



BURNS INSIGHTS

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BURNS INVESTMENT GROUP OF STIFEL

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Happy Holidays! WHAT?

Where has 2015 gone? For me, this year has been flying by, and we are already in the last quarter of the year. It is already time to start thinking of making your holiday plans. On behalf of my whole team, we would like to thank all of our clients and business associates for the trust you have given us. The past two quarters have been a challenge for investors, but we continue to work diligently to help our clients make logical and strategic decisions. Where will the market end up? I cannot predict, but I am hoping that the markets give us a nice holiday gift versus a lump of stock-market coal.



Market Recap

Overall, the Dow Jones Industrial Average (DJIA) has been pretty lackluster. As I write this we are in our first 10% market correction in over four years. Historically, we usually get a correction of this size every eighteen to twenty-four months. So we shouldn't be surprised that we are having one now. With regard to valuation, we have been saying for most of the year that we believe the market is on the high side of reasonable. Right now, we feel it is reasonably priced.

Unfortunately, the DJIA isn't acting well. In using technical analysis (using charts as a visual picture to gain insight on market activity) we see several sectors of the DJIA whose charts are weakening or are broken down (the energy sector, for example.) As I have said many times, the world is a more complex and confusing place than the media portrays, and we will never be able to control or predict it. China's equity market has been particularly weak. Even though, Greece has gained a great deal of headlines, the "elephant in the living room" may be China. For us, we don't think this is a time to increase one's risk exposure or to do anything overly aggressive. We want to set the stage to have buying power available if prices become lower.

Lastly, the U.S. economy seems to be on firmer footing than the global economy. Many economies that are resource dependent have been very weak (Brazil and Russia, for example). On the other hand, our employment numbers are

strong, consumer and corporate leverage is historically low, and inflation remains low. We are pretty certain that the Fed will be moving interest rates up in the next few months. The market has already discounted that news in our opinion.

Remember, being a successful investor is like running a marathon. In the short-term there will be challenges. But a steady pace and remaining mentally resilient may help ensure long-term success. Don't let the increase in volatility deter you from your long-term goals of a potentially secure retirement. Never hesitate to call us if you need us to talk you off the proverbial ledge. The Burns Investment Group is there for you always!



Year-end Strategies

We want to use the next couple of months as we perform our portfolio review to empower each of you to look at an area over which you do have more control. Taking positive action in a few of these areas may help you get through whatever the market serves up. The following are a few areas you may want to take action:

Gain/Loss Review. For your taxable accounts (non-retirement accounts) we can try to minimize that capital gains tax impact by trying to net your gains with some losses.

Required Mandatory Distribution (RMD). If you are over 70 1/2, you know the drill. We need to make sure you have removed your RMD by December 31. If this is your first year being subject to this rule, we can educate you about what you need to do.

Update Your Estate Plans. If there have been changes in your life or familial circumstances, or if it has been many years since you have reviewed your estate plans, we encourage you do so. Laws have also changed. The plan you made years ago, may not serve your family today. It is important that you review executor and trustee nominations, as well as the terms of your documents. Let us know if you would like us to refer you to a local estate planning attorney to assist you in drawing up the proper documents.

Review Beneficiary Designations. This usually is regarding retirement plans and insurance policies. Beneficiary designations supersede what your trust states. There are cases where exes have received proceeds that probably should have gone to other family members. It happens.

Begin a “Dollar-Cost-Averaging” Program. If you are still in your accumulation phase of your life, we encourage you institute a long-term savings program outside of your retirement plans. These disciplined investment approaches may be accretive in helping to retire when you want.

Review Your Cash-flow. With so many people, there are holes in their monthly cash-flow. Is too much money going to service credit card or other consumer debt? Then try to pay it off or make extra payments. Do you have monthly expenses that you no longer need/use such as subscriptions or gym memberships? It may be time to cancel.



Quality of Life Recommendations

One of our common themes at the Burns Investment Group is that life is about relationships and experiences. The more time you spend with people you care about and doing things that you love to do, the more fulfilled your life will be. Here is a list of ten things you might do in the last quarter of the year.

1. Reconnect with an old friend.
2. Forgive someone.
3. Do an activity with a grandchild.
4. Have friends over for dinner.
5. Do a community service project.
6. Be grateful.
7. Tell someone in your family why he/she is important to you.
8. Organize something.
9. Go dancing
10. Throw something away.



‘Tis the Season

No not that season, it’s presidential election season already. A few weeks ago, I watched the Republican Presidential Debate. Even though it was three hours, it took me over four to get through it. I had to break-up my viewing every hour to help me keep my dinner down. I think it is human nature to think that our co-workers and acquaintances share our same outlook and point of view on life. But that is far from the truth. If you would like to maintain friendships and continued family harmony, I recommend you follow these conversation ground-rules:

1. Do not talk politics
2. Do not talk religion
3. Remember 1 & 2.

Compounding Appreciation

I learned to save from an early age. I opened my first savings account when I was around six years old. My first deposit was \$3. Not only did I love seeing a new deposit being manually recorded in my “passbook” (usually when I could scrounge up a dollar), I loved seeing the interest they paid me. The banks paid me to use my money. I was hooked on having my money work for me. If you want to see a pretty cool example of the power of compounding, do an on-line search for “grain of rice fable” or watch the story, “One Grain of Rice” on YouTube. This is something you could share with your kids or grandkids.

Disclaimer: Asset allocation/diversification does not guarantee investment returns and does not eliminate the risk of loss. Past performance does not guarantee future success and no one can predict the markets with any certainty. Dollar cost averaging does not assure a profit or protect against a loss. Investors should consider their ability to continue investing during periods of falling prices. Stifel does not provide legal or tax advice. You should consult with your legal or tax advisor regarding your particular situation. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. The Dow Jones Industrial Average is an index that shows how 30 large, publicly owned companies based in the United States have traded during a standard trading session in the stock market.



Referrals: Yes, please!

With my son, Noah, joining the Burns Investment Group of Stifel, we are looking to take on more clients. We are asking our clients to please keep us in mind in referring us to your family, friends, and business associates that may need help with their investment planning needs. We have an information packet available to introduce our services to any prospective client. Just call us, or have them call us, for a complimentary consultation or to get an information packet.

We are seeking clients with a minimum of \$250,000 investable assets and who are looking for a long-term relationship with a team of professionals based on mutual respect and benefit.

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