

# Lack of REM Sleep Linked to Dementia Risk

People who spend less time in deep, rapid eye movement (REM) sleep may be more likely to develop dementia than individuals who get better quality rest, a recent study suggests.

For the study, found in *Neurology*, researchers examined data from overnight sleep studies for 321 adults age 60 or older who didn't have dementia. After an average follow-up of 12 years, 32 people developed dementia.

Overall, study participants spent about 20 percent of their sleeping time in REM sleep, the sleep analysis found. But the subset of people who went on to develop dementia spent only 17 percent of their sleep time in REM sleep.

Reduced REM was associated with similar increases in the risk of both Alzheimer's and other dementia cases.

The study was small, and the results would need to be confirmed by more research in larger groups of people, said Dr. Eric Larson, vice president for research at Kaiser Permanente Washington and a professor at the University of Washington in Seattle.

But that doesn't mean people should ignore the importance of REM sleep.

"REM sleep is considered the part of the sleep cycle where our brains get rejuvenated," Larson, who wasn't involved in the study, said by email. "It's considered the best part of sleep from a perspective of gaining the rest that restores well-being."

Other research has linked both insomnia and a nighttime breathing disorder known as sleep apnea with an increased risk of dementia

## A few tips to improve your sleep:

- Set a schedule — go to bed and wake up at the same time each day.
- Exercise 20 to 30 minutes a day but no later than a few hours before going to bed.
- Avoid caffeine and nicotine late in the day and alcoholic drinks before bed.
- Relax before bed — try a warm bath, reading, or another relaxing routine.
- Create a room for sleep — avoid bright lights and loud sounds, keep the room at a comfortable temperature.
- Avoid watching TV, computer screens, and tablet screens right before sleeping.
- Don't lie in bed awake. If you can't get to sleep, do something else, like reading or listening to music, until you feel tired.
- Talk to your doctor if you are having trouble sleeping.

Source: *Neurology.org*; 2017 American Academy of Neurology

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# Understanding Your Risk Profile

When you discuss market risk with your HCM Wealth Advisor, you are discussing the possibility that the actual returns of your investment portfolio differ from the expected returns of your portfolio. Investors who are willing to accept more compensated investment risk may benefit from higher returns over long periods, but they should also be prepared for larger downturns during bear markets.

Many market shocks are short-lived. Still, major market downturns such as the 2000 dot-com bust and the 2008-09 credit crisis are powerful reminders that we cannot control or know exactly how, where, or when these situations will arise. We can prepare for them, though.

Your HCM Investment Policy should reflect your ability to endure periods of market volatility, both financially and emotionally. Here are some questions that may help you evaluate your personal relationship with market risk:

## **How much risk do you need to take to meet your goals?**

If you know how much money you have available to invest and can estimate how much you will need in the future, then it's possible to calculate a "required return" (and a corresponding level of risk) for your investments. Older retirees who have sufficient income and assets to cover expenses for the rest of their lives may not need to expose their savings to risk. On the other hand, some individuals may need to invest more aggressively to accumulate enough money for retirement and offset the risk that inflation could erode the purchasing power of their assets over the long term.

## **How much risk can you afford?**

How much would a decline in your portfolio affect your financial plan? If a short-term decline would derail your

plan, then you have a low capacity for risk. If you could see the value of your investments decline significantly, but your plan would remain on sound footing because of your pension, earned income, or even the sheer size of your portfolio, then you have a high capacity for risk.

## **How much risk are you comfortable taking?**

Some people seem to be born risk-takers, whereas others are cautious by nature, but an investor's true psychological risk tolerance can be difficult to assess. Some people who describe their personality a certain way on a questionnaire may act differently when they are tested by real events.

Moreover, an investor's attitude toward risk can change over time, with experience and age. New investors may be more fearful of potential losses. Investors who have experienced the cyclical and ever-changing nature of the economy and investment performance may be more comfortable with short-term market swings.

## **Brace yourself**

Market declines are an inevitable part of investing, but abandoning a sound investment strategy in the heat of the moment could be detrimental to your portfolio's long-term performance. One thing you can do to strengthen your mindset is to anticipate scenarios in which the value of your investments were to fall by 20% to 40%. If you become overly anxious about the possibility of such a loss, it might be helpful to reduce the level of risk in your portfolio. Additionally, HCM clients who are taking distributions from their portfolios can work with their HCM Wealth Advisor to build The HCM Safety Net™ to protect their spending need through poor markets.

# Key Contribution Numbers for 2018



This year, the Internal Revenue Service announced cost-of-living adjustments that affect contribution limits for retirement plans. Here are a few of the adjustments for 2018.

## Employer Retirement Plans

Employees who participate in 401(k), 403(b), and most 457 plans can defer up to \$18,500 in compensation in 2018 (up from \$18,000 in 2017); employees age 50 and older can defer up to an additional \$6,000 in 2018 (the same as in 2017).

