



## Welcome to 2017!

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**W**elcome to 2017! We hope that you and your family had an enjoyable holiday season. Each New Year symbolically provides the opportunity to make a fresh start for everyone. As we begin 2017, no one can predict with certainty what new changes or challenges may occur. Our primary goal this year is to continue our tradition of helping clients achieve their personal financial goals. To make that process more efficient, we send our clients a *2017 CHECKLIST* with this letter so they can check off any of the items they anticipate needing to be addressed this year.

The year 2017 is expected to be a year of change. One of our key aspirations is to maintain long-term relationships with our clients. We are always available to provide the proper attention that clients and their finances deserve by offering a strong and frequent line of communication. We are proud of our ability to understand and effectively respond to our clients' needs and concerns and enjoy providing information and services to our clients. As a firm, we constantly review the services that we provide for our clients each year. One of our company's main objectives is to always offer our clients a first-class experience. For 2017, we will continue to offer the following services in addition to personal meetings with our office:

- Quarterly economic updates;
- Tax reports to keep clients updated on opportunities and changes;
- New this year - educational workshops on relevant topics;
- A continuous flow of meaningful articles on financial, tax, and estate planning topics, and
- Client appreciation events.

**We would like to the opportunity to help you in 2017. After reviewing the checklist, if you see any items you'd like to discuss or receive a second opinion, we would be honored to offer you a complimentary financial check-up.** We would appreciate the opportunity to review your tax plan, estate plan, investment plan, retirement plan and protection plan to make sure they are all coordinated in your best interest. We are interested in working with you.

**If you are interested in our services, please call us at (800) 433-5808 to schedule an appointment.**

### **Presley Beane Financial Services**

310 Dupont Street · Punta Gorda, FL 33950 · Tel: 941-637-7748 · Fax: 941-637-7758

999 Vanderbilt Beach Road, Suite 200 · Naples, FL 34108 · Tel: 239-434-5808 · Fax: 941-637-7758

[www.presleybeane.com](http://www.presleybeane.com) Toll Free: 800-433-5808

# Looking Ahead to 2017

2016 was a year of surprises for investors. Two of the most memorable were the U.S. Presidential election and the Brexit vote. The year started out on a poor note for investors. The first few weeks of January featured one of the roughest equity market declines ever. Fortunately, equity markets recovered within the first quarter. In June, The United Kingdom's withdrawal from the European Union, widely referred to as Brexit, caused investor concern. The British pound immediately fell to its lowest level in decades and global markets faced a bumpy ride. By early November, equities seemed to be on track for a flat year. However, following the surprise result in the presidential election, the last few weeks of the year lifted equity markets towards all-time highs. Many investors whose risk tolerances and portfolios included equities saw positive returns in 2016.

The Federal Reserve kept interest rates low and finally followed up their first rate increase in 8 years with another slight increase in December to 0.50 - 0.75%. In 2016, equity markets again showed investors they can be highly volatile. The movements of financial markets reminded investors that sometimes it's the nature of the markets to move up and down over the short-term and market volatility is inevitable. That is why it is essential for us to understand our client's main financial goals and time horizons.



The potential changes from a new administration could make planning for 2017 confusing, therefore investors still need to be watchful. Rising interest rates, a new political landscape and potential foreign surprises are issues that need to be monitored. For 2017, proceeding with caution is a central theme among many experts. Our goal is to provide clients with guidance and support.

## Things to watch for in 2017

### Potential interest rate changes



In December, the Federal Reserve hiked interest rates, signaling faith in a strengthening U.S. economy. The U.S. central bank's policy-setting committee raised the range of its benchmark interest rate by a quarter of a percentage point to between 0.50% and 0.75%. They also signaled that investors can expect additional increases in 2017.

### Tax law changes

While campaigning, President Trump discussed significant tax law changes.



They included:

- tax relief for middle class Americans;
- simplifying the tax code from 7 brackets to 3 brackets (12%, 25%, and 33%);
- increasing the standard deduction;
- eliminating the marriage penalty, the NIIT, the AMT; and
- eliminating the “death tax” in favor of recognizing capital gains at death for estates over \$10,000,000.

