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Newsletter

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What did the Brexit vote mean? *by Sandy*

The European Union (EU) consists of 28 member states, covering 7.3% of the world population. The United Kingdom (UK), which is made up of England, Wales, Scotland and Northern Ireland, is the fifth-largest economy in the world. With high voter turnout, England and Wales voted to leave the EU while Scotland and N. Ireland voted to remain. The 51.9% majority voted to leave the EU for a variety of reasons, two of those being the ability to control immigration and save billions of pounds in EU membership fees. So, what exactly will happen if the UK actually leaves? I say if because millions have signed a petition for a "do over" vote and their Prime Minister has stepped down and will leave his position by October. How soon will the UK invoke Article 50 to begin the withdrawal process? How will trade agreements be reached and drawn up? How long will that take? So many unanswered questions. *Continued on page 2….*

Scary Markets *by Erin*

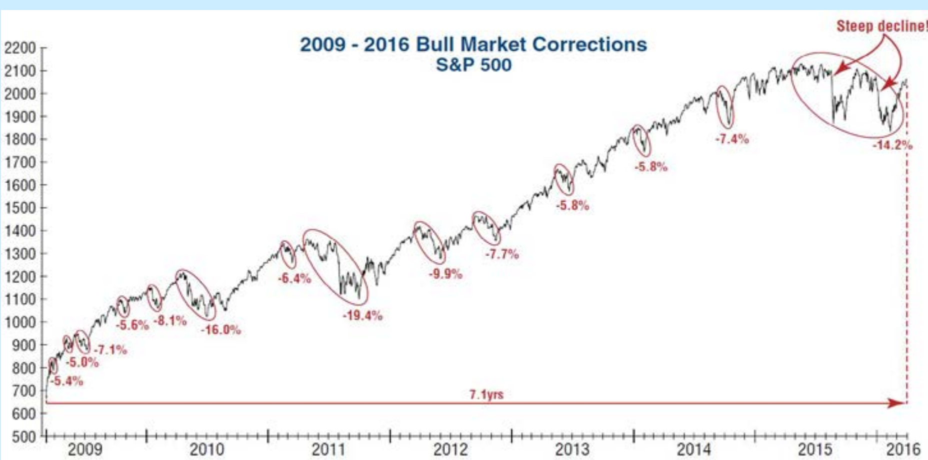

chart: InvesTech research

The S&P 500 experienced a rapid climb from 2012 to early 2015 with five single digit pullbacks, over five percent. While smooth sailing is pleasant, the longer the stock market is on cruise control, the more investors tend to forget how scary markets feel and begin to veer off course. *Continued on page 2…*

Understanding Medicare *by Carol*

Medicare seems like a simple concept but just like social security, there are many rules and details that you should understand. First of all, the best place to go for answer is: https://www.medicare.gov
The website is very informative and where I go to if I need to research a Medicare question.

The major components of Medicare are Part A, B, C and D. Parts A, B and D combined are comparable to a PPO insurance plan while Part C is comparable to a HMO plan. You must sign up at age 65 to avoid a penalty but if you can prove that you were covered elsewhere the penalty is waived.

Part A is Hospital Insurance. It is designed to help cover the cost of your care in a hospital, rehab facility, and home health care for a limited period of 100 days per benefit period. There is no premium cost for Part A but there is a $1,288 deductible per year.

Part B is Medical Insurance. It covers doctor services, preventive and outpatient care.

Brexit continued.... *by Sandy*

Bond yields plunged and the British pound hit its lowest level against the US dollar in almost seven years. Reaction and overreaction to the vote was immediately seen as the US stock market quickly dropped 870 points in two days. By Thursday, the Dow regained 789 points. The road ahead may be bumpy and our own general election may throw in a few potholes too. We are all actively reviewing holdings to buy and sell in the expected volatile months ahead. We are always looking for cash flow: stock dividends and bond interest adds stability to a portfolio. We will continue to look for good investments as we watch how this UK and EU scenario unfolds with reaction from global markets.

The more you praise and celebrate your life, the more there is in life to celebrate. -Oprah Winfrey

Scary markets continued... *by Erin*

Over this period of the 2nd longest bull market in history, investors have been pouring into passive stock index funds at the greatest rate since their advent in the 1970's. However, when the tide turns, those loading up on recent high performers are often the same ones to abandon ship at a market bottom only to get back on board once the seas are calm and the market has recovered, way past their exit point. The Fed interest rate increase in 2015 and now the Brexit vote has returned volatility to the markets and understandably worried some of you. Let the recent corrections serve as a reminder of why we go through the planning process with you and design portfolios to match your long term needs and goals with the knowledge that scary markets will appear unexpectedly. Please know that we have planned for and are prepared for the bad markets and are here for you to be the force of reason during very trying times and make sure your investments meet your needs for the long haul.

Medicare continued... *by Carol*

The premium cost for new enrollees is $121.80/month and your co-payment is normally 20% of the expenses incurred. The premium is deducted from your social security check but if you delay starting social security you must pay the premium directly to Medicare.

Part D is Prescription Drug coverage. This covers prescription drugs. This coverage is provided by an insurer that is approved by Medicare. To avoid a late penalty you should also sign up for this at the same time as part A & B. You can change the coverage in later years if the coverage is not enough.

Part C is medical insurance offered by private insurers. It is also known as Medicare Advantage. This is offered by HMO type insurers like Kaiser. Medicare deducts the cost of the insurance from your social security check and pays the insurer (e.g., Kaiser) for your benefit. Prescription drug coverage is normally covered as part of this plan too.

Next time, I will discuss medi-gap policies and Medicare premium amounts and what causes them to increase or decrease.

Year to date market recap by Carol

The underlying themes that were in play at the beginning of the year are still in play: International stocks are struggling while US companies and bonds are still posting positive returns in the portfolios. Technology and Biotech companies had great returns in 2015 and are now stalled and have large swings up or down in price on any piece of news especially when they report quarterly results. Real Estate (REITS) continue to outperform. The last increase in interest rates was in December 2015 and it does not seem likely that there will be an increase this summer.

	YTD June 2016
S&P	2.69%
DOW	2.90%
NASDAQ	-3.29%
Barclays US Agg Bond	4.27%
iShares MSCI EAFE (EFA)	-4.94%
60% Equity/40% Equity	2.61%
50% Equity/50% Fixed	2.76%