



Nasdaq Closing Bell *By Carol*

Sandy and I attended an ETF conference in early December and were part of the Nasdaq closing bell ceremony. You can see the video as shown on CNBC on the Asset Planning, Inc. Facebook page. It was the one time it paid to be short because I was able to be up front on the platform.

2015 Outlook & the Aging Bull Market *By Carol*

While 2014 was fairly calm, we expect more volatility in 2015. The three main factors that are lining up to be key in 2015 are lower oil, stronger US dollar and increased interest rates.

- Low oil prices are currently a drag on several sectors of the economy but lower oil prices should allow for increased consumer spending, which is one area of the market that still is in recovery mode and has room to grow.
- The strong US dollar has positive and negatives associated with it. While a strong US dollar makes foreign goods cheaper to buy it also makes American made goods more expensive to export. Large US companies are negatively affected by the strong dollar especially if they have high volume of sales that are overseas. Since those sales are recorded in foreign currencies that are weaker, it appears that they are selling their goods at a discount.
- The Fed is expected to increase interest rates in the second half of 2015. This will affect home mortgage rates (sales of homes), lines of credit and long term bonds.

Tax Time *by Erin*

TD Ameritrade and Schwab expect to send the official 1099 reports by mid-February. However they expect to have some corrections to their early data that will result in them having to send corrected 1099s. The corrections are usually minor and are due to mutual fund companies reclassifying gains as qualified or non-qualified. The 1099s should have complete cost basis information but if anything is missing please contact us and we will research and generate a report with the correct information. This year the 1099s will also have our advisor management fees on the summary page. If you have any questions or need any other information during tax time please contact us. *Continue on pg.2*

Your Virtual Estate by Sandy

Right now! Start the New Year right and write down your passwords and log in information to all of your important accounts that you use online. Banks, credit cards, mortgages, loans, online bill pay, airline miles, passcode for phone, pin numbers, utilities, and any site that may have a recurring fee being billed. If something happens to you, your family will need access to some log in information to access accounts. Keep the information in a secure place and let your trusted loved ones know how to access the information.

Here is a story: Husband did all the online bill pay and had things set up on auto pay. He died suddenly and the wife did not know log in information or passwords. The bank would not give her online access even though it was a joint account. His paycheck was no longer being deposited and checks were being sent via auto pay, causing overdrafts on the account. The bank would not help until they saw the death certificate (sometimes takes two weeks) and an attorney had to intervene for her. It was extra stress that was not needed for her at that time.

Tax Time continued....

It's also time to review your tax withholding status. If major change has come to your personal or financial life, it might be time to change your tax withholding or quarterly estimates. If you married or divorced, if a family member passed away, if you are self-employed now or landed a much higher-salaried job, or if you pay a lot of tax or get large IRS or state refunds you should review your current withholding with your tax preparer.

2015 IRS retirement contribution changes:

401(k), 403(b), 457, etc.

- Employee contribution limit is increased from \$17,500 to \$18,000.
Catch-up contributions for those 50 and older has been increased from \$5,500 to \$6,000.

IRAs

- The annual contribution limit is remaining unchanged at \$5,500 plus \$1,000 for those age 50 and up.

The adjusted gross income phase out for taxpayers making Roth contributions increased to:

- Singles & Heads of Household: \$116,000 to \$131,000
- Married couples filing jointly: \$183,000 to \$193,000
- Married filing separate: \$0 to \$10,000

Reminder: IRS new IRA rollover rule now in effect. As discussed in our 2014 2nd quarter newsletter, there are new limitations on IRA rollovers. Please feel free to contact to us to confirm your rollovers are in compliance so you don't trigger a taxable event.

2014 Market Recap by Carol

The market ended the year with solid returns. The S&P 500 stock index closed up 11.4% for the year and the Dow Jones industrial increased 7.5%. Barclays U.S. Aggregate Bond Index increased 3.4%. The leaders of the market in 2013 were a drag on the market in 2014. The International index (MSCI EAFE) lost 9.3% for the year and small cap stocks only increased by 2.5%. To put this more in perspective, if your portfolio is allocated as 50% fixed (bonds and cash) and 40% US equity and 10% international (stocks, mutual funds), then your 2014 performance benchmark is approximately 4-6% for the year. If your portfolio is more weighted with equity (50% US and 10% international) the benchmark return is 5-8%

Taking funds from the accounts

Please give us advance notice when you need to withdraw funds. Let us do the best work for you by analyzing the account and planning which investment is the best to sell to create cash. We always look at the tax ramifications, dividend/interest schedule, and overall asset allocation before any trade so the more time we have to do analysis and plan the sale, the better outcome for you. When a client writes a large check and then notifies us after the fact, we are scrambling to cover the check and may have to sell the holding that converts to cash the soonest. Stocks, bonds and mutual funds all settle to cash on a different schedule and sales can take up to three days to settle. As mentioned last quarter, any request for funds sent via email will be followed up with a phone call to the client to confirm the amount of the request and validity.

Our new addition is having a new addition.....

Samantha Garcia will be out on maternity leave as she is expecting a baby boy at the end of January. We wish her much joy in the new year!

Thanks to all that participated in the Gail Moreno Golf Tournament! We raised over \$15,000!