GATEWAY
INVESTMENT MANAGEMENT
OF
RAYMOND JAMES®

THE COMMUNIQUE

APRIL 2017

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2357.49	-0.22%	-0.22%	5.30%
Dow Jones Industrials	20662.95	0.00%	0.00%	4.56%
NASDAQ Composite	5878.95	-0.56%	-0.56%	9.21%

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.86%
10-yr Treasury Bond	2.34%
30-yr Treasury Bond	2.99%

Information as of April 6, 2017 Source: Thomson Reuter's Thomson One

MARKET COMMENT

A Breath of Springtime Air

As we look forward to springtime, we officially "close the books" on the 1st quarter of 2017 and, by most measures, it was a good quarter. Earnings from the 4th quarter of 2016 were positive and supported the rising the stock market. The Federal Reserve also continued to raise interest rates at a "controlled" level, creating no negative market reaction. The economy continued to hum along, despite the political scene being a bit contemptuous, which smothered a great deal of market angst. So, can things really be so good when last fall many of our indicators were tapping the brakes because of a potential economic slowdown ahead related to the presidential election? Well, maybe. I have said many times over the past few years that this is the most unbelieved/disliked economic expansion in several decades (maybe in history). And, perhaps this unbelief stems from the psychological damaged done to investors by the Great Recession of 2008-2009. That recession was so severe and hit so many, so deeply, that it changed domestic investors' attitudes from an unbridled optimism to a cautious "we shall see" America. Plus, the aftermath of the Great Recession left the country with massive debts, which America, and the world, are in a process of deleveraging. However, this deleveraging has led to slower growth then we are accustomed to in a robust and expanding economy – which has led many investors back to disbelief in the validity of this bull market.

But, maybe, things are changing with corporate earnings on the rise, the "buzz" from the Trump election still sounding, and the potential for Congressional fiscal policy changes. All things considered, we may be embarking on a new leg-up in an old bull market that many never believed was occurring. Luckily, though, the emergence of spring isn't quite so latent, so let's take some time to reflect on its renewal and breathe in some fresh air.

As always, we thank you and appreciate your continued trust and confidence.

PLANNING STRATEGY

Raymond James "Point of View" article. M17-016877

Making Sense of Medicare Myths

Retirement planning is complex, at best, but when you throw Medicare into the mix, it can get downright confusing. Many pre-retirees find the program hard to navigate without some guidance. Here are the facts about five common Medicare myths.

Myth One: Medicare offers free healthcare.

Fact: Not quite. The Patient Protection and Affordable Care Act, known more simply as the Affordable Care Act, allows beneficiaries an annual wellness check at no charge. Beneficiaries also are entitled to free recommended preventive screenings, such as mammograms and colonoscopies, annual wellness visits and personalized prevention plans. For most people, Medicare Part A – which covers hospital stays and services up to certain limits – does not require a premium. But that's it. You're still responsible for copays, coinsurance and deductibles.

For instance, you'll pay a $1,316 deductible in 2017 before Part A coverage kicks in for hospital stays of up to 60 days.

Just like health insurance during your working years, the other parts of Medicare also have premiums, copays, coinsurance and deductibles.

- The lowest annual premium for Medicare Part B is $109, which applies to most Social Security recipients due to the hold harmless premium, or $134 a month for beneficiaries new to Medicare this year.
- You'll pay more if you're single and earn more than $85,000 or $170,000 for a married couple filing jointly.
- High earners now face a surcharge ranging from $13.30 to $76.20 per month, depending on income, for Medicare Part D prescription drug plans.
- Many Medicare beneficiaries purchase a Medigap supplemental insurance plan to help cover out-of-pocket costs.

Myth Two: Medicare covers everything.

Fact: Not true. For example, dental, vision and hearing are not covered by Medicare. And prescription drug coverage is only offered through Part D and Medicare Advantage plans. What's more, you are responsible for the premiums, deductibles and copayments associated with the coverage you choose. However, starting in 2012, Medicare began covering more preventive services, including screening and counseling for alcohol abuse, depression and obesity. Supplemental insurance plans are available to help cover out-of-pocket costs.

Myth Three: A Medicare Advantage plan or Part D coverage will fill gaps in my coverage.

Fact: Medicare can be complicated. Medicare Advantage plans – sometimes known as Part C – offer optional coverage through private insurance companies. Many of these plans cover dental, vision, hearing and prescription drug costs, not covered by Original Medicare. However, the plans may have limited networks to keep costs down.

Part D is optional prescription drug coverage that has myriad variables, such as premiums, copays, coverage gaps and coinsurance. You can choose which prescription drug plan best fits your needs.

