



ON THE FINANCIAL HORIZON

THE VAUGHN MCLAUGHLIN TEAM

Quarterly Newsletter for Friends & Clients

FIRST QUARTER 2017

Our mission...

To build a partnership that will help our clients meet their financial goals and enjoy a more secure future. Our goal is your 100% satisfaction with the advice and service you receive.

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FROM JIM'S DESK: *January 23, 2017*

After the run-up in stock prices and decline in bond prices post the election, the market seems to have entered a period of hibernation. The volatility indicators are low, suggesting lethargy, maybe even complacency, all of which probably are quite acceptable given some of the ubiquitous dire prognostications ever present, especially around "events." This period of slumber might be a good time to remind ourselves, we are creatures of expectations. It's one of the reasons so many of our clients, I'm sure, get tired of hearing us say we have to manage our expectations as much as our portfolios.

Turns out this is really, really hard. Certainly in big up-markets or big down-markets, it seems harder. In markets like we're in right now, it's also hard. The major problem in managing expectations is, in my opinion, human beings live in the present, literally minute to minute. Market moves of any significance are often month to month, even year to year. How can we be expected to look longer term with a minute-to-minute internal clock?

Of course, one methodology is to just keep repeating over and over what history teaches us. Things go up and things go down; but in the long term, they go up more than they go down. It helps, but in the heat of market shifts, often fails to soothe the savage beast that is emotion (fear and greed). We've written and commented on such volatile times many times, but what about when we go through these slumber times?

It brings me to another way of managing expectations. Knowing some basic tenets of market cycles lets you peek into the future, cloudy though it may be. Often a market, after a strong run-up, will enter a period of quiescence, like now. Even

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FROM TRACY'S DESK: *Happy New Year*

Welcome to 2017! I am excited to start the New Year and continue to work together to plan for your future. I am also humbled when I reflect upon the previous year and the contributions my colleagues have made to our community, and the impact they have had on clients' lives. One of the realizations we had over the past couple of years is that we find ourselves acting as a central resource, or conduit for many clients to give back to the community. Organizations such as the Marine Corps Toys for Tots drive, Citrus County Blessings, and Humane Society food drive are just a few groups who have been the beneficiaries of your great generosity and we thank you!

Looking to the New Year and new opportunities to improve our world, I feel that we should be turning out attention to what we all want: to live long healthy lives. We are making a concerted effort to build resources and infrastructure with this goal in mind. Rather than be reactionary when it comes to aging, I think we need to get up and get going- literally. The research is abundantly clear: we need to take care of our mind, body, social, and of course, financial wellbeing as we grow older.

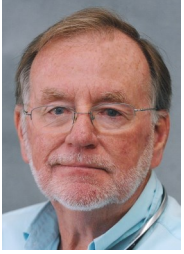
In previous lectures and newsletters, we introduced areas in which we can improve health, by joining the YMCA for example. Our mental health is often related to our physical health, but when cognition becomes a problem, we have introduced

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COMMUNITY SPOTLIGHT: *Q&A with Gerry Mulligan*



Position: Publisher of the Chronicle.

Years in Position: 38 years.

Family: My wife Janet and I have four children and eight grandchildren.

How long have you lived in Citrus County? I have lived in Citrus County since 1978.

What do you like most about Citrus County? I love the small town and the fact that you know people wherever you go in the community. Living in a small town makes it much easier to get things done.

Hobbies/Interests: Tennis, surfing, kayaking, golf, cycling and working out at the YMCA.

Community Involvement / Causes You Are Passionate About? For the last few years it has been the YMCA. I have worked with an incredible group of volunteers to raise the funds and build Citrus County's first YMCA. I also work with a group called the Crystal River Area Council – part of the chamber – that is busy working with the city and business leaders to improve the economic vitality of Crystal River. We have helped the city push through plans for the Riverwalk on King's Bay and other city projects. Also a member of Crystal River Chamber of Commerce, U.S. Family Foundation, WREC Wecare board, Crystal River Rotary Club, Crystal River Main Street Board and serve as chairman of the Florida Press Foundation.

Favorite places you've travelled to? Florence, Italy or Dublin, Ireland.

Place you'd still like to visit? New Zealand.

Careers that interest you besides your own? I have been intrigued about being a lawyer or owning an Irish bar. They both require the same skill of listening.

