

THE COMMUNIQUE

JULY 2016

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2096.95	0.9 %	1.90%	2.69%
Dow Jones Industrials	17787.13	0.80 %	1.38%	2.90 %
NASDAQ Composite	4948.05	-2.3 %	-0.56%	-3.29 %

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.011 %
10-yr Treasury Bond	1.488 %
30-yr Treasury Bond	2.307 %

Information as of June 30, 2016
 Source: Thomson Reuter's
 Thomson One

MARKET COMMENT

The Sisyphus Market

The first half of 2016 is now in the record books and, as far as the stock market goes, it is "business as usual." We are continuing a 2-year trend of a range-bound stock market, based upon the S&P 500 index, which continues to trade between the 1820 to 2120 area. It has moved up to the 2120 area, then pulled back to the 1820 level multiple times. This action reminds me of the Greek mythological character Sisyphus, the King of Ephyra (which is now known as Corinth). He was charged with arrogance and deceit that carried an "eternal" sentence of rolling a large boulder up a steep hill. Then, as his reward, he would watch it roll back down so the process could be repeated. The good news is that "Sisyphus" stock markets generally don't remain trend bounded forever, so we are patiently watching for a breakout to new highs or lows.

There has been a recent trend change in the commodity asset class, which seems to have bottomed and is rising from a 5-year bear market. This trend is being led by oil and precious metals and, according to our indicators, the commodity asset class has now moved into first place, followed by fixed income, and domestic equities (stocks) in third. It certainly has been quite a roller coaster ride for oil prices, peaking out around \$113.00 per barrel in late 2013 and recently bottoming out around \$27.00 per barrel earlier this year. The other big news for the financial markets has been the United Kingdom's decision to leave the European Union, which caught the markets off-guard. This led to a very quick pull back of around 5% on the S&P 500 index, followed by an equally quick advance to erase most of the decline. I think the markets will be working through this decision for many months, since the UK's leaving

will be a long drawn-out process. The UK's currency, the Pound Sterling, is trading at a 30-year low against the Dollar, so traveling to the UK should be quite a bargain for Americans. The second half of the year should be just as interesting as the first with our upcoming Presidential election, the Federal Reserve deciding whether to raise interest rates, and watching whether our economy continues to grow in its eighth year of a moderate expansion.

As always, if you have any questions or thoughts, please let us know. Thank you for your continued trust and confidence.

PLANNING STRATEGY

Is A Financial Plan Enough?

Maintaining quality of life throughout increasingly long retirements brings a new set of challenges. To live well in retirement, individuals have to embrace change —and longevity planning.

As people get older, their circumstances will continue to change, sometimes rapidly. What doesn't change is their desire to be independent, to have social connections that enrich their lives, and to participate in activities that bring them joy. Financial planning that can meaningfully address these quality of life issues can make all the difference.

By embracing the realities — and rewards — of longevity in your financial plans, you can sort through your possibilities and look beyond your typical retirement goals. Here are some topics to help you start the longevity planning.

Housing - Even in retirement, housing remains the largest spending category. Most retirees want to age in place. In a recent AARP survey, 89% of those 50 and older said they want to continue living in their homes indefinitely. However, there are a number of other options in retirement, and it's best to encourage you to think about the issue before it becomes an immediate need.

Questions to consider:

- Do you want to stay in your home? Will it need to be modified for aging?
- What other housing options are available to you, and what will they cost?
- Would you want to downsize? Relocate to a pedestrian-friendly neighborhood?
- What is your family situation: Are there children you could live with harmoniously?

Health Care - As individuals age, health care costs tend to add up. Consider that the average couple at age 65 can expect health care costs of \$266,000 over a 20-year retirement — and that number doesn't include any chronic conditions or health emergencies, according to the Employee Benefit Research Institute. An important part of financial planning is to help ensure that health care costs don't become a drain on your quality of life.

Questions to consider:

- What will the treatment of existing medical conditions cost over the long term?
- Do you know what costs Medicare will cover?
- Should you consider long-term-care insurance?
- Are there existing conditions that prevent the purchase of LTC?
- What health care facilities and providers are there locally?

Caregiving - It's a sobering statistic: 70% of Americans age 65 (in 2014) will need some kind of long-term care during their lives, according to the Department of Health and Human Services. At some point, you may be providing or receiving care, so this must be taken into account in long-term financial planning. Of the 10 million adults age 50 and above caring for aging parents today, those leaving their job to do so will be affected by lost wages and future Social Security benefits.

Questions to consider:

- Do you understand the full impact of being a caregiver?
- How will you get the care you need as you age?
- Is long-term care insurance a good idea for you?

Transportation - It may come as a surprise, but transportation is the second largest expense for individuals older than 65 and accounts for about 15% of their annual expenditures, according to the Bureau of Labor Statistics.

Questions to consider:

- How will you get to your favorite places in retirement?
- Who will assist you if you can't drive yourself somewhere?
- What transportation options are available in your area?

