

HEDEKER
WEALTH

Welcome to 2016!

We hope that you and your family had an enjoyable holiday season. As we begin 2016, no one can predict with certainty what new changes or challenges may occur. Our primary goal this year is to continue helping clients achieve their personal financial goals. To make that process more efficient, please review the 2016 checklist in this letter and check off any of the items you anticipate you'll need addressed this year. Then bring it to your next review or call us and we can help you plan accordingly.

One of our key aspirations is to maintain our long-term relationships with our clients. We appreciate the confidence that you have shown in our firm. We are always available to provide the proper attention that you and your finances deserve by offering a strong and frequent line of communication. We are proud of our ability to understand and effectively respond to our clients' needs and concerns and enjoy providing information and services to our clients. As a firm, we constantly review the services that we provide for our clients each year. One of our company's main objectives is to always offer our clients a first class experience. For 2016, we will continue to offer the following services in addition to your personal meetings with our office:

Quarterly economic updates;

- Tax reports to keep you updated on opportunities and changes;
- Regularly scheduled educational workshops on relevant topics;
- A continuous flow of meaningful articles on financial, tax, and estate planning topics;
- Client Appreciation events, and
- A Client Introduction Program that thanks clients who support our "Growth Initiative."

This year, a theme you will hear from our office is that we are having a "**Growth Initiative.**" For 2016, we would like to offer our services to several other clients like you. As we review the growth of our company, many of our new relationships have often started with introductions from our best clients. Through these introductions we have been able to meet high quality people who may benefit from our services. Recognizing that, we are asking for your support. Throughout the year, we will ask you to either add someone's name to our mailing list or bring them to one of our educational workshops so we can share the information we provide about the current economic, estate planning, and tax environment.

As a valuable client, we always like to say "thank you" for allowing us to help you work towards your financial goals. We look forward to a great year!

Hedeker Wealth, LLC

Looking Ahead to 2016

The year 2015 started strong for investors, but in August took a quick downward turn. Investors whose risk tolerances and portfolios included equities saw moderate to low returns. Throughout the year, interest rates remained artificially low because of the Federal Reserve's delay in implementing their first rate increase. For the last 4 months of 2015, equity markets were highly volatile. The movements of financial markets reminded investors that sometimes it's the nature of the markets to move up and down over the short-term and market volatility is inevitable. That is why it is essential for us to understand our client's main financial goals and time horizons.



Planning for 2016 could be confusing and investors still need to be watchful. Rising interest rates, a volatile stock market, an active political landscape and fluctuating oil prices are issues that need monitoring. For 2016, caution is a central theme among many experts. Our goal is to provide clients with guidance and support.

Things to watch for in 2016

Potential interest rate changes

The Federal Reserve hiked interest rates for the first time in nearly a decade in December, signaling faith that the U.S. economy had largely overcome the wounds of the 2007-2009 financial crisis. The U.S. central bank's policy-setting committee raised the range of its benchmark interest rate by a quarter of a percentage point to between 0.25 percent and 0.50 percent, ending a lengthy debate about whether the economy was strong enough to withstand higher borrowing costs.

The Fed made clear that this foreseen rate hike was a tentative beginning to a "gradual" tightening cycle and that in deciding its next move it would put a premium on monitoring inflation, which remains mired below target. The Fed emphasized it would move gingerly into its tightening cycle. A December 9th Reuters poll showed economists forecasting the Federal Funds rate to be 1.0 percent to 1.25 percent by the end of 2016 and 2.25 percent by the end of 2017.

(Source: *YahooFinance.com 12/16/2015*)

Stock market volatility

Stock prognosticators by nature are an optimistic bunch, but their forecasts for 2016 are warning clients to expect

more volatility. As advisors, we will attempt to carefully monitor market conditions and our client's timeframes. For now, investors need to expect and prepare for what could be an erratic year in both equity and debt markets. (Source: *Wall street Journal 12/2015*)

Political landscape

Election Day is less than a year away. This year features a Presidential election and a field of competitive Senate and House races. While the political environment could change over the next few months, the landscape is largely set as a handful of races in each region will likely decide the majorities in the next Congress. Obviously, this is one of the key areas that investors need to keep an eye on.



Oil prices

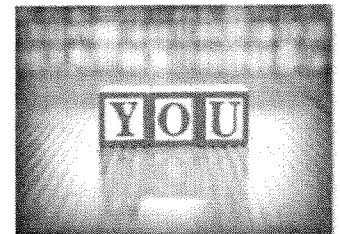
A barrel of Brent Crude traded consistently above \$100 between 2011 and 2015, but much has changed since it tumbled from \$115 in July 2014 to under \$37 a barrel in 2015 amid a global supply. Falling oil prices are helpful to consumers at the pump, but sadly they negatively impact the energy sector and the economy. For 2016, research company Moody's Investors Service lowered its prior price assumption for Brent Crude oil, the international benchmark, to \$43 from \$53 per barrel. Oil prices are another strategic area that we need to watch in 2016.

(Source: *CNBC.com 12/15/2015*)

Your personal situation

Your personal situation is our highest concern.

