

Client Adventure: One Less Thing on Kay's Bucket List

Kay Docken has longed dreamed of the day she would travel to Japan. Back when her two children were in school, she invited a Japanese foreign exchange student to stay with them. Since this experience, they have been intrigued by the Japanese culture and people. Back in April, Kay and her two kids, Hilary and Kurt, finally scheduled the trip. They spent two weeks in Japan: four days in Tokyo, four days in Kyoto, three days in Osaka, and three days in Hiroshima.

After a city tour, they attended a traditional Japanese show full of dramatic war scenes and ladies in beautiful kimonos. These shows are very physically demanding and the performers must be in great shape. One of the show's perks was to climb up on stage and take a photograph with the performers. However, due to the skinny, yet steep stairs, Kay slipped. Luckily, with the help of Kurt and one of the performers, Kay was boosted on stage and was able to take a picture with the cast. She will be sure to cherish the photograph for years to come!



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Planner Article: Lessons for the Next Crisis

It will soon be the 10-year anniversary of when, in early October 2007, the S&P 500 Index hit, what was, its highest point before losing more than half its value over the next year and a half during the global financial crisis.

Over the coming weeks and months, as other anniversaries of major crisis-related events pass (for example, 10 years since the bank run on Northern Rock or 10 years since the collapse of Lehman Brothers), there will likely be a steady stream of retrospectives on what happened as well as opinions on how the environment today may be similar (or different) from the period leading up to the crisis. It is difficult to draw useful conclusions based on such observations; markets have a habit of behaving unpredictably in the short run. However, there are important lessons that investors might be well-served to remember: Markets have rewarded investors over the long term, and having an investment approach you can stick with (especially during tough times) may better prepare you for the next crisis and its aftermath.

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Staff Adventure: Welcome Jessica!

Hello! My name is Jessica Young. I am the newest addition to the Pathways team and I'm taking on the role of Client Services. I have lived in the Central Valley my entire life and am a proud Fresno State Business graduate. I have a lot of spirit for the Bulldogs as I am an Alumna of the Fresno State Cheer Team. Go Dogs! I also love to travel the world and spend time with my friends, family and dog, Bentley. I am very excited to be a part of the Pathways family and look forward to getting to know you all!

Staff Adventure: Evon's Trip to Jackson Hole, Wyoming

"The mountains are calling and I must go."
-John Muir



During the week of Labor Day, my wife and I heeded the call and travelled north to the beautiful state of Wyoming. A full week in the beautiful state didn't disappoint!

Flying in to Salt Lake City, we took a day to explore some of the sights in city. The city has some impressive architecture - from Cathedral of the Madeleine to Temple Square. As the day wound down, we began the most scenic 4 ½ hour drive you'll see - travelling on the Pioneer Historic Byway (through Soda Springs and the Blackfoot Reservoir) and along the Snake River on US Route 89. Finally, we descended into Jackson Hole, Wyoming.

We stayed in a house tucked in the Grand Teton National Park, with the Grand Teton Mountains on the horizon. Our first few days were spent checking out the local Jackson Hole ski resort, watching our travel partners paraglide off the mountain, and exploring Yellowstone National Park. Yellowstone is so diverse - a huge canyon, bison holding up traffic, boiling mud, and great geysers. Each turnoff has something new to see, and there's not enough time to see it all.



The rest of the week was spent exploring the rivers, lakes and towns within the Grand Teton Park. We floated down the Snake River (where we were kindly greeted by a small herd of bison), canoed String and Leigh Lakes, and explored Jackson. It was amazing to be the only ones on a big, beautiful lake, with water so clear you can see the bottom at any point. The scene was so peaceful we almost had to whisper to not disturb it!

Finally, we (reluctantly) made the trek back to Salt Lake City and hopped on the plane back to California. In the end we were glad to be home, but we've already planned our next trip back!

Around the Office: Pathways Food Drive

For the third consecutive year, Pathways is participating in a food drive. We recognize that each year holds trials and tribulations for people in our community, and we would like to help. Two Community Food Bank containers are located in our lobby. If you would like to participate, please feel free to stop by any time during business hours. The containers will remain there until Thursday, December 14th.

The most common way to donate is, of course, to provide food. Some examples of commercially packaged, non-perishable items are:

- Pasta and rice
- Canned soups and meals (stew, chili, etc.)
- Canned fruits and vegetables
- Canned tuna
- Flour, oil, and sugar
- Boxed meals
- Peanut butter
- Juice

If you prefer to participate in the food drive financially, we can also accept checks payable to “The Community Food Bank”. Here are a few amounts and meal calculations:

- \$35.00 = 245 meals
- \$50.00 = 350 meals
- \$100.00 = 700 meals

We want to thank everyone who has already donated (you know who you are!), and everyone who plans to.

-The Pathways Team

Source: <http://www.communityfoodbank.net>



Lessons for the Next Crisis

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BENEFITS OF HINDSIGHT

In 2008, the S&P 500 dropped in value by almost half. Being a decade removed from the crisis may make it easier to take the past in stride. The eventual rebound and subsequent years of double-digit gains have also likely helped. While the events of the crisis were unfolding, however, a future of this sort looked anything but certain. Reading the news, opening up quarterly statements, or going online to check an account balance were, for many, stomach-churning experiences.

