

*THE COMMUNIQUE*  
 FEBRUARY 2016

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	1940.4	-5.07	-5.07	5.07
Dow Jones Industrials	16466.30	-5.50	-5.50	-5.50
NASDAQ Composite	4613.95	-7.86	-7.86	-7.86

U.S. TREASURIES	YEILD
5-yr Treasury Note	1.36 %
10-yr Treasury Bond	1.95 %
30-yr Treasury Bond	2.76 %

Information as of January 29, 2016  
 Source: Thomson Reuter's  
 Thomson One

MARKET COMMENT

“A Year of Transition”

Ouch! 2016 started out a bit painful, with stocks putting in a rather poor showing thus far (check the numbers of the major indices above). This negative action begs the question – was the recent decline from November's high a “correction” or the start of a new “Bear market” and will we see further declines? Quite simply, no one really knows. But while some believe that the stock market is a complete enigma, others look for reasons why we have experienced the declines as a point of reference. Personally, I think there are several areas that explain the recent pull back: China's continuing economic slowdown, sovereign wealth funds liquidating stocks to raise cash for their countries, low energy and commodity prices leading to slow growth for developing nations, and the fear that U.S. companies may experience slower earnings. It is thought that the three largest sovereign wealth funds in the world have begun selling U.S. stocks to raise cash for their countries. These countries include Abu Dhabi, Norway, and Saudi Arabia, and all are oil dependent countries. With declining oil prices hurting their economies, their need for cash is significant. The Chinese economy is also a big question mark. Will their slowdown hurt the U.S. economy and many of our companies? While China may effect some U.S. companies, like Apple, many other companies are not as dependent upon China, so the effect may not be as great. According to our indicators, the stock market is very “over sold” at the moment, which could lead to some stability and

rising prices, but we will be watching closely. Also, the recent Federal Reserve decision to leave interest rates unchanged seems to provide evidence that the Fed is sensitive to the market's actions. This suggests that the Fed does not have an agenda to raise interest rates no matter what the economy and markets are communicating. All and all, January ended on a very positive note. The stock market was in rally mode on the last day and closed up approximately 2%, based upon the S&P 500 index.

On a personal note, January marked our 1 year anniversary at Raymond James. It has been a good year filled with many challenges and changes. A recent visit to the Raymond James home office in Florida, re-affirmed our decision to move last January. Hunter & I were involved in a training class for new teams and we were very impressed with RJ's resources and openness to fresh new ideas for our industry. I believe our distinctive situation will continue to lead to very positive client experience.

As always, I thank you for your continued trust and confidence, it is truly valued and appreciated. If you have any questions or comments, please let us know.

## PLANNING STRATEGY

### “There If (Or When) You Need It”

*Long-term care is one of the biggest and often unexpected expenses in retirement. Thinking about funding a long-term care plan now can save you later.*

It seems we don't pay much attention to long-term care until it directly affects us. Sure, it may pop up on our radar when consoling a friend who's bearing the weight – physically and financially – of a loved one's care or through the trials and tribulations of funding an aging parent's assisted living needs. However, there may come a time when you or your spouse could face these challenges and decisions.

Few Americans place long-term care needs high on a list of concerns. In fact, more than half don't have a plan for when they're unable to independently bathe, dress, eat or get around, according to the 2012 State of Planning Survey.

Of course, it's hard to think of ourselves in need of care, whether that's adult daycare, assisted-living services or nursing home care. And, it can be hard to plan for future unknowns, when more immediate costs demand your attention. But timing is critical when it comes to funding long-term care, and most consider mid-50s the ideal age to consider long-term care insurance. Waiting much longer could bring much higher premiums.

Thinking about it now also gives you time to see how it fits into your overall retirement plan and could help protect your assets, preserve your independence and ensure quality care. Plus, having that safety net could potentially relieve friends and family from the stress of unexpected financial and emotional burdens.

### **Don't Underestimate Long-Term Care Costs**

Long-term care is one of the biggest and often unexpected expenses in retirement. Most healthcare insurance policies, Medicare and Medigap/Medicare supplemental insurance don't really cover what you'll need, and only limited assistance is available from government programs. Like Medicare, healthcare insurance policies only pay benefits for short-term rehabilitative care. For a true long-term care plan, you need insurance that offers comprehensive coverage spanning years. And while an ample portfolio might absorb future long-term care costs, most people prefer to rely on quality insurance rather than pay out of pocket.

### **Funding Your Plan**

Traditional long-term care policies can create a financial safety net should you become incapacitated and relieve your family of the burden of providing for your care – physically and financially. Covered costs can include round-the-clock home care, assisted living, adult daycare, and nursing home care. The premiums depend on many factors, including the type of policy and your age at the time of purchase. For business funded plans, long-term care premiums may be tax deductible.

Funding your long-term care plan lets you make your own choices while you still can, takes the burden off your children's shoulders and, should the most expensive scenario occur, it would not devastate your retirement income plan for you or your spouse. There are many details to ponder when choosing the right policy.

**Relevant Links:** <http://raymondjames.com/pointofview/there-if-or-when-you-need-it>

## **SERVICE IDEAS**

### **“What Can I Do For You?”**

As a Sales Assistant, there are many things with which I am available to help you. For instance, I can help you understand and analyze your statement, discuss the details of any transaction, create reports, and research any account issues that you may be experiencing. Simply stated, my job is to make sure that you, the client, have access to what you need, whenever you need it. Even if that is just a friendly voice. If there is anything thing, please feel free to contact me at any time. – Naomi

**Quote of the Month:** "Every truth passes through three stages before it is recognized. In the first it is ridiculed; in the second it is opposed; in the third it is regarded as self-evident."  
- Arthur Schopenhauer

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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.

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