Our primary goal is to keep our clients informed throughout 2016. If you find you need to meet with us before your next scheduled review, please call our office and we will be glad to schedule time together.



Once again, we thank you for the opportunity to help you with your financial goals.

Here is a checklist of events and information that can help us advise you in 2016. Please help us identify which items you would like us to address with you this year.

- Have your 2016 income or savings needs changed?
- Do you plan on retiring or changing jobs?
- Will there be a change in your marital status?
- Do you plan on moving, refinancing or selling/transferring a major asset such as a home or business?
- Did you recently receive or anticipate receiving a gift or inheritance?
- Will you have any changes in your income needs +/- (i.e. vacation, assisted living needs, selling home, child/grandchild assistance)
- Do you expect any additional family members or dependents?
- Do you anticipate any additional dependents such as an elderly parent or other family member? Will they require assisted living?
- Do you have a child/grandchild you will be assisting with their educational cost needs through a 529 plan?
- Do you anticipate any major transfer of wealth?
- Do you plan on gifting to heirs or donating money to charity?
- Do you have or plan on creating an estate plan?
- Do you maximize your ability to use retirement plans?
- Do you plan on converting a traditional IRA to a Roth IRA?
- Do you anticipate changes to your investment goals? Will you still have the best strategy for those new goals?
- Are you updated on your portfolio positions and asset allocations?
- Are you aware of any potential tax strategies that may improve your tax situation for 2016?
- Do you or a dependent family member have a severe illness?
- Do you anticipate any life, financial, or employment (retiring) changes that may require you to make adjustments to your life and health insurance policies?
- Did you contribute to your IRA? If not, consider contributing to your IRA before April's tax deadline.

Important Birthdays

- ➔ **50** Allows for catch-up contributions to IRAs and qualified retirements plans.
- ➔ **55** If you are retired, allows you to take distributions from your 401(k) without the 10% penalty
- ➔ **59½** Allows you to take distributions from an IRA, annuity, or other retirement plan without penalty
- ➔ **60** Allows for start of widow/widower benefits from Social Security
- ➔ **62** Allows for starting early Social Security benefits
- ➔ **65** Allows for enrollment in Medicare & the government drug plan
- ➔ **65-67** Allows for full retirement benefits from Social Security
- ➔ **70½** Mandatory required minimum distribution from retirement accounts must be taken no later than April 1st of the year after the year you turn 70½

If you have an important birthday in 2016, please remind us!

Please check any of the key items you anticipate will need to be addressed this year, then schedule an appointment with us to discuss your situation.

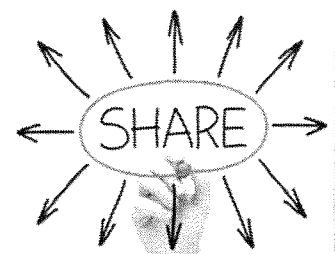
Help us grow in 2016!

This year, one of our goals is to offer our services to several other people just like you!

Many of our best relationships have come from introductions from our clients.
Do you know someone who could benefit from our services?

We would be honored if you would:

- ✓ Add a name to our mailing list,
- ✓ Bring a guest to a workshop,
- ✓ Have someone come in for a complimentary financial checkup.



Please call Cristina at Hedeker Wealth, LLC, (847) 913-5594 and we would be happy to assist you!

Dean R. Hedeker is a Financial Planner with Hedeker Wealth, LLC – An SEC Registered Investment Advisor

Note: The views stated in this letter are not necessarily the opinion of the custodians and money managers that we utilize, and should not be construed, directly or indirectly, as an offer to buy or sell any securities mentioned herein. Investors should be aware that there are risks inherent in all investments, such as fluctuations in investment principal. With any investment vehicle, past performance is not a guarantee of future results. Material discussed herewith is meant for general illustration and/or informational purposes only, please note that individual situations can vary. Therefore, the information should be relied upon when coordinated with individual professional advice. This material contains forward looking statements and projections. There are no guarantees that these results will be achieved. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio in any given market environment.

Due to volatility within the markets mentioned, opinions are subject to change without notice. Information is based on sources believed to be reliable; however, their accuracy or completeness cannot be guaranteed. Indexes cannot be invested in directly, are unmanaged and do not incur management fees, costs or expenses. No investment strategy, such as asset allocation and rebalancing, can guarantee a profit or protect against loss in periods of declining values.

In general, the bond market is volatile, bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. The investor should note that investments in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

The payment of dividends is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.

International investing involves special risks including greater economic and political instability, as well as currency fluctuation risks, which may be even greater in emerging markets.

The price of commodities is subject to substantial price fluctuations of short periods of time and may be affected by unpredictable international monetary and political policies. The market for commodities is widely unregulated and concentrated investing may lead to higher price volatility.

Sources: Wall Street Journal, Investment News, Bob Leclair's Finance and Markets Newsletter, BTN Research, Federal Reserve -By the Numbers, Barron's, Treasury Department, By the Numbers, Fidelity, March 2014, Bloomberg Finance, L.P. This article provided by The Academy of Preferred Financial Advisors, Inc. ©