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SECOND QUARTER | 2017

FINANCIAL UPDATE

Here are selected rate of return numbers for the last two years and year to date as of 3/31/17*

| | 2015 Return | 2016 Return | 2017 YTD |
|--|----------------|----------------|-------------|
| Dow Jones Industrials | +0.21% | +16.50% | +5.19% |
| S&P 500 Index | +1.38% | +11.96% | +6.07% |
| NASDAQ Composite | +6.96% | +8.87% | +10.13% |
| MSCI World (ex. U.S.) in U.S. dollars | -3.04% | +2.75% | +6.81% |
| Russell 2000 | -4.41% | +21.31% | +2.47% |
| Russell 1000 Value Index | -3.83% | +17.34% | +3.27% |
| Russell 1000 Growth Index | +5.67% | +7.08% | +8.91% |
| Russell 3000 TR USD | +0.48% | +12.74% | +5.74% |

Major Bond Indexes

| | 2015 Return | 2016 Return | 2017 YTD |
|---------------------------------|----------------|----------------|-------------|
| Barcap Intermediate Treasury | +1.18% | +1.06% | +0.54% |
| Barcap Aggregate | +0.55% | +2.65% | +0.82% |

Mutual Funds (Morningstar Categories)

| | 2015 Return | 2016 Return | 2017 YTD |
|------------------|----------------|----------------|-------------|
| Large-Cap Growth | +7.71% | +1.79% | +9.16% |
| Large-Cap Value | -1.43% | +18.91% | +2.51% |
| Small-Cap Growth | -0.18% | +9.61% | +5.76% |
| Small-Cap Value | -8.65% | +27.96% | +1.46% |

(Source: Morningstar) *Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results may vary. Past performance does not guarantee future results.



A Tour of Creative Destruction in the US

In the year 1900 New York City was home to one horse for every five people. Horses played a key role in society from transportation to manufacturing to employment. Think of all the employment that revolved around the horse industry: people were needed to feed, care for and clean up after horses. Fast forward 20 years and almost all the horses were gone, thanks to the advent of the combustion engine, and with them the jobs that depended on the horse industry. But, just as the horse industry was getting discriminated, new kinds of jobs that didn't previously exist were created (truck driver, engine mechanic, modern day factory line worker). Such is the way of creative destruction.

"Someone is sitting in the shade today because someone planted a tree a long time ago."

- WARREN BUFFETT



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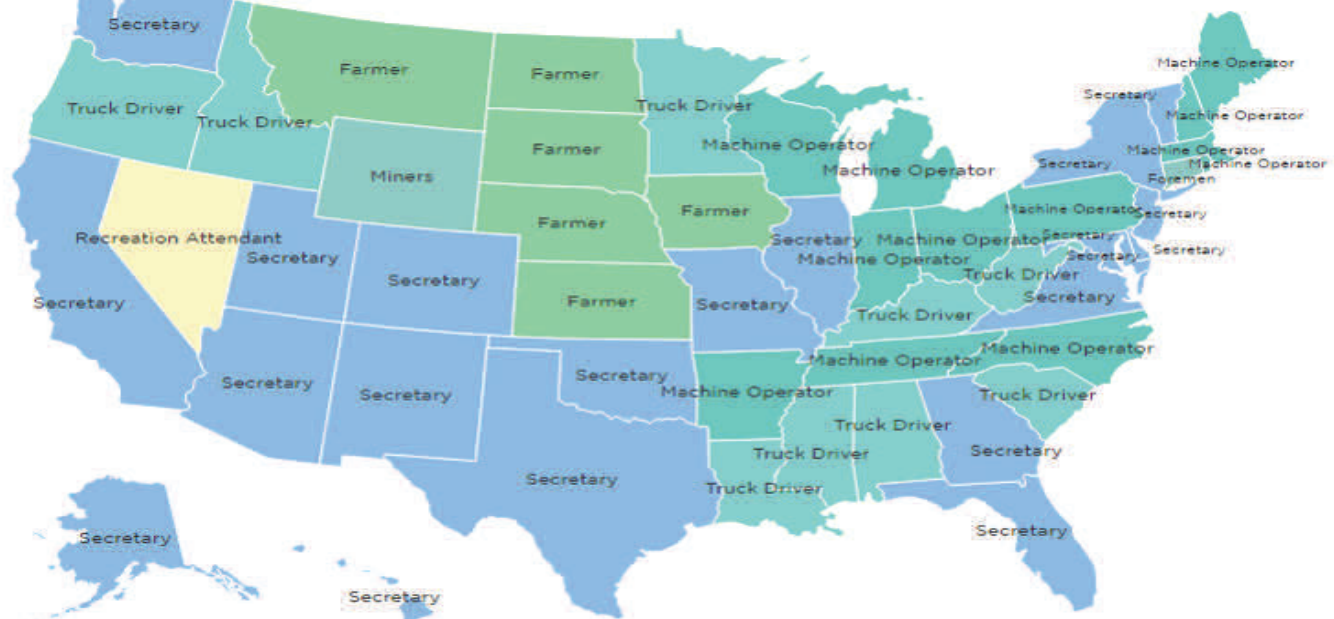
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We bring up that analogy because the US is undergoing a similar episode of creative destruction currently: one in which factory jobs and truck drivers are being displaced by high skilled professional workers. The path forward dictated by technological innovation is uncomfortable and full of Vitriol, but most likely inevitable. As we will see in the charts below, creative destruction is alive and well in the US, and that should give us hope.

