



HERITAGE
RETIREMENT ADVISORS

Retirement Transition Specialists

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Welcome to 2015!

We hope that you and your family had an enjoyable holiday season. As we look toward 2015, no one can predict with certainty what new changes or challenges may occur. Our goal this year is to continue to help our clients achieve their personal financial goals. To make that process more efficient, we are sending our clients a 2015 checklist with this letter so they can check off any of the items they anticipate they will need addressed this year.

One of our primary aspirations is to maintain our long-term relationships with our clients. As a firm, we 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 2015, 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;
- Regularly scheduled educational workshops on relevant topics;
- A continuous flow of meaningful articles on financial, tax, and estate planning topics; and
- Client Appreciation events.

We will continue to always be available to provide the proper attention that our clients and their finances deserve by offering a strong and frequent line of communication. 2015 once again allows us with the opportunity to help clients plan appropriately for their personal financial future. 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.

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. Our goal this year is to offer our services to several additional people like yourself. 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 (858) 487-1111 to schedule an appointment.**

We hope you enjoy this first client mailing of 2015. We look forward to a great year!

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Preparing for 2015

2014 was another strong year for equities. The S&P rose over 12% and the DJIA rose over 8%. Those investors whose risk tolerances and portfolios included equities in their portfolios saw strong returns. The year 2014 was a timid and confusing one for the bond market. Interest rates remained artificially low because of the Federal Reserve's "Quantitative Easing" policy, and continued to remain low even after its culmination. The Federal Reserve hinted at possibly increasing rates but did not do so in 2014.

So how do you prepare for 2015?



Planning for 2015 may be more confusing than 2014 because investors still need to be watchful of interest rates and a stock market that is at or near record highs. 2015 also brings a change in the political landscape that further complicates concerns. Many experts are predicting that volatility may return during the year. Our goal is to attempt to provide clients with guidance and support.

5 things to watch for in 2015

1. Potential interest rate changes

Economists generally expect that interest rates will rise in 2015. They predict that the Federal Reserve will raise the federal-funds rate from its current 0% to .25% by mid-2015 with the benchmark rate possibly reaching 1% by year end.

The health of the economy, geopolitical activity and inflation concerns could influence the timing and size of any interest rate movement. For 2015 investors should keep a watchful eye on the Fed. Source. (Source: *Barron's 11/2014*)



2. Stock market valuations

With equity markets near all-time highs most analysts are saying that stocks are neither cheap nor overly

expensive at today's current P/E multiples. Although the bull market is now six years old and the fourth longest in history, with interest rates remaining low most market strategists feel the overall market should rise again this year. They feel the lack of attractive alternatives and a stronger U. S. economy will help the market in 2015. (Source: *Barron's 12/2014*)

3. New political landscape



In November of 2014 voters gave Republicans the majority of both the Senate and the House of Representatives. President

Obama and Senate majority leader McConnell pledged to try to work together. House Speaker Boehner said that "finding common ground is going to be hard work, but it will be even harder if the president isn't willing to work with us. President Obama said, "It is time for us to take care of business." Obviously, this is an area that investors need to keep an eye on. (Source: *Barron's 11/2014*)

4. Volatility

Investors are starting to worry more, which means that we can have a return to market volatility in 2015. During the final quarter of 2014 events like falling sovereign yields to widening credit spreads, combined with declining inflation, falling oil prices and a soaring dollar, led to a more volatile equity market. This is an ideal time to review your holdings in preparation for any potential extreme stock market swings in 2015.

5. Your personal situation

Your personal situation is our highest concern. Our primary goal is to keep our clients informed throughout 2015. 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 together. 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 in working with you in 2015. Please help us identify which items you would like us to address with you this year.

- Have your 2015 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 expect any additional family members or dependents?
- 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 have or plan on creating an estate plan?
- Do you maximize your ability to use retirement plans?
- Do you plan on converting a traditional IRA to a Roth IRA?
- Do you anticipate changes to your investment goals? Will you still have the best strategy for those new goals?
- Are you updated on your portfolio positions and asset allocations?
- Are you aware of any potential tax strategies that may improve your tax situation for 2015?
- Do you or a dependent family member have a severe illness?
- 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 your IRA? If not, consider

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 & 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 2015, please remind us!

Please check any of the key items you anticipate will need to be addressed this year. If someone has not discussed them with you or you'd like a second opinion, please call our office to schedule a complimentary financial

Complimentary Financial Check-up

If you are currently not a client of Heritage Retirement Advisors, 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 Sue Piper at (858) 487-1111 or email her at

Sources: Barron's

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