PLANNING POINTS…

June 2016

	6/30/2016	2016 2nd Quarter Change
S&P 500 *	2098.86	+ 2.46%
Russell 2000 **	1151.92	+ 3.79%
Barclays Capital Aggr. Bond Composite Index***		+ 2.21%

*The S&P 500 is an unmanaged index of the largest 500 companies weighted by capitalization.
**The Russell 2000 index is comprised of the smallest 2000 companies of the Russell 3000 Index which measures the performance of the largest 3000 U.S. companies based on total market capitalization. The Russell 3000 represents approximately 98% of the investable U.S equity market. Past performance may not be indicative of future results.
*** Barclays Capital Aggregate Bond Composite index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors
****MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the United States & Canada
The Dow Jones Industrial Average is an index covering 30 Major NYSE industrial companies.
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 will vary.

STOCK MARKET REVIEW

The stock market was quite volatile at the end of the second quarter when the vote of the UK to leave the European Union (BREXIT) surprised the markets. In spite of this turmoil, most markets moved higher. The S&P 500 advanced 2.46%, the smaller stock based Russell 2000 Index reversed its first quarter drop and advanced a heathy 3.79%. The MSCI EAFE Index of international stocks dropped 1.46% for the quarter. Year to date, the S&P is up 3.8% and the Russell 2000 is up 2.2%, but the MSCI EAFE has lost 4.4%

When we examine the current issues affecting the markets, we can describe many of them in one word – unusual. Interest rates are at historic lows and remain there. Some countries even have negative interest rates on their bonds – unusual. The economy has been in a slow growth pattern for years – unusual. The FED keeps indicating they will increase rates but they do not – unusual. Nobody is talking about inflation – unusual. One market wag has called this bull market the most hated and feared he has seen in 50 years – unusual. The current presidential election can be described as - unusual. Finally, the United Kingdom exit from the European Union is – unusual.

We have said many times in the past that investors do not like uncertainty. Apparently, they do not like unusual either. The equity market has merely marked time for the past year. Periodic sell offs have been followed by rallies that stall out at about the 18,000 level on the Dow Jones Industrial Average.

The stock market is waiting for a catalyst that can break the current go-nowhere pattern. Perhaps we will get an upside breakout first and then find out what the catalyst was later. In the meantime, our advice is not unusual. Maintain your investment policy and your long-term focus. Above all, exercise patience, which is a rare commodity on Wall Street.

BOND MARKET REVIEW

Interest rates dropped sharply in the first quarter on expectations of slower domestic economic growth. The ten-year bond fell from 1.79% to 1.49%.

The FED rate increase debate that we have called "far from over" continues to dominate the fixed income markets. Rate increases will come when either inflation picks up or definitive economic growth is at hand. Until then, we will hear from all the prognosticators speculating when and how much of an increase we will see. Another alternative could be rates fall further instead of rising. The fear over a European recession may put a lid on rate increases for some time. Germany and Japan are experiencing negative rates. You pay the bank to hold your money – unusual.

In this environment, we continue to advise clients to focus on short to intermediate maturities. Please let us assist you with an appropriate diversified mix of fixed income investments for your portfolio.

PLANNING STRATEGIES

DIMINISHED CAPACITY AND INVESTMENTS

The most common form of dementia is Alzheimer's. One of the first symptoms to appear is a decline in financial skills. In mild decline, people with dementia typically have problems managing their bank statements and making bill payments. They may also have problems understanding and fully comprehending their investment decisions.

Early detection of Alzheimer's disease and other dementias is vital to helping protect the financial future of those affected and their families. In some cases, we may alert family members when we detect issues involving clients and potential dementia issues. We also encourage clients and their families to inform us of concerns that they may encounter. It is important for us to be aware when individuals can no longer make informed decisions about their finances.

We have several articles available that may assist you and your families. They include information about how to watch for signs of dementia, the stages and care for those affected, and financial planning ideas for those with diminishing capacity. We also have information addressing caregiver stress and the potential toll it can take on those caring for individuals with dementia. If you would like more information or need assistance dealing with dementia issues, please let us know.

INVESTOR ACCESS

We strongly encourage our clients to enroll in Investor Access. It is a free, secure, online portal designed to help you get the most out of your accounts, bringing your day-to-day finances and long-term investments together in one place. It gives you the control to monitor your assets effectively from any computer or mobile device. Log on to review activity and balances in all of your accounts, individually or combined. Not only do you gain access to the most up-to-date account information, when and where you need it, but you can also take advantage of convenient online features:

- Get your account documents, including statements and trade confirmations, vote proxies and receive other communications on line.
- Access key data such as unrealized and realized gains and losses, cost basis information and tax-reporting documents.
- Gain quick access to cash management features, such as online bill pay and fund transfers.
- Download account data to Quicken® or a CSV (comma-delimited) file.
- Enjoy access up to 20 years of your historical documents, and 13 months of account activity.
- Receive tax information online immediately after their release.
- Gain access to Raymond James award winning research and market commentary.
- Use the new tool "Vault". It is a secure online tool to upload, store and organize important files.

Investor Access delivers the information you need precisely when, where and how you want it. Our staff is delighted to assist you with establishing Investor Access for your accounts.

SUMMER PLANS?

We are in the lazy, hazy, relaxing days of summer. However, before we approach the hectic year-end holiday season, there are a couple of things we suggest you take some time out to accomplish.

Individuals that are subject to Required Minimum Distributions (RMD) from their IRAs should use the summer free time to get those RMDs done. Substantial penalties are imposed for those that forget to take their distribution.

Don't forget about Qualified Charitable Distributions. The law is now permanent that permits IRA holders to distribute part or all of their RMDs to qualified charities. This distribution is done directly from your RMD by Raymond James to the charities you specify. It could be a good financial planning strategy, but we recommend doing it well before the hectic year-end.

Another summer task we recommend is to look at your taxable accounts for securities with potential capital losses. A good planning strategy is to replace or exchange the security with a loss with another security that is similar in strategy. The resulting loss can be used to offset other gains or perhaps offset taxable income on your tax return and your investment position will remain essentially unchanged.

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