

MONEY MATTERS

F A L L 2 0 1 6 E D I T I O N

SHOULD YOU DOWNSIZE

AFTER RETIREMENT?

The answer isn't simple.

RETIRING WITH VOLATILITY

Delicious Alternatives to

COFFEE

Fall Decorating

Bringing the
Outdoors Inside

SECURITYFIRST
ASSET MANAGEMENT

FALL WELCOME

A letter from Bill:

Dear friend,

Cheery greetings and a very warm welcome to our fall 2016 issue of the Money Matters newsletter. I'm honored to have the opportunity to share our views on several topics with you, and I hope you enjoy what you read.

The focus of this issue is home, because as summer ends and the days grow short, our focus turns inward to comfort and time spent with the ones we love best.

We look forward to fall with great anticipation. There are festivals to attend, fall vacations to enjoy and the Holidays are right around the corner.

As a child, I looked forward to back-to-school shopping and the excitement of a new school year even as I mourned the carefree days of summer. Now, I think more about how quickly the year has passed and how much is left to do before it ends.

With all the uncertainty facing investors this year, I am thinking about how best to prepare my clients to pursue their goals. The bull market has gone on for a long time.

In the fall issue, we share some tips for bringing the outdoors inside your home this fall and show you some delicious alternatives to your morning cup of coffee. Following our home theme, we discuss the advantages and disadvantages



of downsizing your house during retirement, leaving you with some questions to guide your thinking.

In our central piece, we share some lessons about surviving market volatility in retirement to help you adjust to today's market environment. With all the headwinds facing markets this year and next, we want to prepare you to thrive. While we can't predict where markets will go, we aim to help you stay informed and confident in the strategies we have developed together. If you know anyone who is struggling to stay balanced when markets swing, please share this article.

We're looking forward to enjoying a relaxing fall with you and hearing all about your summer adventures.

Thank you for making Security First Asset Management a part of your fall. Please accept our warmest wishes for you and your loved ones this season.

Sincerely,

Security First Asset Management

Bill, Daniel and Chad



We Are On The Radio

Retirement Income Solutions. Listen. Plan. Thrive!



NEWS
TALK **940**
WMAC

Saturday 3:00 p.m.

WNNG
AM 1350-FM 99.9

Saturday 10:00 a.m. & 2:00 p.m.

Sunday 11:00 a.m. & 2:00 p.m.

The New **Pure Country**
104.9 WMEG
Home of The Country Legends

Sunday 10:00 a.m.

SUDOKU

Sudoku or "single number" is a logic-based, number-placement puzzle. The objective is to fill a 9×9 grid with digits so that each column, each row, and each of the nine 3×3 sub-grids that compose the grid (boxes) contains all of the digits from 1 to 9 once.

6					9		4	5
	7		5	2				
	3							
	2					4	7	
		4	8		6			
5								8
	9	7		8	3	5		
			7		5		2	3
8			1	6	2			



Should You Downsize After Retirement?

The answer isn't simple.



It's a question as old as retirement itself: Now that the children are gone, should you downsize your home?

Maybe move to your favorite vacation spot to enjoy the sunshine and natural beauty? Or should you stay put, relaxing in familiar surroundings and a community you know well? Today's retirees enjoy more freedom than ever to choose where and how they live. Many retirees choose to downsize or move to be closer to family and to reduce housing costs.

As with most important personal and financial decisions, there are pros and cons to downsizing your home that you should consider.

