

THE COMMUNIQUE

DECEMBER 2016

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2097.95	0.61%	2.03%	8.23%
Dow Jones Industrials	17959.64	0.67%	5.15%	10.48%
NASDAQ Composite	5105.57	0.18%	0.40%	6.50%

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.83%
10-yr Treasury Bond	2.38 %
30-yr Treasury Bond	3.07 %

Information as of December 6, 2016

Source: Thomson Reuter's Thomson One

MARKET COMMENT

“Foibles”

I'm not exactly sure where that word came from, but with our recent Presidential election “foible” swirled around in my mind (what an odd word to think about during our election or maybe not). A quick visit to the dictionary provided the following definition: “minor weakness or eccentricity in someone's character; weakest part of a sword, in the middle.” Well, both candidates were certainly flawed just like all the rest of us and, some may question the “minor” part of the definition, but the word serves us well in describing life. Thankfully, the election is over and we can move on to “higher ground.”

On the investment front, the markets certainly didn't waste any time moving to higher ground with most indices recently making new highs. With the election behind us, the markets can finally focus on what really drives them – corporate earnings and economic news – all of which has continued to improve. The 3rd quarter of 2016 provided positive corporate earnings after five consecutive quarters of declines. Over the past year and a half, those five consecutive quarters of declining earnings made many investors (including ourselves) wary of a possible recession and caused the stock market to trade in an 18-month trading range. However, with the recent markets breakout to new highs, perhaps the future is looking much brighter – despite the fact that Spring 2017 will commence the eighth year of a U.S. economic expansion.

With the improvement in domestic economic conditions, the Federal Reserve (Fed) is again ramping up their banter of increasing interest rates for December and into 2017. This requires us to closely monitor the speed and frequency in which interest rates rise because they may determine whether we have positive or negative economic and market reactions. Also, over the past few years we have experienced soft economic news in the first-half, followed by stronger results in the second half

of the year. We will see if 2017 brings a similar pattern or a welcomed change. Another area we will monitor is potential changes to fiscal policy arriving from Washington D.C. Although, at the moment, it seems the stock market may be factoring in too much optimism for tax reform and infrastructure spending. Lastly, consumer confidence reports are confirming a brighter outlook, which may support the recent breakout and continued economic growth into the New Year. Taking everything into consideration, it would appear to me that the glass is half-full and there is cause to be economically optimistic. However, we will have to closely watch the Fed's action and make sure they don't take the glass away from our party.

I, along with Naomi and Hunter would like to deeply thank you for your continued trust and confidence in our team. We all extend to you and your family a very blessed and peaceful holiday season.

PLANNING STRATEGY

Raymond James "Point of View" article. M16-055323

Estate Mistakes to Avoid

Don't overlook these eight common estate planning problems.

Regardless of your age or current health, mapping out a clear plan for your estate will help avoid unnecessary turmoil for your loved ones. Estate planning goes beyond wills to include trusts, powers of attorney and letters of instructions. Talk to your advisor about what you need, and be sure to look out for these common mistakes.

A will-based estate plan or no estate plan.

Without the benefit of a clear estate plan or will, family members can be drawn into complicated legal proceedings that are both logistically and emotionally draining.

An unfunded revocable living trust.

Some assets will require more legal footwork to handle properly during the estate planning process, such as real estate, intellectual property, and certain types of stock, business partnerships and promissory notes. Using a funded revocable living trust allows you to make changes to the document, and the wealth you've accumulated can continue to grow.

Vulnerable assets.

Assets held as joint property can pose problems if a surviving spouse has a lot of debt. Should the unexpected happen, you can protect your loved ones by ensuring assets are titled correctly and insured properly. Otherwise, your estate could be held up in court as debtors seek payment via those assets.

Too much or not enough life insurance.

It is common for older investors to be over-insured, and policies with high cash values can be tapped to provide cash flow or terminated in favor of other investments. Younger investors tend to be under-insured, which can leave loved ones vulnerable to lost wages and unmanageable debt.

Assets left outright to beneficiaries.

Likewise, an estate plan that provides for outright distributions to your beneficiaries leaves that inheritance unprotected from creditors and lawsuits.

Family members as successor trustees.

If there are two or more co-trustees who don't get along, they could end up fighting in court. You can avoid this by naming an objective party as the primary trustee and family members as co-trustees.

Outdated beneficiary designations.