(Source: *Keebler & Associates*)

The Trump administration has Republican control of both the Senate and the House and as a result, many experts expect some major changes in 2017. Obviously, tax law changes and tax planning opportunities are among the key areas that we will be watching closely for our clients.

### Stock market volatility

Economic prognosticators forecasts for 2017 are looking for economic growth. They are advising that the potential for some growth is here, but that we should not confuse these opportunities with a “just close your eyes and buy” mindset. While there is a bullish favoring for 2017, there is also a potential for downside risks.

(Source: *Fidelity Investments 12/28/16*)

Experienced money managers are advising clients to prepare for a continuation of volatility in 2017. As advisors, we will attempt to carefully monitor market conditions and our client's timeframes. For now, investors need to expect and prepare for what could be an erratic year in both equity and debt markets.

### Your personal situation

**Your personal situation is our highest concern.** Our primary goal is to keep our clients informed throughout 2017. If you find you need to meet with us before your next scheduled review, please call our office and we will be glad to schedule time with you.



**Once again, we thank you for the opportunity to help you with your financial goals.**

**Here is a checklist of events and information that can help us advise you in 2017. Please help us identify which items you would like us to address with you this year.**

- Do you anticipate changes to your investment goals?
- Has your risk tolerance changed?
- Have your 2017 income or savings needs changed?
- Do you plan on retiring or changing jobs?
- Will there be a change in your marital status?
- Do you plan on moving, refinancing or selling/transferring a major asset such as a home or business?
- Did you recently receive or anticipate receiving a gift or inheritance?
- Will you have any changes in your income needs +/- (i.e. vacation, assisted living needs, selling home, child/grandchild assistance)
- Do you anticipate any additional dependents such as an elderly parent or other family member? Will they require assisted living?
- Do you have a child/grandchild you will be assisting with their educational cost needs through a 529 plan?
- Do you anticipate any major transfer of wealth?
- Do you plan on gifting to heirs or donating money to charity?
- Do you need to adjust your estate plan?
- Do you maximize your ability to use retirement plans?
- Do you want to explore converting a traditional IRA to a Roth IRA?
- Do you anticipate any life, financial, or employment (retiring) changes that may require you to make adjustments to your life and health insurance policies?
- Did you contribute to an IRA? If not, would you like to discuss contributing to an IRA before April's tax deadline.
- Has anyone reviewed your portfolio to adjust/check your allocations?
- Has your portfolio been reviewed for interest rate risk?
- Would you like a complimentary financial check-up of your situation?

## **Important Birthdays**

- ➔ **50** Allows for catch-up contributions to IRAs and qualified retirements plans.
- ➔ **55** If you are retired, allows you to take distributions from your 401(k) without the 10% penalty
- ➔ **59½** Allows you to take distributions from an IRA, annuity, or other retirement plan without penalty
- ➔ **60** Allows for start of widow/widower benefits from Social Security
- ➔ **62** Allows for starting early Social Security benefits
- ➔ **65** Allows for enrollment in Medicare and the government drug plan
- ➔ **65-67** Allows for full retirement benefits from Social Security
- ➔ **70½** Mandatory required minimum distribution from retirement accounts must be taken no later than April 1st of the year after the year you turn 70½

***If you have an important birthday in 2017, please remind us!***

Please check any of the key items you anticipate will need to be addressed this year, then schedule an appointment with us to discuss your situation.

## ***Complimentary Financial Check-up***

If you are currently not a client of Presley Beane Financial Services, we would like to offer you a complimentary, one-hour, private consultation with one of our professionals at absolutely no cost or obligation to you.

To schedule your financial check-up, please call Jennifer Beane at 800-433-5808, and we'd be happy to assist you.



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Toll Free 800-433-5808  
[www.presleybeane.com](http://www.presleybeane.com)

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Sources: Fidelity Investments; Keebler & Associates

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