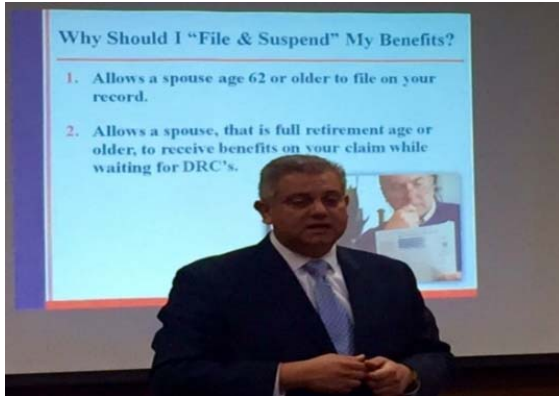




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3rd Quarter 2015

Social Security *By Sandy*



API hosted a seminar in July and our speaker was Jeffery Rodriguez, the Social Security Public Affairs Specialist. He covered every aspect and answered questions from the participants. We will repeat this again in the future if you missed it.

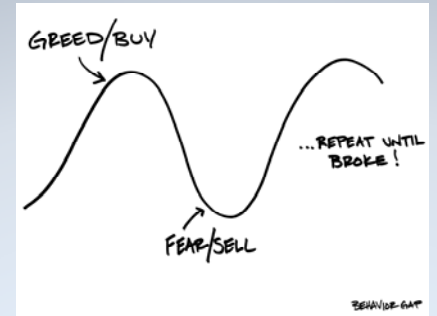
As predicted on our twitter post, we do not anticipate an increase in social security payments for cost of living increase this year. Premiums for Medicare Part B will rise so expect your SS check to decrease.

Follow our blog on the API website and twitter for current news

Real Estate *by Carol*

Home prices in Orange County recently climbed to their highest level since before the housing crisis. Home prices in Orange County and Los Angeles grew 5% from this past year. The median (midpoint) selling price in Orange County was \$680,000. The economists at Zillow recently forecasted no growth in home prices for Orange County for the next year mostly due to affordability issues. Typically when income is not keeping up with the increase in home prices then prices should stabilize or plateau. The only exception to this is when there's a severe shortage of housing inventory but home construction has been steadily increasing and is keeping up (not outpacing) with the demand. *continued on pg. 2*

The Markets



The markets have been brutal in response to the Chinese devaluing their currency, the plunge in oil and commodity prices. The S&P had the worst quarter in 4 years and was down 7% in the 3rd quarter. Our goal is to keep the portfolios diversified, focus on the long term and hold on to good existing holdings. If there is no solid rationale to sell then we do not want to turn paper losses into real losses. Though media headlines are filled with doom and gloom, leading economic indicators still point to further expansion in the US. GDP is positive and was upgraded from 2% growth to 3.9% for this year and unemployment is getting better. Trust that we acting in your best interest and will make changes in your accounts if needed.

Power of Attorney for IRAs by Erin

Sometimes clients mistakenly think their trust will govern their IRAs (& other retirement accounts) in the event of their passing or allow a loved to manage their IRA if unable to do so themselves. IRAs are in your individual name not the name of your trust. To leave your IRA to a loved one in the event of your passing, you simply fill in the beneficiary information of the account application. However, you need a Power of Attorney document if you want a loved one to manage the IRA on your behalf during your lifetime. Furthermore, most account custodians (i.e. TD Ameritrade, Schwab) have additional forms they would like signed by the client before the Power of Attorney becomes in force. Please review your estate planning documents or consult with an attorney to make sure you have done the proper planning with your retirement accounts.

Real Estate continued...

The other factor that I see keeping home prices stable is that renters are seeing their rent increase and are deciding to take advantage of low mortgage rates to purchase home and have their "rent" payment turn into a "mortgage" payment while building equity. There will be a point where mortgage rates will deter home purchases but that does not seem likely for the next 6-12 months.

API News

Our office assistant, Kimberly left ☺ to attend school full-time and earn a Master's degree in Communicative Disorders-Speech Pathology at the University of Redlands.

You will notice the statements have an updated look. We think it is easier to read and welcome any feedback.

Account Security by Sandy

I attended a conference on web security from TD Ameritrade. Their top recommendation was to not click on any link in any email since malware can be imbedded in the link. Another problem is when someone has their email hacked, many times they will not know. Hackers will monitor your email for days and read who your contacts are and read emails in your folders. They are looking for bank and securities account information. Passwords should not be written or accessible inside your email account.

DO NOT call TD or Schwab directly to have funds sent to you. They do not know your voice like your advisor does. Hackers have called TD and Schwab with hacked information and they try out different passwords to see if they work. Call us to have funds sent- we are trying to protect you from fraud. Do not email us for funds because we are required to speak to you. Hackers are getting very sophisticated.