



## Fall Greetings from API!

### *Medicare Premiums by Carol*

The law requires an increase to your monthly Medicare Part B & D premiums if you have “higher Income”. The higher your income, the more you pay. Most people do not pay the higher premium but we want you to be aware that this might happen if you sell a home or stocks with large capital gains or take large distributions from your IRA accounts because it will increase your AGI. Your 2017 Medicare premium will be based on your Adjustable Gross Income (AGI) from your 2015 tax return. Each year the premium is re-evaluated based on your taxes. If you have a large windfall in one year you will only have to pay the increase for one year and then the premium will go back down. The following is a table that shows the income amounts that were used in 2016:

Income Limits		Part B monthly Premium	Part D monthly Premium
Single: AGI of \$85,000 or less		\$ 121.80	your plan
Married: \$170,000 or less			\$(varies)
Single: \$85,000-\$107,000		\$ 121.80	
Married: \$170,000-\$214,000	plus:	\$ 48.70	\$ 12.70
Single: \$107,000-\$160,000		\$ 121.80	
Married: \$214,000-\$320,000	plus:	\$ 121.80	\$ 32.80
Single: \$160,000-\$214,000		\$ 121.80	
Married: \$320,000-\$428,000	plus:	\$ 194.90	\$ 52.80
Single: \$214,000+		\$ 121.80	
Married: \$428,000+	plus:	\$ 268.00	\$ 72.90

*Note: You can dispute the increase if your income has decreased substantially. The number one reason is due to death of spouse or divorce. The Medicare website has a list of what reasons are acceptable and what you need to do to dispute the increase. Continued on page 2...*

### *Wealth Investment Exchange-Austin, Texas by Erin*

I just returned from Austin, Texas where I attended the Wealth Investment Exchange which is a speed dating of sorts for advisors and fund managers. Over the course of three days, I had twenty minute meetings with dozens of mutual fund and ETF managers. We regularly meet with fund companies in our office to examine current and potential investment holdings for our clients. The Austin event, on the other hand, was a great way to scope out new fund companies, get updates on our existing funds, and get market perspectives from several industry experts in an efficient manner. The biggest topics of discussion were International markets and alternative investments.

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### *Account Security by Sandy*

The shocking news that Wells Fargo employees opened 1.5 million unauthorized accounts and 565,000 credit cards has caused concern for banking customers everywhere. For many years, Wells Fargo set up fake accounts with fake emails and issued credit cards without their customers consent. They charged \$2.6 million in fees to these accounts. When the fees were not paid, the customers were turned over to collection agencies and this impacted customers credit reports. Wells was fined \$190 million and they fired 5,300 employees. How does this level of fraud go on for years unnoticed? The person in charge of this division retired instead of being fired and received a \$125 million severance package.

Why do we insist on talking to our clients when we receive an email asking for funds to be sent out?

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### Medicare Premiums continued....by Carol

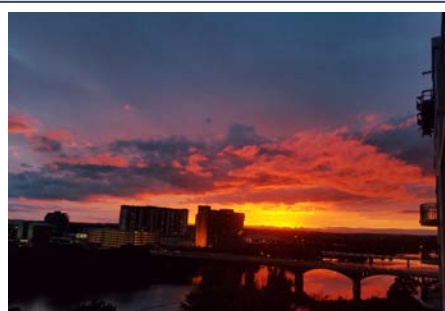
The Social Security cost of living increase and Medicare premium increase have not been announced yet but is expected to be less than 1%. The open enrollment period to change your Medicare plan is from October 15-December 7.

It is also that time of year for Open Enrollment if you are employed with benefits. Make sure you review all the benefit options you have and choose what is right for you. Take advantage of Flexible Savings accounts for healthcare or childcare. Has your income increased – did you also increase your 401K contributions?

### Wealth Investment Exchange-Austin, Texas continued...by Erin

Alternatives are assets that don't fall into the traditional stock, bond, and cash categories such as real estate, commodities, hedge funds, private equity, options, etc. Allocations to alternatives are growing largely in part to investors searching for returns greater than bonds and cash but less volatility than stocks. We do believe alternatives are a good source of diversification but on a small scale and carefully chosen. This is an area of the market where many exotic investments are falsely claiming to be low risk. The other main industry theme was if international and emerging market are finally attractive. We have kept our clients allocations in this space very low for about a decade despite the industry recommending the opposite. We are thankful to have gone against the herd as the US markets have outperformed greatly while the opposite has been true for the rest of the world. At some point, we will likely increase our foreign allocation as the valuations and geopolitical factors make sense.

*I took this picture from my hotel balcony waiting for the famed million plus Austin bat colony to take flight from the Congress Ave Bridge. Never saw the bats but what a beautiful sunset.*



### Market recap by Carol

The market was fairly calm this summer and had moderate gains overall. The major indexes are all positive for the year. Elections cause uncertainty which can drive market volatility. Some key points to note:

1. Markets tend to reward investors who take a long-term view.
2. Volatility is an inevitable part of investing-even when driven by political uncertainty.
3. Diversifying your portfolio helps manage volatility and market uncertainty.

Get out and Vote- I know sometimes it feels like your vote does not count but it does! California has the most propositions ever. I am going to vote via absentee ballot to make sure I don't feel rushed.

### Account Security continued...by Sandy

We do all we can to protect our clients. If we see a check written on your account that we did not anticipate, we will call you to verify it. We are very aware of fraud and how sophisticated the hackers and thieves have become and we are even more diligent in protecting your accounts. Don't forget to check your free credit report on an annual basis for open accounts you did not open.

Who will win the presidential election? How will the markets react to the winner? I do not know but I do dread the next 35 days of negative ads that both candidates will run. Just think of the millions and millions of dollars spent on ads that could have been directed to charities or finding cures for disease. We will do what we need to do to position and protect the portfolios no matter which candidate wins.

*Many of life's failures are people who did not realize how close they were to success when they gave up.*

*-Thomas Edison*

	YTD
	Sept. 2016
S&P	6.08%
DOW	5.07%
NASDAQ	6.08%
Barclays US Agg Bond	4.08%
iShares (EFA)Foreign	0.70%
60% Equity/40% Fixed	4.49%
50% Equity/50% Fixed	4.34%