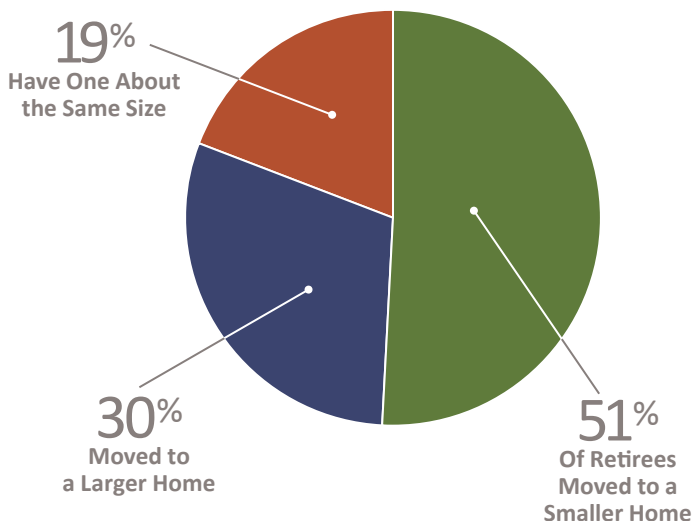
A NEW HOME FOR A NEW CHAPTER

Here are some of the potential advantages to downsizing and moving into a smaller house:

64% of retirees in a 2015 survey said they are likely to move at least once during retirement.

Source: Home in Retirement Report, 2015

DOWNSIZE OR UPSIZE? Retirees' most recent move...



#1. YOU COULD FREE UP ADDITIONAL CAPITAL FOR YOUR RETIREMENT.

For many retirees, their house is both their biggest asset and their biggest expense. If you have significant wealth tied to your home's equity, selling and downsizing can provide liquid assets to boost your retirement savings, especially if your home has a high market value and you sell at a good time. However, to make the most of this opportunity, you have to avoid the temptation to spend the windfall immediately.

A financial professional can help you determine whether selling your home and socking away some of the profits is a smart move. Though most taxpayers will be able to exclude some of the capital gains on a primary home from federal taxes, a tax professional can offer advice on your personal situation.

When looking for a new home, look for “naturally occurring retirement communities” with spontaneous gatherings of retirees and services that support aging.



#2. YOU CAN CHOOSE A HOME THAT SUITS YOUR RETIREMENT LIFESTYLE

Many home owners live close to work or their children's school. Choosing a home that suits your postwork life may be a better financial and psychological fit. Downsizing to a smaller property often means less maintenance, less time doing household chores, and more time enjoying hobbies and travel.

Your current home or neighborhood may also not be conducive to aging independently. If you're concerned about getting older, you can consider moving to a continuing care community or a neighborhood with better infrastructure for aging.

#3. YOU MAY ENJOY THE SIMPLICITY OF STARTING OVER

Now that the kids are gone, do you really need all that space? Many retired Americans enjoy doing away with the clutter of decades and starting over in a smaller home. If you feel as though you own too many things or your home is too big to manage, you might appreciate the freedom of downsizing.

HOME IS WHERE THE HEART IS

There are also some potential disadvantages associated with selling your home and downsizing in retirement. Think through these potential pitfalls before you post that “For Sale” sign in the yard.

PLANNED COMMUNITIES LURE RETIREES WITH

- Planned activities for a variety of ages and interests
- Support for aging through services and infrastructure
- Easy access to hospitals and medical care
- Low-maintenance housing designed to age with you
- Quiet neighborhoods
- Instant peer groups of friends and neighbors in the same stage of life

#1. YOU MAY LOSE CONNECTION WITH FAMILY AND COMMUNITY

If your family members and friends live close to your current home, moving to a new area could mean losing touch with the people closest to you. Don't underestimate the importance of feeling connected to the people and places you love.

If you have strong ties to your community, you might find it hard to replicate that same sense of belonging in your new locale, especially without the benefit of work or child rearing to foster new connections. Take the time to think about how you would build a support network in your new home.