Career accomplishment most proud of? Led the team that turned the Chronicle into a daily newspaper back in 1986.

How old were you when you became interested in your profession? I was editor of my elementary school newspaper at 10 years old.

What do you enjoy most about your profession? Telling stories about people doing great things in our community. Holding public officials accountable.

Biggest challenge in your profession? Newspaper business is going through tremendous changes with challenges from the internet and a declining interest in public affairs.

Do you want to continue your education in any way? What do you want to learn more about? I want to learn to cook. Even my granddaughter has complained about my poor cooking skills.

If you had complete financial security, how would you spend your time? I would do exactly what I am doing now.

What do you strive for most in life? Strive to find a balance between work, volunteer service and family. I feel we are put on earth to make things happen. I occasionally get obsessed. When we turned the Chronicle into a daily newspaper, I personally designed the front page for about 75 days in a row. That was not sustainable.

What do you try to avoid? I try to avoid being too judgmental, the New York Yankees, and broccoli.

What do you want your legacy to be? How would you like to be remembered? Building a good newspaper that reflects the community it serves; building a YMCA that reinforces the values of a good community and is accessible to all; being a human being who loved his family.

What values or philosophies would you like to pass on? Do good things. It's contagious.

Information about your charitable organization that community members may not be aware? YMCA needs your help.

What on the horizon are you excited about regarding your charitable organization? The YMCA has been open for less than one year and it has become the most successful in Florida. Our membership has grown so quickly that we need to expand the brand new facility. Help is needed to make this expansion happen.



Photos of the Citrus County YMCA. The Y's vision for expansion of the facility includes adding a gymnasium, additional group exercise rooms, and other enhancements based on member demand.

FROM JIM'S DESK: *Continued*

more often we'll get a retracement. This retracement, if orderly, we like to call consolidation of the run-up, or back and fill. Turns out, this is very healthy for a market that wants to go higher due to improving earnings, stock buy-backs, investment in research and development, increasing dividends, mergers and acquisitions, all of which we are seeing in the aggregate at this time in the economic cycle.

The main point of this short refresher in managing expectations is to say, if we know that a retracement is not only normal, but healthy, then we should welcome it. We won't, because we're human. That's why we have a plan, why we diversify, asset allocate, re-balance and practice patience. It works!!

Diversification and strategic asset allocation do not ensure a profit or protect against a loss. Investments are subject to market risk, including possible loss of principal. The process of rebalancing may carry tax consequences.

FROM AMY, NANCI & KRIS: *Important information for tax season 2016*

As you prepare for tax season, here is some information that you may find beneficial. 2016 Form 1099 mailing schedule

- ◆ **January 31** – Mailing of Form 1099-Q and Retirement Tax Packages
- ◆ **February 15** – Mailing of original Form 1099s
- ◆ **February 28** – Begin mailing delayed and amended Form 1099s
- ◆ **March 15** – Final mailing of any remaining delayed original Form 1099s

Delayed Form 1099s:

In an effort to capture delayed data on original Form 1099s, the IRS allows us to extend the mailing date until March 15, 2017, for clients who hold particular investments or who have had specific taxable events occur. Examples of delayed information include:

- ◆ Income reallocation related to mutual funds, real estate investment, unit investment, grantor and royalty trusts; as well as holding company depositary receipts
- ◆ Processing of Original Issue Discount and Mortgage Backed bonds
- ◆ Expected cost basis adjustments including, but not limited to, accounts holding certain types of fixed income securities and options.

Amended Form 1099s:

Even after delaying your Form 1099, please be aware that adjustments to your Form 1099 are still possible. Raymond James is required by the IRS to produce an amended Form 1099 if notice of such an adjustment is received after the original Form 1099 has been produced. There is no cutoff or deadline for amended Form 1099 statements. The following are some examples of reasons for amended Form 1099s:

- ◆ Income reallocation
- ◆ Adjustments to cost basis (due to the Economic Stabilization Act of 2008)
- ◆ Changes made by mutual fund companies related to foreign withholding
- ◆ Tax-exempt payments subject to alternative minimum tax
- ◆ Any portion of distributions derived from U.S. Treasury obligations



What can you do?