While being an investor today (or during any period, for that matter), is by no means a worry-free experience, the feelings of panic and dread felt by many during the financial crisis were distinctly acute. Many investors reacted emotionally to these developments. In the heat of the moment, some decided it was more than they could stomach, so they sold out of stocks. On the other hand, many who were able to stay the course and stick to their approach recovered from the crisis and benefited from the subsequent rebound in markets.

It is important to remember that the 2008 crisis and the subsequent recovery in financial markets was not the first time in history that periods of substantial volatility have occurred. There was 1) the Flash Crash in October 1987, 2) Iraq invading Kuwait in July 1990, and 3) the Dot.com crash in early 2000 - just to name a few from the previous 3 decades.

Although markets suffered losses immediately following these events, financial markets did recover. In advance of such periods of discomfort, having a long-term perspective, appropriate diversification, and an asset allocation that aligns with your risk tolerance and goals can help you remain disciplined enough to ride out the storm.

CONCLUSION

In the mind of some investors, there is always a “crisis of the day” or potential major event looming that could mean the beginning of the next drop in markets. As we know, predicting future events correctly, or how the market will react to those events, is a difficult exercise. It is important to understand that market volatility is a part of investing. To enjoy the benefit of higher potential returns, investors must be willing to accept increased uncertainty. A key part of a good long-term investment experience is being able to stick with your investment philosophy, even during tough times. A well thought out, transparent investment approach can help people be better prepared to face uncertainty and may improve their ability to stick with their plan and ultimately capture the long-term returns of capital markets.

-Jeff Karst, CFP®

One Less Thing on Kay's Bucket List

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The three took a tour of Mount Fuji. Starting off, it was a bit overcast. It's often the mountain is obscured due to the weather. By the end of the tour though, the sun came out and the group was able to absorb the mountain's majestic sight. The guide even offered to take them up the mountain. The guide was a retired Information Technology Specialist. They found it was rather common for tour guides to be retired.



Kay discovered the hotels in Japan are a little different from the ones in the United States. Many hotels do not provide a complimentary breakfast. Kay and her children quickly found that 7/11s were almost on every corner and sold a variety of prepared food! Among the choices were hot chicken, sandwiches, white bread (that stuck horribly to the roof of your mouth), steamed rice, sushi, spaghetti and meatballs, microwaveable meals, and desserts.

In addition, the women's bathrooms in hotels had a rather interesting feature. Once an individual sat down on a toilet seat, the seat would play a song. It seems that Japanese women find it a bit embarrassing to hear too much from the next cubicle!



While arranging her itinerary for Kyoto, Kay signed up for origami and calligraphy classes. It is of great importance to the Japanese to preserve traditions and Kay wanted to experience some of the more traditional activities. The classes were held in a small studio started by a middle-aged woman to teach traditional Japanese culture to others. Kay was, and still is, awed by the many female entrepreneurs present in Japan.

While in Kyoto, Kay and her children also visited an art colony/market based solely on perpetuating Japanese traditions. Looming was among the common traditions. There were several different materials or items for sale that had been weaved from a loom. Kay brought back some of this special hand-made material with her. She is not yet sure what she will make out of it, but it is sure to be unique!

Visiting Hiroshima was a sobering experience for Kay, Hilary, and Kurt. Much of the city was rebuilt due to the extent of destruction in World War II. On one such tour, Kay had a conversation with a tour guide whose husband had recently passed away. The woman's husband had been in Hiroshima when the city was bombed, but had survived. She openly discussed how WWII had affected the city and the people. The tour guide also shared that as a young girl, she remembered her father stating the Japanese would not win the war since their leaders were insufficient at the time. Kay found that many Japanese were open to expressing their experiences and views on the war with her.

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The people of Japan live differently than Americans. That much is obvious. But what exactly is different? The use of mass transportation is one. There are less individually owned cars. Mostly, people rely on subways, buses, the JR (Japan Rail), and bullet trains. There are taxis, but be ready to be chauffeured! These taxi drivers wear suits and white gloves! The backseats of the cabs have crocheted covers and are very clean.

Kay also reports that she was not aware of the number of people in Japan. For the quantity of people relative to the capacity available, there are quite a lot of people! However, everyone is polite and respectful. Kay was also amazed at how clean the cities were - she even had a difficult time finding a waste basket! There was greenery everywhere, and for the most part, people lived simply.

Kay has a few suggestions for would-be travelers. First, aim to go in April. This is when the cherry blossoms are blooming - it's a beautiful sight! Second, take a variety of clothing. Some days will rain, and others can be a bit warm. Lastly, when visiting, minimize your preconceived notions. Having an open mind allows one to experience and learn much more. Most of all though, Kay says to just enjoy the beauty of Japan!

Pathways Holiday Hours

The Pathways Advisory Group, Inc. office will be closed for the following holidays:

Thursday, November 23 rd , 2017	Monday, February 19 th , 2018
Friday, November 24 th , 2017	Friday, March 30 th , 2018
Monday, December 25 th , 2017	Monday, May 28 th , 2018
Monday, January 1 st , 2018	Wednesday, July 4 th , 2018
Monday, January 15 th , 2018	Monday, September 3 rd , 2018

In case of an emergency, please contact Schwab directly at 1(800) 435-4000.

Happy Holidays!