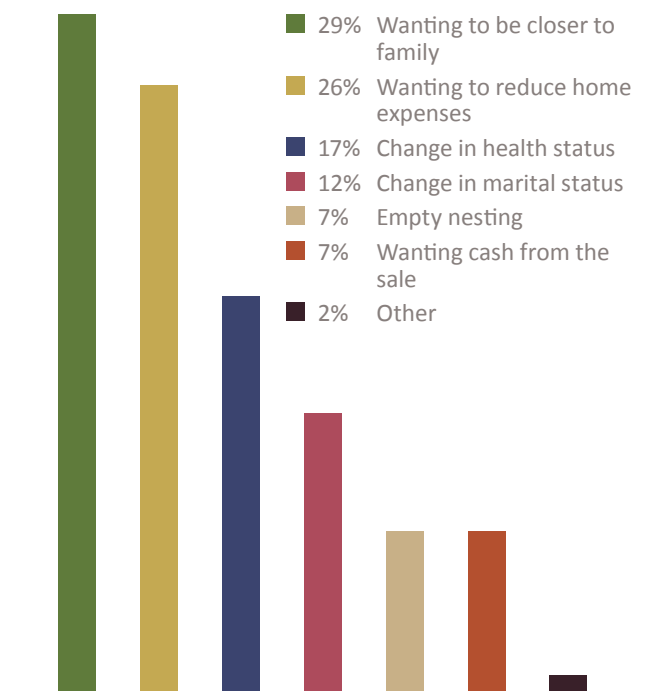
#2. YOU MAY HAVE LESS ROOM FOR FAMILY AND FRIENDS

If you enjoy hosting big family celebrations or want your loved ones to stay over, a smaller home might make it hard to continue the tradition. Retirees who still support (or expect

3 in 10 surveyed retirees moved into a larger home.
Why? The top reason was so that family could stay with them.

Source: *Home in Retirement Report*, 2015

Top Reasons for Moving in Retirement



to support) adult children should also consider “boomerang” home in the future. Think carefully about what role you expect to play in your family’s life after retirement and whether downsizing supports your goals.

#3. THE FINANCIAL SAVINGS MAY BE LESS THAN YOU THINK

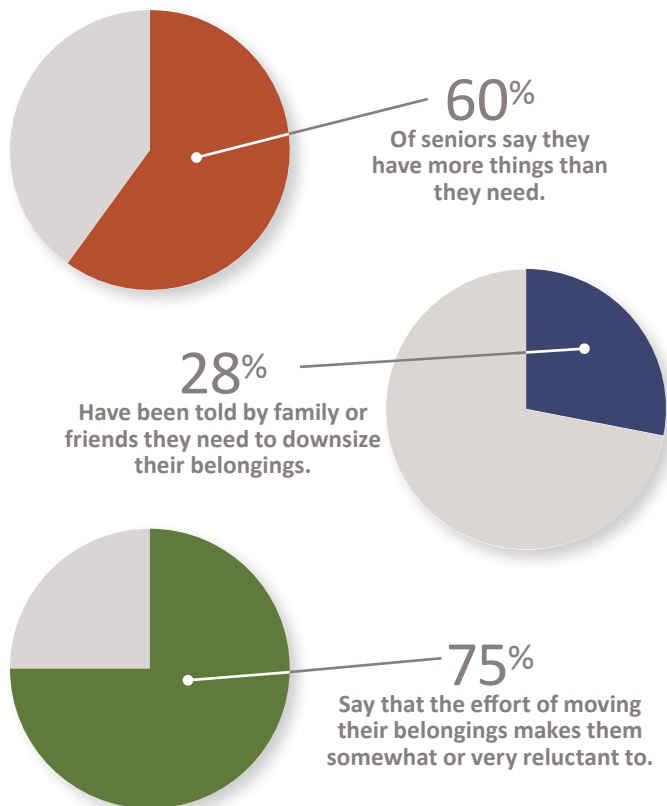
Though downsizing has the potential benefit of reducing the time and expense of maintaining a home, it may not save you as much money overall as you might think. Consider the expense of selling the old house and buying a new one, as well as the cost of moving, in your decision. You should also think holistically about car insurance, utility rates, and property taxes in your new location. Once you factor in all these costs, you might find that the annual savings aren’t worth the move.

BOTTOM LINE

Think long and hard before making such a permanent and life-changing decision as selling your home and moving. If you have considered all your options and believe that moving is the right decision, consider trying out your new neighborhood with a short-term lease before making the move permanent.

