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Look Back—2nd Quarter 2016

JIM'S JOURNAL

*"Nothing is more uncertain than the favor of the crowd."
Mircus Tullius Cicero (Great Roman orator, politician, 106-43 B.D.)*

The second quarter of 2016 was dominated by the anticipation and final vote of Britain to leave the European Union (EU). Commonly referred to in the media as "Brexit", the surprising vote to leave the EU was a "shot" heard around the world. On June 23rd, the United Kingdom electorate surprised most observers by voting to leave the multi-nation economic coalition. The vote to leave was by no means a landslide mandate. The 'Leave' camp secured 51.9% of the vote versus 48.1% for 'Remain'. World markets reacted violently. The British pound and world equities fell in unison. In contrast, government bonds rallied along with other safe haven assets such as gold, the US dollar and the Japanese yen. As a staunch supporter for remaining in the EU, Prime Minister David Cameron was rebuffed and subsequently resigned as head of the government. He was replaced by Conservative Party Leader, Theresa May. Although it is too early to determine what the long term impact of Britain leaving the EU will be, economic conditions in the UK and around the globe may prove challenging as time goes on. As the great Roman orator and politician, Marcus Tullius Cicero, said over two centuries ago, "Nothing is more uncertain than the favor of the crowd."

While we are uncertain of the long term consequences of this vote, there was an amazing comeback after the losses of June 24 and 27 (markets were closed June 25 and 26-weekend). Three days of gains following the Brexit vote chipped away at the losses leaving the major US indexes down only a fraction of their initial losses. It should come as no real surprise that after all the tumult of both the first and second quarter, investors are flocking to the relative safety of bonds and bond funds.

In a nutshell, the second quarter 2016 scorecard saw the DOW register a +2.1% gain and the S&P 500 move up +2.5%. The NASDAQ Composite was slightly down for the three months ending June 30 with a return of -0.5%. (Source: Wall Street Journal 7-5-2016 and Stock Trader's Almanac). U.S. Stock Mutual Funds landed below the DOW and S&P 500 with an average second quarter return of +1.8%. Gold Oriented Funds were the sector winner with an average return of +40.2%. Natural Resources Funds came in second at +10.6%. The Average Taxable Bond Fund returned +2.4% for the second quarter. (Source: Wall Street Journal 7-5-2016).

As we move into the third quarter 2016, the market has continued its post Brexit rise the first three weeks of July by reaching new market highs. One of the market analysts, who I have read for many years, is now predicting that the high for this year has already been achieved. He feels that near the end of July there will be a downturn lasting until the Presidential elections in November and then a year end spurt after the elections. Over the years, this analyst has been very astute in his market calls, let's see if he is right on this one.

Changing the direction and focus from the investing world for a moment - On July 13, I attended an AARP caregiver presentation called "Careversations". The event was held at the Livonia Community Recreation Center. It was a fun and friendly gathering with the goal of mixing and mingling with other family caregivers. When the attendees discovered that I was a Certified Financial Planner practitioner, I spent a good deal of time answering questions that were posed on wills, trusts and powers of attorney. I am not currently a caregiver for anyone but about ten years ago, Cecelia and I spent several years as caregivers for my father and step-mother. It was a very challenging time for us since we were both working. My dad and stepmom had varying stages of dementia which made the caregiving even more challenging. I decided to attend this session as a way to gather information that could be passed on to any of my clients who may need it.

The following introduction is from an AARP resource booklet that we were given:

"Caring for a family member or close friend is one of the most important roles you'll play. It may start with driving your loved one to get groceries or going to the doctor. Later, you may find yourself taking more time off from work, preparing meals or handling bills."

"No matter where you are in the journey of family caregiving-just beginning to anticipate a need, helping coordinate a big move, or taking care of a family member full-time--having a good framework to help guide both you and your loved one will make the process easier."

