1%	9.4%	11.7%
<i>Mid-Cap U.S. Value Stock Funds >></i>		<i>Category Average >></i>		1.15%	5.4%	13.2%	8.2%	13.3%	8.1%	10.3%
MORGAN GROWTH ADMIRAL – VMRAX	Stocks	35th	26th	0.26%	6.1%	30.0%	12.8%	16.6%	8.7%	10.7%
<i>Large-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.12%	6.4%	27.7%	11.1%	15.3%	8.3%	10.0%
MID-CAP GROWTH INVESTOR - VMGRX	Stocks	64th	35th	0.44%	6.0%	22.0%	7.1%	12.8%	8.2%	11.2%
<i>Mid-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.21%	6.0%	23.9%	9.4%	13.7%	7.7%	10.7%
EXPLORER ADMIRAL - VEXRX	Stocks	41st	51st	0.34%	6.0%	23.1%	9.9%	14.8%	8.9%	11.2%
<i>Small-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.28%	4.7%	21.5%	10.0%	14.0%	8.4%	11.0%
INTERNATIONAL GROWTH ADMIRAL - VWILX	Foreign Stocks	6th	8th	0.34%	4.1%	43.2%	13.2%	11.0%	4.7%	10.2%
<i>Foreign Large Growth Stock Funds >></i>		<i>Category Average >></i>		1.23%	4.3%	30.9%	9.0%	8.5%	2.8%	8.4%
EMERGING MARKETS INDEX ADMIRAL - VEMAX	Foreign Stocks	66th	56th	0.14%	6.3%	31.4%	7.5%	3.5%	1.3%	11.9%
<i>Diversified Emerging Markets Stock Funds >></i>		<i>Category Average >></i>		1.43%	6.3%	34.2%	8.0%	4.1%	1.6%	11.9%
ENERGY ADMIRAL - VGELX	Energy Stocks	11th	1st	0.32%	6.5%	3.3%	2.6%	1.8%	-0.1%	10.3%
<i>Energy Sector Stock Funds >></i>		<i>Category Average >></i>		1.39%	6.5%	-4.8%	-5.2%	-3.7%	-2.9%	7.8%

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

(All for periods ended December 31, 2017)

(1) A fund with a 62nd Ranking outperformed 38% of its peers.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

VANGUARD INDEXED AUTO-BALANCED FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		1 Year	5 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TARGET RETIREMENT INCOME - VTINX	Target Date Retire Income	62nd	38th	0.14%	2.0%	8.5%	4.5%	5.0%	4.9%	N/A
<i>Retirement Income Funds >></i>		<i>Category Average >></i>		0.86%	2.0%	8.8%	4.2%	4.5%	4.1%	N/A
TARGET RETIREMENT 2015 - VTXVX	Target Date 2015	44th	30th	0.14%	2.7%	11.5%	5.6%	7.3%	5.2%	N/A
<i>Target Date 2015 Funds >></i>		<i>Category Average >></i>		0.73%	2.6%	11.3%	5.4%	6.5%	4.4%	N/A
TARGET RETIREMENT 2020 - VTWNX	Target Date 2020	17th	8th	0.14%	3.4%	14.1%	6.6%	8.5%	5.6%	N/A
<i>Target Date 2020 Funds >></i>		<i>Category Average >></i>		0.81%	2.9%	12.5%	6.7%	6.8%	4.5%	N/A
TARGET RETIREMENT 2025 - VTTVX	Target Date 2025	21st	11th	0.15%	3.9%	15.9%	7.3%	9.4%	5.8%	N/A
<i>Target Date 2025 Funds >></i>		<i>Category Average >></i>		0.79%	3.5%	14.7%	6.5%	7.9%	4.9%	N/A
TARGET RETIREMENT 2030 - VTHRX	Target Date 2030	34th	15th	0.15%	4.2%	17.5%	7.9%	10.1%	5.9%	N/A
<i>Target Date 2030 Funds >></i>		<i>Category Average >></i>		0.84%	4.0%	16.6%	7.2%	8.7%	5.1%	N/A
TARGET RETIREMENT 2035 - VTTHX	Target Date 2035	35th	17th	0.15%	4.6%	19.1%	8.4%	10.9%	6.2%	N/A
<i>Target Date 2035 Funds >></i>		<i>Category Average >></i>		0.81%	4.4%	18.4%	7.9%	9.7%	5.4%	N/A
TARGET RETIREMENT 2040 - VFORX	Target Date 2040	25th	11th	0.16%	5.0%	20.7%	8.9%	11.5%	6.5%	N/A
<i>Target Date 2040 Funds >></i>		<i>Category Average >></i>		0.85%	4.7%	19.5%	8.2%	10.0%	5.5%	N/A
TARGET RETIREMENT 2045 - VTIVX	Target Date 2045	26th	13th	0.16%	5.2%	21.4%	9.2%	11.6%	6.6%	N/A
<i>Target Date 2045 Funds >></i>		<i>Category Average >></i>		0.82%	4.9%	20.5%	8.6%	10.5%	5.7%	N/A
TARGET RETIREMENT 2050 - VFIFX	Target Date 2050	38th	14th	0.16%	5.2%	21.4%	9.2%	11.6%	6.6%	N/A
<i>Target Date 2050 Funds >></i>		<i>Category Average >></i>		0.86%	5.0%	20.7%	8.6%	10.5%	5.7%	N/A
TARGET RETIREMENT 2055 - VFFVX	Target Date 2055	48th	18th	0.16%	5.2%	21.4%	9.1%	11.6%	N/A	N/A
<i>Target Date 2055 Funds >></i>		<i>Category Average >></i>		0.82%	5.0%	21.1%	8.8%	10.9%	N/A	N/A
TARGET RETIREMENT 2060 - VTTSX	Target Date 2060+	53rd	1st	0.16%	5.2%	21.4%	9.1%	N/A	N/A	N/A
<i>Target Date 2060+ Funds >></i>		<i>Category Average >></i>		0.82%	5.1%	21.3%	9.2%	N/A	N/A	N/A
LIFE STRATEGY CONSERVATIVE - VSCGX	Conservative Allocation	30th	25th	0.13%	2.6%	10.9%	5.5%	6.5%	4.8%	6.2%
<i>Allocation – 30% to 50% Equity Funds >></i>		<i>Category Average >></i>		1.15%	2.2%	9.9%	4.7%	5.7%	4.7%	6.1%
LIFE STRATEGY GROWTH - VASGX	Aggressive Allocation	20th	21st	0.15%	4.7%	19.2%	8.5%	10.6%	5.8%	8.4%
<i>Allocation – 70% to 85% Equity Funds >></i>		<i>Category Average >></i>		1.26%	4.1%	15.8%	6.6%	9.2%	5.4%	7.8%