Myth Four: Medicare may not cover me.

Fact: One major advantage of Medicare is that you can't be rejected for coverage or be charged higher premiums because you're too sick. However, if you're a high earner, you'll pay higher premiums for Medicare Part B and Part D. In addition, the Affordable Care Act now prohibits discrimination based on a pre-existing condition.

Myth Five: I will be notified when it's time to sign up for Medicare.

Fact: No. Unless you are already receiving Social Security benefits, you must apply for Medicare. You will not receive any official notification on when or how to enroll.

If you're over 65, still working and covered by employer healthcare, you may want to delay enrollment in part B to avoid paying for coverage you don't need. Once you stop working, you must enroll within eight months – even if you're receiving COBRA or retiree health benefits from your employer – to avoid permanent late penalties. For example, if you miss the deadline, you'll pay 10% more in Part B premiums for every 12 months you delay. If you are under 65 and retired, you should enroll before your 65th birthday to avoid these penalties.

For those without employer coverage, it's a good idea to sign up when you're first eligible for Part B. If you're eligible for Part B when you turn 65, for example, you'll want to enroll during your initial enrollment period, the seven-month period that starts three months before your birth month. If you sign up in the first three months, you can avoid delays in coverage. If you sign up during your birth month or later, your start date will be delayed by one to two months.

There's also an open enrollment period from October 15 to December 7 each year for Medicare Advantage or Medicare prescription drug coverage. From January 1 to February 14 each year, seniors with Medicare Advantage plans can review their options during the Medicare Advantage Disenrollment Period. During this time, members can drop their plans, return to Original Medicare and pick up a standalone prescription drug plan. Medicare.gov recommends that you review your current coverage each fall to see if you need to make changes for the following year.

LIFE & LEISURE

Raymond James "Point of View" article M16-025985

Time to Add Discipline to Your Good Money Habits

That 30th birthday can be a somewhat traumatic event, but with people living longer, they say 50 is the new 30. If that's the case, then you're just a kid!

That doesn't mean, however, that you should be childlike about your finances. If your 20s are the years when you lay the foundation for good financial habits, then your 30s are when you build on that foundation.

By now you're likely employed in your field, possibly married or in a committed relationship, and thinking about building a family. It's important to factor in these life events when you are planning. A financial advisor can work with you to create a solid plan and provide objective guidance no matter how investment savvy you are.

Your priority should be saving and avoiding non-mortgage debt. Without debt, saving seems easy. And there's a lot to save for: the wedding, starting a family, buying a house, sending your kids to college and retirement. Not to mention all the surprises in between. This is where the long-term plan you and your financial advisor create comes in. It's important to stick to it.

Another key element is to review your financial plans periodically to make sure they still meet your goals. If you are part of a couple, consider making "financial dates" with your spouse or partner to proactively talk about money. It's a good way to make sure both parties in a relationship are aware of the other's goals for the future.

To Help You Get Started on your Journey, Here's a Checklist for 30-Somethings:

- **Save for retirement.** Are you taking advantage of the retirement plan offered by your employer? It allows you to invest a portion of every paycheck before taxes – or after taxes in the case of a Roth 401(k). While you're at it, analyze other employer benefits. Are you taking advantage of all the benefits your employer offers? Look at everything, from flexible spending accounts to group discounts.
- **Pay off personal debt.** Have you paid off your high-interest debt? Paying off a credit card that charges 25% interest means substantial savings.
- **Write a simple will and also a living will.** How will your property be handled if you die? A simple will can keep your loved ones from having to decide. What do you want to happen if you

become seriously ill? A living will records your wishes and removes that burden from your family.

- **Name a guardian for your children if you have any.** Who will be responsible for your children if you and your spouse/partner die? Protect them by legally naming a guardian.
- **Review your insurance.** If you've recently married or started a family, are life and disability insurance adequate given your new status? Also, the younger you are, the less long-term care and disability policies cost. It's also a good idea to review your auto and home policies to ensure your family and property are fully covered. You may also be eligible for package discounts.
- **Start a college fund for your children if you have any.** As soon as you are out of debt, begin an education fund. The costs for education are soaring, so the earlier you can begin saving the better.
- **Think about your future housing needs.** Is your family going to outgrow your house? Will your parents eventually move in with you? A separate savings fund for housing can accommodate these possibilities.

Quote of the Month: "To the man who only has a hammer, everything he encounters begins to look like a nail." – Abraham Maslow

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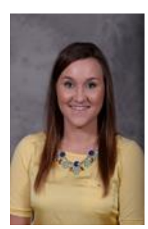

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