To help make the process easier for you, the second page of this newsletter will give a summary of the new Michigan Care Act (effective July 12, 2016) and provide a list of resources that may be used in your caregiver journey. This resource list is only a partial list. We will continue with the remainder of the list in future editions of the newsletter. Enjoy the rest of the summer and take good care!!!

Disclaimer: This newsletter is written for general information purposes only and should not be considered specific investment advice. Please make an appointment to discuss recommendations for your personal financial plan.

The Care Act

About 1.3 million Michiganders care for older parents, spouses or loved ones, helping them to live independently in their own homes. These family care givers have huge responsibility, and on July 12, a new law took effect that will make life a little bit easier for them.

The CARE (Caregiver Advise, Record, Enable) Act helps facility caregivers when their loved ones go into the hospital and as they transition home. Under the Care Act, Michigan hospitals will:

Allow patients to designate a family caregiver;

Notify the family caregiver when the patient is going to be discharged to another facility or back home; and

Give the family caregiver an opportunity for instruction and a demonstration of the medical tasks required when their loved one returns home.

AARP Michigan fought for the CARE Act because supporting care givers is a top priority for all of us. That way, you'll have important information about this new law available when you need it most.

(For more information about caregiving resources, visit aarp.org/mi or aarp.org/caregiving.)

Caregiving may be one of the most important roles you will ever take on in your life. You may have become a caregiver suddenly or perhaps your role has evolved over time. No matter where you are in the continuum of caregiving—starting to plan, helping to coordinate a big move, or taking care of a family member in your home—having resources at your fingertips will make the probes easier.

With many organizations offering different types of help and services, it can be a challenge to sort out the specific type of help or services best suited for your needs. AARP developed this resource guide with you—the caregiver—in mind as a starting point to help you find the services and supports you need throughout your caregiving journey.

We hope this resource guide can assist you in the following ways:

Help you get the type of assistance you need. This directory lists many government and nonprofit resources, which you can access both in-person and online.

Help you connect with others. You'll discover, if you have not already, that you're a part of a community of caregivers and caregiver supporters. You are truly not alone.

Help take care of yourself. This is a vitally important but something that many caregivers often overlook. The act of caregiving can take a physical and mental toll on the caregiver. So, its important that you make self-care a top priority.

MICHIGAN RESORCES

Following are local resources that can help to make caregiving easier. Some provide helpful information and others offer direct services such as help in the home, adult care, social services and support groups.

Aging Related

Michigan Department of Health and Human Services Aging & Adult Services Agency (AASA)

AASA coordinates services for Michigan's aging and adult population to help residents receive the services they need to maintain their independence and live healthier, higher quality lives. This state agency can connect residents with local agencies that offer programs and services including assistance for care caregivers, in-home and community services, and nutrition.

P.O. Box 30676, Lansing, Michigan 48909

517-383-8230 WWW.michigan.gov/aasa

OSAInfo@michigan.gov

Michigan Area Agencies on Aging (AAA)

The AAAs were established under the Older American Act in 1973 as "one-stop shops" to help connect with Americans 60 and over with the needed services in their local community. Michigan Area Agency on Aging work with a network of over 1,200 service providers across the state including county commissions on aging, senior centers and home health agencies. There are 16 regional AAA in Michigan. Your local AAA can help you connect with Meals on Wheels, apply for home-and community-based services through the MI Choice Medicaid waiver program, find respite care and more.

To find your local AAA visit www.mi-seniors.net/regionalmap or call 1-800-677-1116.

Michigan Long-Term Care Ombudsman Program

Long-term care ombudsmen advocate for residents living in state-licensed long-term facilities such as nursing homes, homes for the aged, and adult foster care facilities. Local-long term care ombudsmen can provide information about how to find an appropriate facility for your loved one. They are trained to resolve problems and can assist you with complaints.

1-866-485-9393

www.michigan.gov/osa/1,4635,7-234-64083_64551—,00.html

More resources to follow in August IPE.