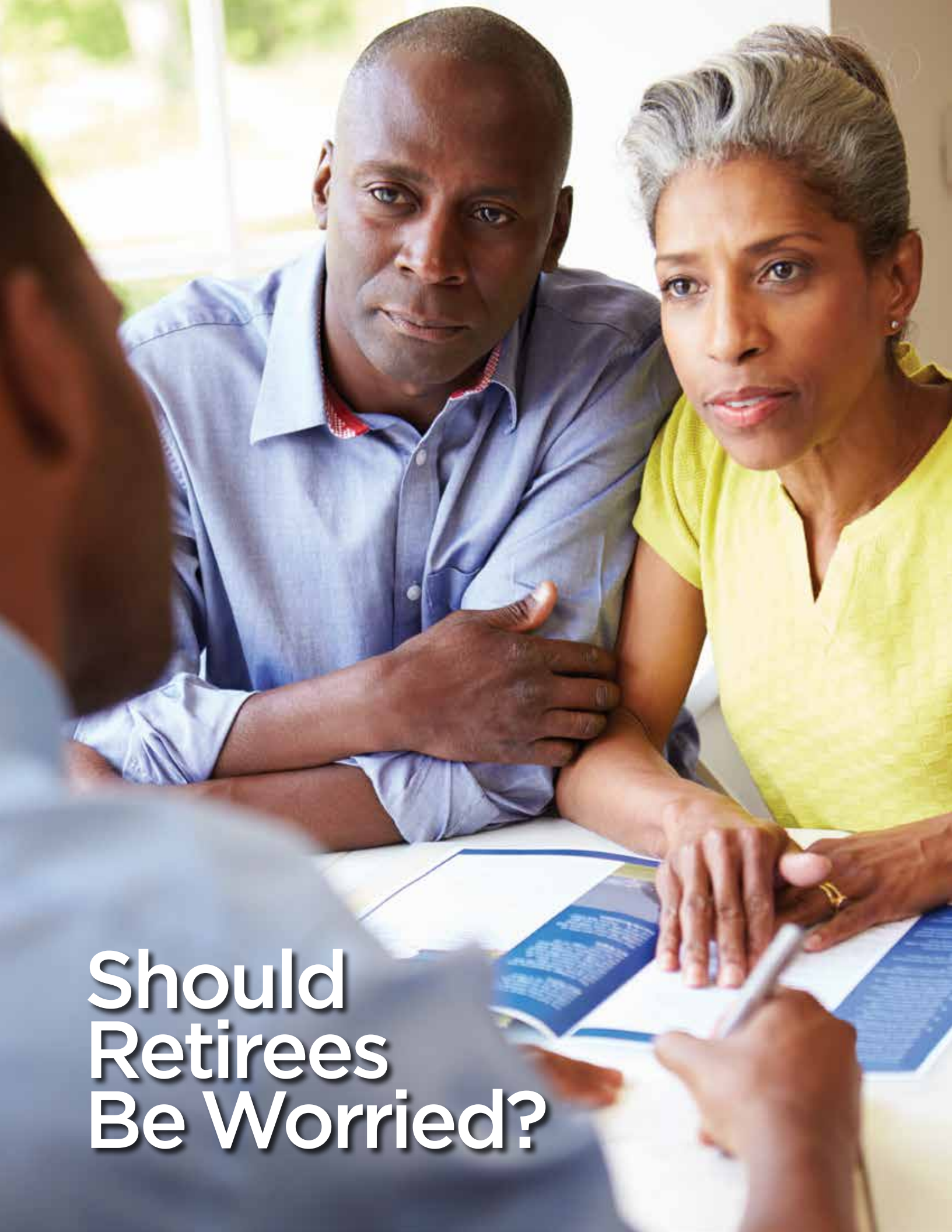
If you have questions about downsizing or would like help calculating the costs and benefits of a move, give us a call. We would be happy to assist you in making the most of this important decision.