Maintaining quality of life throughout increasingly long retirements is becoming a growing challenge for millions of Americans. With expanded longevity comes a whole new set of challenges, and you may find sorting through all of the choices to be overwhelming.

That's where we aim to help. Working with your retirement funds in tandem with helping you manage your life, is of ultimate importance as we craft an individualized solution for your retirement goals.

LIFE & LEISURE

Multigenerational Memory-Making

The idea of spending vacation time bonding across layers of one's multigenerational family may not appeal to everyone, but a growing number of families have made the concept increasingly popular.

With the help of multigenerational vacations, two or three generations of a family – perhaps those spread across the country in today's mobile society – have a chance to develop special bonds as they share traveling experiences.

A 2014 poll by the American Automobile Association found that 36% of American families planned holiday trips involving at least three generations in 2015, up 4% from the previous year. Also, a network of high-end travel agencies last year named multigenerational travel the industry's leading trend for the fourth year running.

Fueling the movement, possibly, are fit and active baby boomers in search of meaningful experiences and relationships. If your family seems suited to the idea, it may be worth trying. The trick is planning well enough that all generations enjoy their time together.

Here are some factors to consider – and bear in mind you don't have to confine your idea to cruise ships or a theme-park-based vacation. Such travel could just as easily include touring Costa Rica or an African photo safari. Whatever your destination, if you are the organizer, plan to solicit feedback and be prepared for a lot of work to ensure all goes smoothly for everyone.

Budget & Destination

Before you spend time researching exotic destination ideas, establish a budget. Is the family patriarch and matriarch footing some or all of the cost, just the hotel or flights? Or will every adult family member cover the costs for themselves and their children? The combinations can vary, but be sure to figure out exactly what you can afford before embarking on this intergenerational voyage. Only after you determine a budget, however funded, can you begin to solicit ideas on destinations.

And do ask each family for an idea or two. There is likely to be more enthusiasm for the general idea if everyone has input. You may spark some useful ideas by asking where everyone would like to go if money were not a factor.

As you think about your decision, use your family knowledge of what everyone likes (or is able) to do. Small children may not tolerate day-long visits to historic sites or museums. Grandparents, aunts and uncles don't necessarily like taking on the role of babysitter while they're supposed to be on vacation. Strive to find a solution where all ages and people with varied interests can find comfort.

Next, find out how far everyone is willing to travel. Your family may be spread out across the country. Do you need to find a central point, or are some family members willing to travel farther than others? If travel abroad is possible, is everyone's passport up to date? Anyone afraid to fly or anxious about long plane rides?

Finally, how will you organize the days? Will everyone be expected to do the same thing day after day, or will you build in plenty of optional time for individuals and families to seek their own adventures?

Timing & Date-Setting

What are your timing limits? School (public, private, high school, college) break periods or summers only? And for many adults, vacation schedules are set by employers. Start planning a year to six months ahead so you can work around schedules and availability before deciding on a date. Try to accommodate everyone if you can. After all, the joy is in getting to know one another better, to build relationships, share knowledge, and reconnect with cousins and siblings. Early on, learn what you can about everyone's vacation schedule or circumstances. Sometimes workplace seniority systems can be finessed by asking early.

Preferences: The Finer Points

As organizer and promoter of the multigenerational vacation, it's up to you to assess situations as they arise. If you have family members who insist on a cruise while others won't consider anything that doesn't involve hiking gear, the togetherness idea may be a nonstarter. Or can you find a happy compromise? Say a cruise to and among the Galápagos, involving guided hikes around the various islands.

Will every hotel you book need to have a pool and reliable Internet connectivity for those who need it for personal or business reasons? If you rent a vacation home, are the sleeping accommodations suitable for each family? For each generation? Do any family members have trouble negotiating stairways?

Who will do the cooking and the cleanup? Can those duties be equitably shared? Does anyone have dietary restrictions? The answers will help you divide and conquer what could be a great deal of work. Of course, you can also rely on a specialty planner or organized tour that caters to multigenerational families to iron out the details for you.

Experience Suggests ...

A few final tips from those who have organized multigenerational family vacations:

- Begin planning and saving a year ahead of time.
- This is a lot of work, so don't sign on as organizer unless you truly believe in the idea and that it could work for your family.
- Limit your communications to only what is necessary; solicit group opinions sparingly, or you may find your inbox running over as you negotiate every small point.
- Plan one memorable event to mark the occasion as special, say a hot air balloon ride, a clam bake or a unique local event.
- Be sure to include time to document the adventure and share the memories via an online shared photo album, Instagram hashtag or other forum. You'll want something to look back on.

Relax and enjoy even if things don't go according to plan. The point is to spend quality time and make memories together.

Quote of the Month: "Wealth, after all, is a relative thing since he that has little and wants less is richer than he that has much and wants more." – Charles Caleb Colton

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Planning - http://raymondjames.com/pointofview/a_financial_plan_is_not_enough

Life & Leisure - <http://raymondjames.com/pointofview/multigenerational-memorymaking>

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