When updating your estate plan, be sure to make any necessary revisions to beneficiary designations.

Lack of long-term care planning.

A surprising number of people fail to plan for extended illness or deteriorating mental capacity. Consider some form of long-term care and how such a plan will be funded.

LIFE & LEISURE

Raymond James "Point of View" article. M16-057378

Medicare Updates for 2017

Review the increases to Medicare premiums and deductibles taking effect next year.

In addition to the Social Security adjustment taking effect in 2017, investors will also see adjustments to Medicare. The average monthly Medicare Part B premium in 2017 will be about \$109 (compared to \$104.90 for the past four years), while the standard premium is increasing from \$121.80 in 2016 to \$134 in 2017. Premiums are higher for those with higher taxable incomes (\$85,000 for individuals and \$170,000 for couples filing jointly). Below are some other Medicare numbers worth noting:

- **The Medicare Part B deductible is increasing from \$166 in 2016 to \$183 in 2017.**
- **The monthly Medicare Part A premium for those needing to buy coverage is increasing from \$411 in 2016 to \$413 in 2017.**

- The Medicare Part A deductible for inpatient hospitalization is increasing from \$1,288 in 2016 to \$1,316 in 2017, with additional increases to daily co-insurance amounts for stays that exceed 61 days.
- The co-insurance cost for beneficiaries in skilled nursing facilities will increase from \$161 in 2016 to \$164.50 in 2017 for days 21 through 100.

If you haven't yet enrolled in Medicare, keep in mind you must do so within the seven-month period around your 65th birthday.

Quote of the Month: "The mark of an educated mind is to be able to entertain a thought without accepting it." - Aristotle

Announcement

Some of you may already know that on November 16th 2016, Grace and I welcomed our first child to the family. William Charles ("Charlie") Martiniere was born weighing 7 lbs 6 oz and was 22 inches long. He is our joy and delight and we could not be more thrilled to be his parents.

As I continue to dwell on my blessings throughout this holiday season, I am also thankful for the relationships that I have built with many of you over the past two years. While your trust and confidence is appreciated, your friendship is invaluable. I look forward to 2017 and hope you all have a wonderful holiday season.

Merry Christmas,

Hunter Martiniere



For questions or additional information please contact:

Raymond James & Associates

9900 Clayton Road, Saint Louis, MO 63124



JIM POHLMAN, CFP®
Senior Vice President, Investments
james.pohlman@raymondjames.com
T 314-214-2122



HUNTER MARTINIERE, J.D.
Financial Advisor
hunter.martiniere@raymondjames.com
T 314-214-2152



NAOMI WILLMANN
Sales Associate
naomi.willmann@raymondjames.com
T 314-214-2175

Relevant Links

Planning - <http://raymondjames.com/pointofview/estate-mistakes-to-avoid>

Life & Leisure - <http://raymondjames.com/pointofview/medicare-updates-for-2017>

Disclaimers & Disclosures

Views expressed in this newsletter are the current opinion of the author, but not necessarily those of Raymond James & Associates. The author's options are subject to change without notice. There is no assurance that the statements, opinions, or forecasts included in this material will prove to be correct. Information contained in this report was received from sources believed to be reliable, but accuracy is not guaranteed. Investing always involves risk and you may incur a profit or loss. No investment strategy can guarantee success.

The S&P 500 is an unmanaged index of 500 widely held stocks. The Dow Jones Industrial Average is an unmanaged index of 30 widely held securities. The NASDAQ Composite Index is an unmanaged index of all stocks traded on the NASDAQ over-the-counter market. U.S. Treasury securities are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and guaranteed principal value.

Keep in mind that indexes are unmanaged and individuals cannot invest directly in any index. Index performance does not include transaction costs or other fees, which will affect the actual investment performance. Individual investor results will vary. Gross Domestic Product (GDP) is the annual market value of all goods and services produced domestically by the US.

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and federally registered CFP (with flame logo) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

Changes in tax laws may occur at any time and could have a substantial impact upon each person's situation. While we are familiar with the tax provisions of the issues presented herein, as Financial Advisors of Raymond James & Associates we are not qualified to render advice on tax or legal matters.

Past performance may not be indicative of future results.

Some material was prepared by Raymond James for use by James Pohlman, Senior Vice President, Investments, of Raymond James & Associates, Member New York Stock Exchange/SIPC.