Do your possessions own you?



When running the numbers on downsizing, include all possible expenses, including:

- Selling expenses
- Closing costs
- Moving expenses
- Remodeling and furniture costs
- Property taxes
- Utilities
- Insurance on your car and home



**Should
Retirees
Be Worried?**

Retiring with Volatility

Market volatility is a historic inevitability; as a long-term investor, you are guaranteed to experience years of volatile or negative portfolio growth. If volatility coincides with your retirement, you might be worried about how it may affect your savings and income.

While history tells us that stocks perform well over the long term, in the short term, market shocks like low crude-oil prices, geopolitical uncertainty, and concerns about the global economy can cause markets to fluctuate severely.

SHOULD I BE CONCERNED ABOUT STOCK MARKET VOLATILITY?

Anxiety about market volatility is normal. Over 60 percent of advisors in a recent survey reported increased contact from their retiree clients after a period of significant market turbulence.¹ However, it's critical not to let your worries take over and derail your investment strategies. One of the worst things you can do as an investor is panic and sell during a downturn. Unfortunately, that's exactly what many investors do, harming their long-term financial goals.

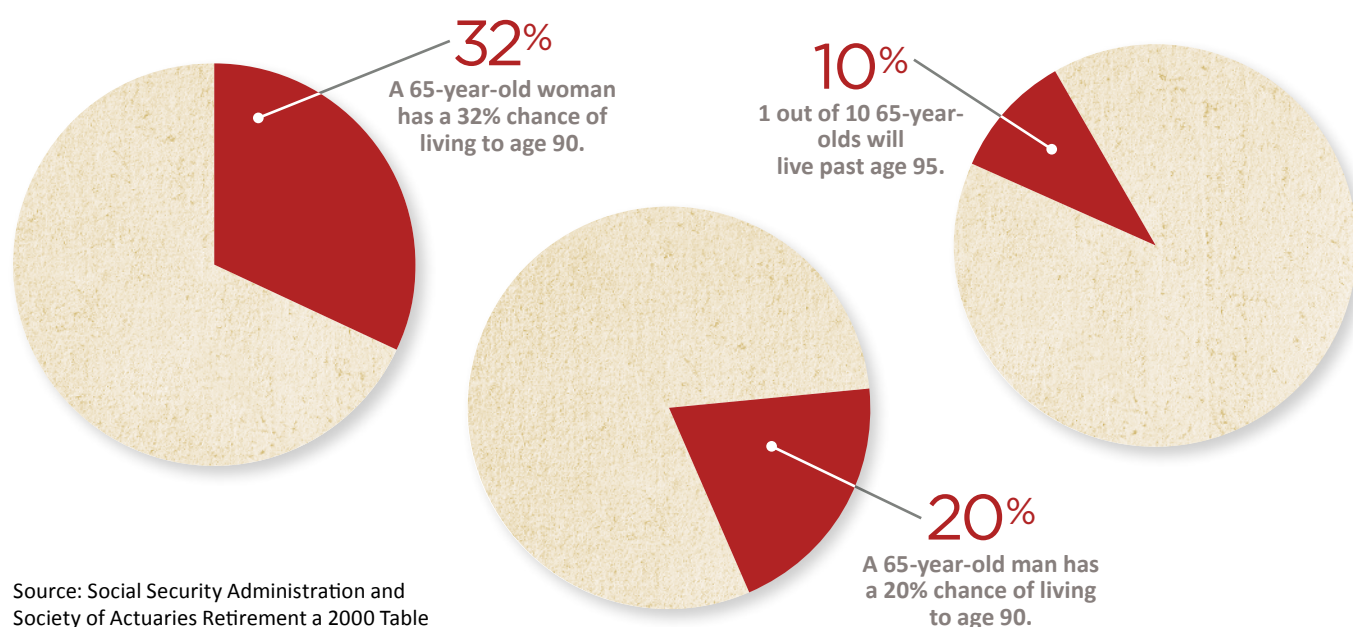
The good news is that despite headlines to the contrary, long-term volatility hasn't actually increased. A recent study that examined stock returns between 1926 and 2014 found that while large daily price fluctuations may occur more frequently, they are usually offset by similar daily rallies.² Market volatility hasn't discernibly increased when measured over periods longer than days. Since we can't predict when volatility or pullbacks will strike, it's important to make advance preparations to mitigate the effects of volatility in your retirement strategies.

