



O'KEEFE STEVENS
ADVISORY, INC.

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The Value Connection

Our mission is to be responsible stewards of our clients' financial lives.

7 Pillars/1 Process

Written by Justin Stevens

During the recent quarter we reached out to many of you with an update on our business progress since our team formed O'Keefe Stevens Advisory in April 2017. It is a year and a half into this process and we are proud to let you know our firm is built on a strong foundation and we are preparing for growth. We thank each of you for your continued trust in us. We know the work we do for you is important, and we are focused on growing in ways to continually serve you in a professional, personal, and customized manner.

To continue to grow, we have engaged a consulting process to help identify and focus on what our clients value most about our services. Your feedback gave us an important insight. We provide many services other than investment management and we need to communicate that to you. What we do is far more comprehensive than Wealth Management alone. In fact, for many families we operate more as their CFO, or Complete Family Office. Wealth Management is one pillar of that process and there are six other pillars that support our process. These include Risk Management, Tax Planning, Estate Planning, Gifting, Philanthropy, and Value-Added Services.

These 7 Pillars are part of the Process we employ. We call the process The LION FORMula. We named our process to be memorable and incorporated the acronym FORM, standing for your Family, Occupation, Recreation, and Money. Those first three items in FORM are the reason why you come to an advisor and we never want to lose sight of the most important aspects of our work together. Money is how we accomplish the goals you set in those three areas.

The common thread for most of our clients is the desire to become work optional. Many of you reading this letter have achieved this milestone and internally we refer to you as WORRY-free, standing for Work Optional Retirement Ready Years. Believe us, we know this status does not always mean you get a solid night's sleep, but we know your finances are well-situated to create an income stream for the rest of your life.

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7 Pillars/1 Process Continued

We are beginning to serve a new, and growing, segment of clientele that aspire to the work optional lifestyle and are incorporating all of the right behaviors to achieve this outcome. We are calling them HENRY's, standing for High Earning Not Rich Yet. Hopefully, you don't mind that we're having a little fun with the acronyms!

The desired result of these efforts is to enhance the service you receive from our work together. To do this we know our team will need to grow by adding people who have integrity, intelligence, and enthusiasm. We anticipate announcements on this growth in our 2019 newsletters. Our promise to you is to be increasingly proactive in our communication and to explain the 7 Pillars of the LION FORMula in our newsletters and in one-one-one conversations. Please let us know if you have questions.

OSA Investment Process: The Primacy of the Balance Sheet

Written by Justin Stevens

Our Value Conversation Quarterly Call in September discussed our work in understanding the balance sheet of a business before we make a purchase of the stock. We use the balance sheet to determine the quality of the business we're buying. Today, we feel this focus on quality is increasingly important. It is a factor that is being overlooked by many investors.

We're more than a decade past the Financial Crisis and it seems that globally, investor standards have declined. We see many examples of dollars chasing deals that remind us of the "looseness" of investor standards that preceded the crash of '08 and '09. While there's no clear sign of the world economic expansion coming to a halt, it does seem rational to be wary of chasing after returns when most of the economic indicators are more aligned with historical market tops. Please note, we're not suggesting a position of defensiveness by making these remarks.

Our path moving forward is to continue to pursue quality at the right price. Our focus today is on risk aversion not risk tolerance in structuring your portfolios. For those of you who need an income from your investments, we have set aside 1-3 years of liquid reserves to accommodate those needs. For all our investors, we are interested only in investments in financially sound businesses where the price we pay is significantly outweighed by the value of the underlying businesses. There's no possible way to eliminate all risks. However, there is a way to minimize the risk of permanent loss of capital.

We encourage you to refer to our quarterly calls for a dose of our way of thinking about selecting investments. Do this when you have concerns about the market or want to know more about any of the positions you own.

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OSA Investment Process Continued

These calls aim to provide an understanding of our process, our view of the world, and relate our sentiments to actual investments you hold in the portfolio.

We transcribe the calls and if you're more interested in reading the material, we can deliver it to you in an email. Or, you can watch the recordings by visiting our website: www.okeefestevens.com, Clicking "Resources", then Clicking "The Value Conversation Quarterly Call". Our last six calls are archived and an outline for each call is available to help you select the topics you are most interested in.

Our Year-end Reminders

Written by Marissa Bell

Retirement Account Contributions

Traditional & ROTH IRA Contributions: \$5,500 (\$6,500 if you are 50 or older)

- These contributions may be tax-deductible. The deduction has limitations if you or your spouse is covered by a retirement plan through work or your income exceeds certain levels. Consult with your accountant for details on your specific situation.
- Once you reach the age of 70 ½ you can no longer contribute to a Traditional IRA. You may still contribute to a ROTH IRA.
- Contribution deadline for 2018 tax year: when you file your taxes or 4/15/2019, whichever comes first.

SIMPLE IRA Contributions: \$12,500 (\$15,500 if you are 50 or older)

- Employer contributions must be made by your company's tax filing date in 2019.

SEP IRA Contributions: The lesser of 25% of compensation or \$55,000

- Contributions are due by tax filing deadline in 2019.

ROTH Conversions

If your modified adjusted gross income is anticipated to be \$135,000 (single filers) or \$199,000 (married filing jointly) or more, you are not eligible to contribute to a ROTH IRA. However, you can convert funds in your Traditional IRA to a ROTH IRA. The new tax law creates an opportunity to convert funds and pay the lower rate now, benefitting from the after-tax status of the ROTH in the future. We are happy to review whether this is an appropriate strategy for you. The deadline for the 2018 tax year is December 31st.

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Our Year-end Reminders Continued

Required Minimum Distributions (RMDs)

When you turn 70 ½, you are required to take a Required Minimum Distribution (RMD) from your IRA. If your IRA resides with us, your RMD has been calculated for the 2018 tax year. Let us know if you have retirement accounts held outside of OSA management. We can determine if you have satisfied your requirement for all your IRAs to ensure you are not penalized. You will hear from us about taking your distribution if you have not satisfied the requirement. Or, you can contact us to coordinate taking your distribution, if you would like to initiate the distribution. You can connect with us either by phone, email or mail to confirm we have your RMD scheduled as you want it for this year.

If you'd like more information or would like to take action on any of these year-end reminders, feel free to reach out to any member of our team.

Upcoming Event

O'Keefe Stevens Advisory Value Conversation Quarterly Call

When: Wednesday, December 5th at 4:00 PM ET


How to Join: Visit <http://join.me/okeefestevens>

Dial in by phone: 1 (646) 307-1990

Enter conference ID: 734-977-219



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Please be advised that our disclosure document, Form ADV, is available upon request. As a reminder, always let us know if your investment objectives have changed.

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