



## **Save the Date: June 29, 2016 API Open House Party! Wine Tasting & Food**

### **Markets** by Sandy

I just returned from the Barron's Top Independent Advisor Summit where the most common topic was oil. The market indices swooned in January and February and managed to recover by the end of March. Oil and the Dow have been trading in lockstep, something they rarely do. The energy sector weight of the S&P was over 11% last year. Oil dropped to a low of \$26.21 a barrel in early February but recovered in March and is currently \$38.11. Many companies cut dividends, production, staff and payroll. There are no wells that are profitable to drill in the US right now. Globally, the number of rigs is down to 1,750, the lowest since 2002. Over 255,000 oil workers lost their jobs as companies make cuts or go bankrupt. States like Texas, Oklahoma, Louisiana, Alaska and North Dakota are having real difficulties as their economies are impacted. *Continued on page 2.....*

### **Welcome to API: Melani Port** by Erin

When you call our office you'll hear a new friendly voice... We are pleased to welcome Melani Port to the Asset Planning family. She will be serving as our Office Administrator.

### **New Rules coming for Financial Advisors** by Erin

The commission side of the financial services industry fought tooth and nail to prevent being held to the fiduciary standard when advising their clients however a major overhaul is coming to the industry this year.

Independent Registered Investments Advisors such as Asset Planning, Inc. are held to the fiduciary standard, meaning we are required to select investments that are in the best interest of our clients. The majority of the financial services industry is held to the suitability standard which means certain criteria has to be checked off such as age, income, net worth, etc. before a product can be sold to the client but said product doesn't have to be in the best interest of the consumer. *Continued on page 2.....*

### *ADV Notice* by Carol

It is that time of year in which we have to update our SEC registration and ADV disclosures. There were two material changes this year: The hourly rate for financial planning was increased for new clients and Samantha Garcia was added to the ADV brochure as an Associate Financial Planner. Enclosed is your copy of the Material Change notice. Please contact us if you would like a copy of the entire ADV mailed to you. You can also access our ADV on the internet via our website under resources or directly through the SEC: <http://www.adviserinfo.sec.gov/> Our SEC file number is 801-62993.

Our total assets under management as of December 31, 2015 were \$201,300,424. We are very excited to reach the \$200 million mark. We want to celebrate this milestone with you, our clients. We will be hosting an Open House at our office on Wednesday, June 29 from 4 pm – 8pm. We will be sending you an invitation with more details.

## New rules coming for Financial Advisors continued

Often clients are sold products with high fees and low returns because the advisor has a conflict of interest to recommend the investment product that garners the highest commission. Annuities are a prime example of an investment product that is gets sold without the client fully understanding what they are getting into. Annuities usually give advisors 7-10% commissions and imbed 2-3% in annual hidden fees. Advisors that sell annuities usually play up their "guaranteed" returns and or "safety" but fail to be transparent with how the money is really invested, how illiquid the product is, and how much potential gain is in it for the insurance company.

This year the Department of Labor is moving forward with new rules to make all advisors offering retirement advice to be held to the fiduciary standard. Currently, implementation and details are still being worked out. It looks like the new rule would only apply to qualified retirement accounts such as IRAs & 401k, leaving people still vulnerable to being sold inappropriate products with non-qualified money but at least the new rule is a step in the right direction to protect consumers.

## *Markets continued...*

Qatar, Russia, Venezuela and Saudi Arabia all agreed to hold production steady to boost the price, if others do. Iraq continues to raise production, as does Iran, now that their sanctions have been lifted as part of the nuclear deal. All told, there is excess production of one to two million barrels a day, over demand, hence the oil abundance sitting in tankers and in storage. The national average gallon of gas is near \$2.00. Russia relies on energy for 40% of its budget and Saudi Arabia relies on energy for 70% of its revenue so they are suffering as well. I believe oil will stabilize near \$45 near by the end of the year.

Janet Yellen cast a dovish tone to her remarks last week and revised her projected rate increases for the year down from four to two, or maybe just the one increase we already have. The yield curve steepened and the dollar weakened. Japan and Europe have negative interest rates policies right now.

## *Spring Cleaning by Carol*

As soon as I finish my taxes I also do some spring cleaning of my paperwork clutter and finances. Here are some tips to get your financial house in shape:

1. Organize financial papers: Do not leave financial documents around that contain information that could be used to steal your identity. Shred paperwork you no longer need. Save important papers in a secure place and if possible, digitally (scan and save on external drive/usb, etc.) and secure with a password.
2. Bills, pay stubs, bank and investment statements should be kept for one year and then just keep the year end summaries and shred the rest.
3. Keep invoices and all bills for major repairs, improvements and construction on your home. This is vital to have when and if you ever sell your home for increased cost basis.
4. Tax returns and all supporting documentation should be kept for at least 7 years.
5. Run your credit report to see if there are any unusual transactions.  
[Annualcreditreport.com](http://Annualcreditreport.com) allows one free report per agency per year.
6. Automate adding to investment and savings.
7. Adjust tax withholdings on your income (paycheck, IRA's, etc.) if you owed too much tax or received a large refund.