WHAT SHOULD I DO IF MARKETS ARE NEGATIVE MULTIPLE YEARS IN A ROW?

One of the major risks facing retired investors is the effect of multiple bad years of performance. What professional investors call "sequence-of-returns risk" is a real problem to consider, because liquidating investments for income in a bad market can amplify the effects of negative returns on your savings. While we can't predict the timing of market returns, we use sophisticated models to test many market scenarios and create retirement strategies that take into account the risk of a sustained period of declines.



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Another way that we manage the risk of bear markets and volatility is by creating multiple streams of income, such as Social Security, a pension, dividends, and income from rental properties and other sources, so that our clients aren't completely reliant on the stock market to support their retirement spending. Creating an income floor can help ensure that your basic living expenses are covered, regardless of how the stock market is performing.

WILL I HAVE TO CUT DOWN ON MY SPENDING IN RETIREMENT?

One way to mitigate the effects of volatility is to be flexible in your retirement spending. If you can reduce your portfolio distributions during poor or volatile markets, you can reduce the negative effects on your overall portfolio. Having the flexibility to increase distributions during good years and reduce them in bad can vastly improve the health and longevity of your portfolio. Relying on alternate sources of income can help you meet your financial needs without relying entirely on liquidated investments.

WILL I NEED TO DEFER RETIREMENT?

If you reach retirement age during a period of extreme volatility or a downturn, you may want to speak to your financial professional about the timing of your retirement. In some cases, deferring retirement for a few years to accrue additional savings or give your portfolio time to recover can be a savvy move. In others, gradually transitioning into retirement and limiting the distributions you take from your portfolio can also mitigate the effects of volatility. However, the decision of when and how to retire is a complex one in which your

financial situation is just one factor. It's always a good idea to speak to your financial professional about any and all of your concerns as you make preparations for your retirement.

Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

IT'S IMPOSSIBLE TO PREDICT WHAT MARKET CONDITIONS YOU WILL FACE IN RETIREMENT.

Market performance in the years immediately before or after retirement can have an enormous impact on your financial well-being.

While some investors respond to the risk of stock-market volatility by getting out of markets entirely, we believe that thinking is flawed. With American life-spans increasing each year, retirees can expect to spend twenty or thirty years living on their retirement savings. Investing too conservatively can increase the risk that a retiree will run out of money later in life.

If you're worried about the impact of volatility on your retirement savings, give us a call to talk about how we can help guard against this risk and strengthen your retirement strategies.

Source:

¹ retirement.theamericancollege.edu/sites/amcol-nylcri/files/RICP_Volatility_Flash_Survey.pdf

² www.usatoday.com/story/money/columnist/powell/2016/06/01/stock-volatility-volatile-retirees/82896534/

Creating an income floor can help ensure that your basic living expenses are covered, regardless of how the stock market is performing.

Pension



Dividends



Income from
Rental Properties



Social
Security



Delicious Alternatives to Coffee

Coffee is a popular and ubiquitous morning beverage, but it's far from the only option to get your caffeine fix. Plenty of well-known and lesser-known alternatives provide a similar dose of satisfying warmth and flavor. If you dislike the taste of coffee, want to break a caffeine addiction, or just want to change up your morning a little, try one of these satisfying options.

Yerba maté

Yerba maté is a traditional infused tea that enjoys great popularity in South America. Made from a relative of the holly plant, yerba maté contains high levels of caffeine, similar to those found in coffee, but is less acidic than coffee and gentler on the stomach. It also contains a multitude of vitamins, minerals, and antioxidants. Add milk and sugar to yerba maté or drink it on its own, Argentine style.