In the three charts below (borrowed from NPR), we show the most common job by state in 1980, 2000 and 2014. In 1980 most common jobs included machine operator, secretary, farmer and truck driver. Machine operators were prevalent in the Great Lakes region, the northeast and the southeast—all regions with prime access to the country’s largest navigable waterways. Stuff could be produced in Michigan and transported all the way to the Atlantic ocean for export without the product ever being put on a truck. Fast forward to the year 2000 and almost all the factory jobs and secretaries were gone, displaced by truck drivers. From 1980-2000 inventory management techniques were pushed forward by the adoption of computing in business processes. With the newly minted logistics expertise came a need for a great number of people to transport stuff from point A to point B. Finally, fast forwarding to the year 2014, we can see that computer developer has started to displace truck driver in Washington, Utah, Colorado and Virginia. We believe this is only the beginning of a trend that will accelerate as driverless vehicle technology emerges.

Source: Bryce Coward, Gavekal Capital

Most common job by state in 1980





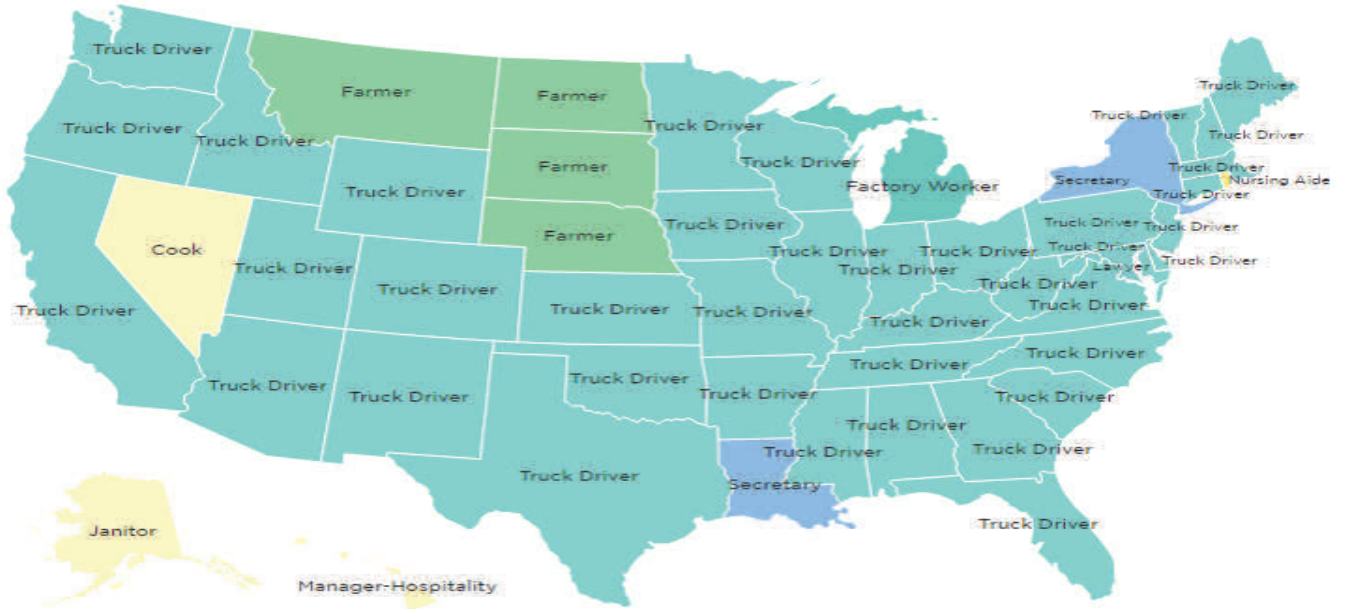
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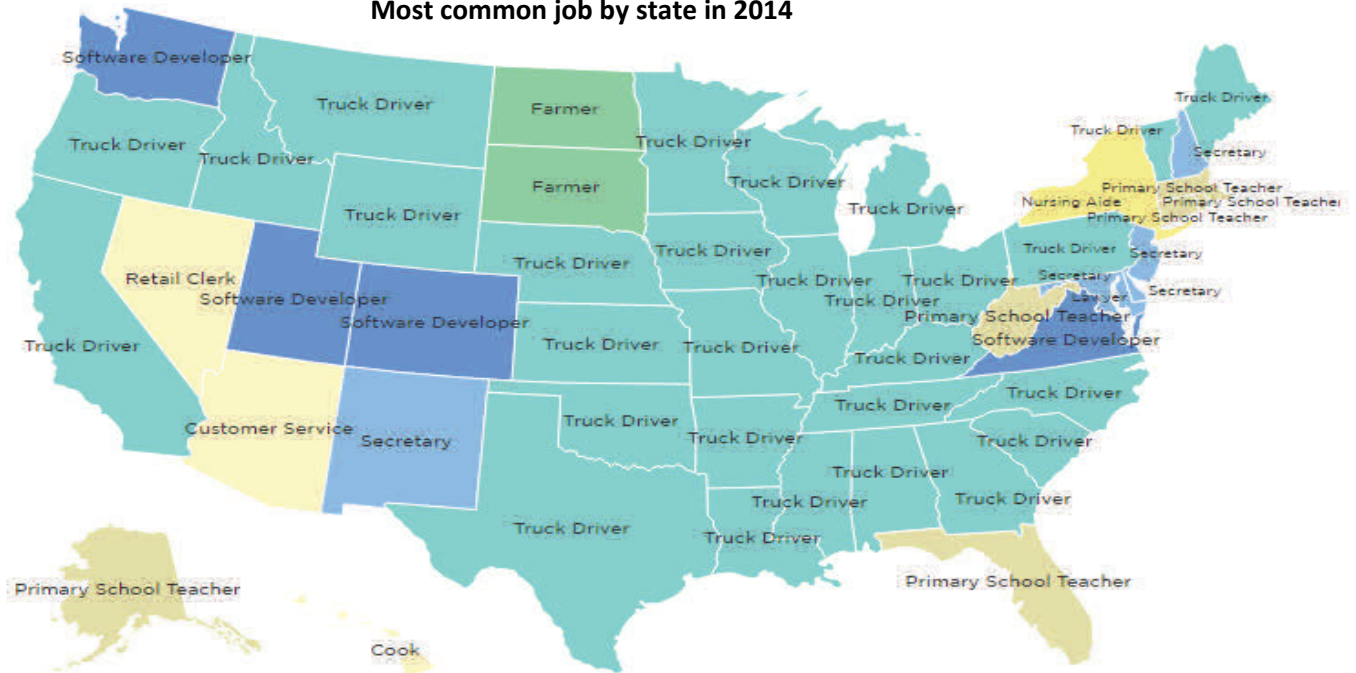
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Most common job by state in 2000



Most common job by state in 2014





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UPCOMING EVENT:

May 23rd at 10:00 AM or 6:30 PM



Learn 5 Ways Technology Will Change How You Age

- ***Technology-driven transportation will help us stay mobile.***
- ***Wired home and apps promote aging in place.***
- ***Social networks enable us to stay connected.***
- ***Healthcare monitoring will be available in our homes.***
- ***It will be easier to work and earn income longer.***



In short...

