



This Publication Brought To You Courtesy Of:

STEVEN F. CARTER
CERTIFIED FINANCIAL PLANNER™, Practitioner

4225 Executive Square, Suite 1030
La Jolla, California 92037-1486
Phone: (858) 678-0579 · Fax (858) 546-0792
E-mail: steve.carter@lpl.com
www.stevencarterfinancial.com



CLIENT BULLETIN

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➤ *Brexit*

British citizens shocked the world when they voted to exit the European Union (EU) on June 23rd. The outcome came as a surprise, as early indications had shown momentum rising for remaining in the EU. What happens now is actually nothing. Article 50 of the Lisbon Treaty will be invoked to start the formal process of Britain leaving the EU. This would start a series of negotiations aimed at disentangling itself from a multiplicity of EU structures, a process that may take upwards of two years, and even longer, if the parties agree on the need. Until then the UK will continue to exist under EU law throughout the withdrawal process.

➤ *Short Term Uncertainty/Long Term Impact*

The full outcome of the “Brexit” will take years to develop, but for the immediate future it brings economic and political uncertainty to Europe. All major trading agreements between Britain and the EU member countries are now in flux until a new prime minister is elected in October - British Prime Minister David Cameron immediately announced his resignation after the vote results were in. Negotiations around the EU separation may be long and contentious - the EU has an incentive to take a hard line, lest they encourage other countries to take the same path. Italy’s populist party has already called for a national referendum on leaving the EU and the rise of populist parties in elections in France and Germany next year could energize voters to reject the EU and its bureaucracy.

➤ *Bigger Perspective*

While the Brexit vote is a blow to decades of movement toward globalization, it could be viewed as Britain’s July 4, 1776 moment. As free people British citizens rose up against a government headquartered in another country - which made 60% of its laws - and declared their independence. The British people can prepare to once again be masters of their own political and economic fates. It will no longer be forced to live under the EU's external tariffs. Possibly most important of all, Britain recaptures the sovereign right to determine their own immigration policies, including what welfare benefits immigrants receive, if any.

➤ ***Investment Implications***

With a drop in global equity markets, it is tempting to follow the herd of investors heading for the exits. It is important, however, to remember that your well-constructed portfolio includes investments designed to weather uncertain periods like these. It will take time for markets and policymakers to make sense of “Brexit” and price securities accurately. In the meantime, we will continue to behave as rational long-term investors, focusing on those instruments that offer the best possible opportunities for our clients over their investment time horizons. Remember your long-term plan that we’ve worked on. This is not the easiest to keep in mind in the moment, but it is disruptions like these that often create opportunities for long-term success.

➤ ***World Elder Abuse Awareness Day***

Launched in 2006, June 15th was World Elder Abuse Awareness Day to provide education, awareness and anti-scam programs to decrease the risk of the 57 million Americans aged 60 and older who face an increasing amount of fraud. It is estimated that \$36 billion worth of financial exploitation a year occurs from defrauding senior citizens. Many cases of exploitation and fraud are never reported due to embarrassment, fear, and lack of evidence so it is important to protect yourself and the people close to you by considering the following:

- Stop unwanted telemarketers by adding your name to the National Do Not Call Registry. Call 888.382.1222 or visit www.donotcall.gov
- Leave no trace: Always shred financial records when you no longer need them. Never throw them in the trash or recycling intact.
- Get a second opinion: Do not sign any documents that you do not completely understand.
- Be a skeptic: If it sounds too good to be true, it probably is!
- Avoid leaving “breadcrumbs”: Do not leave signs that you will be traveling. Avoid leaving notes on the door for delivery or sharing travel plans on social media.

(Source: National Association of Area Agencies on Aging)

➤ ***Digital Revolution***

The number of electronic devices that are connected online (e.g. laptops, smart phones, cars, appliances, watches etc.) surpassed the world’s population (currently 7.3 billion) in 2010. By 2020, the number of devices and objects that will be connected online is projected to reach 50 billion. (Source: Federal Trade Commission).

➤ ***Don’t Count on a Raise***

If inflation continues at its current low pace, 2017 may turn out to be another year when social security recipients will not receive an increase to their monthly retirement and disability benefits. If that happens, it would mark the second year in a row and the fourth time since 2010 that there will be no cost-of-living (COLA) adjustment in social security benefits. The Social Security Administration will make an official announcement about the 2017 COLA in October. (Source: Social Security Administration).

**The information contained in this newsletter is of a general nature and is not intended to be a substitute for specific individualized financial or tax advice. It should not be acted upon in your specific situation without further details and/or professional assistance. Investing involves risk including the potential loss of principal. No strategy or product can assure success or protect against loss. The economic forecasts may not develop as predicted and there can be no guarantee that strategies promoted will be successful.*