Employees participating in a SIMPLE retirement plan can defer up to \$12,500 in 2018 (the same as in 2017), and

employees age 50 and older can defer up to an additional \$3,000 in 2018 (the same as in 2017).

## IRAs

The limit on annual contributions to an IRA remains unchanged at \$5,500 in 2018, with individuals age 50 and older able to contribute an additional \$1,000.

## Health Savings Accounts

The contribution limit (employer + employee contribution) is \$3,450 for individuals (up from \$3,400 in 2017) and \$6,900 for families (up from \$6,750 in 2017). Health Savings Accounts allow for a \$1,000 catch-up contribution for participants age 55 and higher.

Retirement Plan Type	2017 Contributions	2018 Contributions	Age 50 & Above Catch Up
401(k), 403(b) and most 457 Plans	\$18,000	<b>\$18,500</b>	+\$6,000
Traditional IRA	\$5,500	\$5,500	+\$1,000
Roth IRA*	\$5,500	\$5,500	+\$1,000
Simple IRA	\$12,500	\$12,500	+\$3,000
SEP IRA	\$54,000	<b>\$55,000</b>	N/A

\*Income limits may apply. Check with your tax advisor.

## Important Mailing Deadlines for 2017 1099 Tax Forms



The New Year has arrived and that means that soon you can expect Schwab to send various year-end tax forms associated with your HCM accounts. Please refer to the items below so you'll know what to expect and when.

### Original Form 1099:

The first batch of original Form 1099s for brokerage accounts will be sent to HCM Clients by Schwab in late January 2018. The second batch will be sent by mid-February 2018. The mailing date will depend on the types of securities within your portfolio.

### Corrected Form 1099:

If Schwab receives updated information from issuers of securities held after your original Form 1099 has been sent, they are required to send you a corrected tax form. Revisions will be clearly highlighted on the corrected form you receive. Corrected forms will be sent periodically, as the information becomes available.

Since 1099s are subject to change, we recommend that you wait until late March 2018 to file your 2017 income tax returns.

If you would like to change the delivery of your Schwab tax documents this year from paper to electronic delivery, you can do so by following these steps:

- Log in to your Schwab account and click on the Service tab.
- Choose "Account Settings" and then scroll down to the "Electronic Communications for This Account."
- Click on the "View/Edit Alert Preferences" and then scroll down to the "Tax Forms" section.
- There you can check the boxes for the accounts you wish to enroll for electronic delivery.

If you have questions, please contact your HCM Client Services Team at 513.598.5120.

# HCM Out & About

Our connection to Cincinnati goes beyond providing Retirement and Wealth Planning services to those living in the community. We enjoy getting out and about supporting local charities

The HCM Team, once again, adopted a class at Westwood School. This year we have a special group of students who are working on life-skills. They operate a greeting card business (Giggly Greetings) where they create their very own custom cards. For more information on their cards you can send an email to [gigglygreetings@gmail.com](mailto:gigglygreetings@gmail.com).



For Christmas, we played Santa to the class and the photo shows why we do this! The sheer joy and happiness we can bring to the lives of these children is a blessing for us.

On Saturday October 7, 2018 a team of HCM employees, spouses and children walked to raise money for the Alzheimer's Association.



## HCM NEWS



We are pleased to announce that Dan Rinck has joined Hengehold Capital Management.

Dan will serve as an extension of our Wealth Advisors and Investment Committee to deliver excellent service to our clients. Dan has been in the

industry for 5 years focusing on investor behavior and goal-based financial planning.

Dan is a Cincinnati native and in his free time enjoys hiking, camping, golf and recreational sports with friends.



Hengehold Capital Management is pleased to announce that Mike Hengehold, Casey Boland, Greg Middendorf & Jake Butcher have won the

2017 Five Star Wealth Manager award! By earning this exclusive honor they have demonstrated a commitment to the clients of HCM. Being named as a Five Star Wealth Manager demonstrates HCM's founding commitment of placing our clients' best interest first and helping them gain confidence in their financial future.

Each year, Five Star Professional partners with Cincinnati Magazine to recognize a select group of Cincinnati area wealth managers who have proven outstanding in their field. The winners were recognized in the October 2017 issue of Cincinnati Magazine.

<https://www.fivestarpromotional.com/wmdisclosures/CINWM17>

## About Us...

When you decide to work with an Advisor to help plan and prepare for your financial future, it is important to work with professionals who are willing to take the time necessary to understand your situation and help you create solutions uniquely suited to meeting your goals and objectives. Your HCM Team is always available to answer your questions. At HCM, we provide goals-based wealth planning and investment management services using the top technology, research, and analytical skills of our investment professionals. As a fee-only Registered Investment Advisor, our loyalties are always aligned with our clients' best interests 513-598-5120 or visit our website at [hengeholdcapital.com](http://hengeholdcapital.com).

This newsletter provides financial and tax information to clients and friends of Hengehold Capital Management LLC. This information should not be acted upon without first determining its application to your specific situation. For further details on any article, please contact us.