...retirement for today's aging generations will look nothing like the ones that came before us. Thanks to innovation and technology, growing older is being transformed into living better as much as it is about living longer.

WHERE: Kirkland Arts Center

620 Market St

Kirkland, WA 98033

(2 blocks south of our office)

WHEN: May 23rd at 10:00 am OR 6:30 pm

WHO: This event is all about education. Learning is more fun with someone you know and enjoy spending time with. You are encouraged to bring a friend/neighbor or anyone you feel could benefit.



Call or email your reservation **to Judy by 5/15.**
(425) 822-8122 or J.chambers@milleradvisors.com

This event is taking place at the Kirkland Arts Center. You will find it a wonderful place to wander, while enjoying the current exhibit of local artists.



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STAFF NEWS

Nicole will be traveling to Dallas to attend the quarterly ClientWise Workshop at the beginning of May to learn about industry best practices with other top Financial Advisors.

Kathleen, Nicole, and Kelli will expand their knowledge of our new financial planning software, eMoney, by attending a training seminar in Portland May 17-19. We are very excited to share this new technology with you and utilize the tools it has to further customize your financial planning experience now and into the future.

Jane will be attending a compliance conference hosted by NCS this coming June. This conference brings together compliance professionals from within the financial industry as well as regulatory bodies. It is a unique opportunity to access a wealth of knowledge from a wide variety of sources. With the changing landscape in regulatory requirements this conference is especially timely.

David recently attended the CFA Wealth Management conference in March to gain more insight into managing portfolios for clients. The presentations included trends in Portfolio Management as well as the Wealth Management Industry overall.

MARK YOUR CALENDAR IN MAY & JUNE

MAY

- May 6th—Kentucky Derby
- May 14th—Mother's Day
- May 29th—Memorial Day (Our office will be closed)

JUNE

- June 8th—National Best Friend Day
- June 14th—Flag Day
- June 18th—Father's Day
- June 20th—Summer Solstice

JULY

- July 4th—Independence Day (Our office will be closed July 3rd & 4th)
- July 14th—Bastille Day





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BY THE NUMBERS

Graying Population—15% of the US population today is age 65 or older, approximately 1 out of every 7 Americans. By the year 2047 (i.e. 30 years from now), 22% of the US population will be age 65 or older, approximately 2 out of every 9 Americans.

Source: Congressional Budget Office

Where Did The Money Go?—78% of former NFL players file for personal bankruptcy or suffer financial stress within just 2 years of retiring from the pro game.

Source: Sports Illustrated

Deferred Payments—Instead of paying professional baseball player Bobby Bonilla \$5.9 million (as owed) in 1999, the New York Mets negotiated to pay Bonilla \$1,193,248.20 every July from 2011-2035, a total of \$29.8 million over 25 years.

Source: New York Mets

We would like to remind you that in the event you are unable to speak with someone at our office, you can contact Raymond James Client Services directly for assistance with your accounts at (800) 647-7378.

We would like to thank those of you who have referred your associates, clients, family members, and friends to us. Your referrals are personally and professionally the most satisfying way for our practice to grow.

Miller Advisors, Inc. is a SEC Registered Investment Advisor. The information contained in this report does not purport to be a complete description of securities, markets, or developments referred to in this material.

The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Expressions of opinion are as of this date and are subject to change without notice. Past performance does not guarantee future results.

If you have any questions or feedback regarding the newsletter, please contact Mike Martin and let him know how we can improve our communication with you.

Please contact us at 425.822.8122 or by email. Be sure to include more than one email address to ensure a prompt response.

Kathleen Miller

k.miller@milleradvisors.com

Nicole Miller

n.miller@milleradvisors.com

Kelli Young

k.young@milleradvisors.com

David Simpson

d.simpson@milleradvisors.com

Mike Martin

m.martin@milleradvisors.com

Judy Chambers

j.chambers@milleradvisors.com

Jane Castro

j.castro@milleradvisors.com