You should consider talking to your tax professional about whether it makes sense to file an extension with the IRS to give you additional time to file your tax return, particularly if you held any of the aforementioned securities during 2016. If you receive an amended Form 1099 after you have already filed your tax return, you should consult with your tax professional about the requirements to re-file based on your individual tax circumstances. You can find additional information at <https://raymondjames.com/wealth-management/why-a-raymond-james-advisor/client-resources/tax-reporting>. We hope you find this additional information helpful. Please call us if you have any questions or concerns about the upcoming tax season.

Please note, changes in tax laws or regulations may occur at any time and could substantially impact your situation. Raymond James financial advisors do not render advice on tax or legal matters. You should discuss any tax or legal matters with the appropriate professional.

FROM TRACY'S DESK: *Continued*

the concept of a care coordinator or a "coach" if you will, to help guide us through caregiver issues and services available in the community.

Our social network is an area of wellbeing that I don't think we give much consideration. For many, we lose our identity when we no longer have a business card, or our name on the door. We can lose touch with our peers, and if we do nothing to replace those connections, our network can decline, impacting our activities and general health. This is where I hope my team can start to make a difference. Through volunteerism, we can help build connections with like-minded people. We have resources to help you understand what others are doing to remain active, and through technology, we can help to get you plugged in to the essential services to keep you young at heart.

At Raymond James, we have always looked to the longer term when it comes to Financial Planning, and we need to stay at the forefront of the science and technology of aging to meet the needs of our clients. Did you know that the fastest growing group using social media such as Facebook and Twitter is the 50+ set? Retirees are tapping into a growing list of services to enhance their lives in the areas of transportation (Uber), education (Khan Academy), homemaker services (Blue Apron), and home repairs (Home Advisor). I recently participated in a Skype meeting, initiated by my client who is in her 70's, and her son living outside of the US. There is no distance, or technology hurdle that is going to keep that grandmother from talking to her family!

I invite you to consider what technology you are currently using and compare with your family, friends, and neighbors. Are you as plugged into the community, and the world as you want to be? I certainly learned something about Skype from an unlikely teacher, and hope to continue to expand my bank of knowledge to help you plan your future. Warm wishes for the New Year.



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SAVE the DATE



SAUT RETURNING TO CITRUS COUNTY: World-renowned investment strategist, Jeff Saut, will present on Thursday, February 16, 3:30-5:30pm at the College of CF Conference Center in Lecanto, FL (3800 S. Lecanto Hwy). A disciple of the markets for more than 40 years, Jeff possesses a breadth of experience in the field few can match. He is well known for his insightful & colorful stock market commentary as seen on **PBS, NPR, CNBC, Bloomberg TV, USA Network, Fox News, The Wall Street Journal, The New York Times, Barron's, The Washington Post, BusinessWeek, U.S. News, Fortune, and SmartMoney**. The event is open to the public, free to attend and will include light refreshments. Reservations required. Please RSVP by phone or email ASAP as we expect to reach seating capacity. RSVP phone #800.443.4368 or email amy.barbieri@raymondjames.com.

February 20: The office and markets will be closed in observance of Washington's Birthday.

February 21: Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.

March 2: Wall Street Coffee Club, 10:15am, College of CF, Room 103, Lecanto.

March 21: Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.

April 1: 4th Annual Schoolhouse Hustle 5K-10K-1 Mile Walk with health expo & kid zone to benefit the Citrus County Education Foundation, 7:00-11:00am, CREST School / Lecanto complex (see www.schoolhousehustle.com for more information).

April 6: Wall Street Coffee Club, 10:15am, College of CF, Room 103, Lecanto.

April 14: The office and markets will be closed in observance of Good Friday.


April 18: Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.

April 22: 19th Annual Superintendent's Golf Classic to benefit the Citrus County Education Foundation, 8:30am, Sugarmill Woods Golf & Country Club, Homosassa, \$55 to play (includes golf lunch, door prizes & hole contests). Sponsor opportunities also available. Call 352.726.1931 x2240 for more information.

May 4: Wall Street Coffee Club, 10:15am, College of CF, Room 103, Lecanto

May 6: 23rd Annual Raymond James Symphony Under the Stars featuring the Florida Orchestra, 6:00pm, Raymond James Stadium, Tampa. Contact us for your complimentary tickets, while supplies last.

Call us with questions on any of the above events or if you would like to feature your organization's upcoming events in our next newsletter.

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