Black tea

Black tea, made from the leaves of the plant *Camellia sinensis*, has less than half the caffeine of coffee – about 40 mg per cup (versus 105 mg per cup of coffee). If you're trying to cut back on caffeine but still want a little boost, black tea might be, well, just your cup of tea. It comes in several varieties and flavors, including fragrant Earl Grey, robust English breakfast, and spicy Indian-style chai. Enjoy black tea on its own or with milk and sugar.

Green tea

With its delicate flavor and pale green color, green tea is a lighter alternative to black tea. Typically, green tea has about half as much caffeine as black tea does. It also contains cancer-fighting antioxidants and is known for its metabolism-revving properties. A squeeze of lemon or a few crushed mint leaves pair well with the flavor of most green teas.

Ginseng tea

Ginseng is known for its ability to improve concentration, regulate digestion, aid in weight loss, and boost immunity. With its myriad health benefits and earthy, licorice-like flavor, tea made from fresh ginseng makes a unique alternative to

Pairing Tea with Food

There is an art to unlocking the flavors in food and tea by creating complementary pairings. The idea behind a pairing is to enhance the taste of both food and drink and highlight certain flavors. Remember that pairing ideas are always guidelines; don't be afraid to experiment on your own.

Black tea with sharp cheddar

Black teas have strong tannic flavors that can stand up to robust flavors. A good aged cheddar will help round out the flavor of the tea. Add sweet pastries for a whole experience.

Green tea with chicken salad sandwiches

A fruity green tea like Japanese sencha (brewed hot or iced) will pair well with a simple chicken salad served on croissants or another unsweetened bread. The mild flavors of the salad will bring out the natural sweetness of the tea.

White tea with ricotta

Don't overwhelm white tea's delicate flavor with a bold partner, or it will seem as though you're drinking hot water. Instead, try it with a good-quality ricotta or other mild cheese on plain crackers.



coffee

coffee. Brew a cup of ginseng tea by steeping a tablespoon of freshly shredded ginseng root in hot but not boiling water. Honey can be added for a touch of sweetness.

White tea

White tea is black tea's more delicate cousin. Its leaves and buds are harvested early and then allowed to wither under the sun, producing a tea that is mild and naturally sweet. This process also helps prevent oxidation, allowing white tea to retain more antioxidants than other varieties. Brew white tea at a lower temperature than other teas, and enjoy it plain or with a teaspoon of honey.

Green smoothie

Drinking a green smoothie in the morning is an efficient and delicious way to get a jump-start on your nutrition for the day. Endlessly customizable, a green smoothie can be

whatever you want—just blend several generous handfuls of leafy greens, like spinach or kale, with your favorite fruits and a liquid base, like water or almond milk. Add some yogurt or nut butter for extra protein, or try mixing in cocoa powder or cinnamon for a flavor boost.

Coffee is a beloved morning staple for many people, but there are plenty of other delicious options to start your day off right. Whether you prefer your morning drink with or without caffeine, familiar or exotic, steaming hot or chilled, there's something out there to suit your tastes. Try waking up with one of these coffee alternatives, and it might just become your new favorite morning ritual.



Fall Decorating

Bringing the Outdoors In



Decorating for fall by bringing outdoors elements inside the home is no longer limited to a basket of pine cones or an artificial maple leaf wreath. Beautiful homes are alive with fall colors and objects from nature. And there is no better time than autumn to bring some of that fallen beauty inside. Here are a few ideas to get you started.

Decorating with *Twigs and Branches*

Wood is a warm and inviting element that adds rustic, homey appeal to any decorating scheme. And the best part is that it's quick and easy to collect. When working in your yard or on walks around your neighborhood, keep your eyes open for beautiful fallen branches and twigs.

Here are a few simple ideas for incorporating them into your decor.

- Design a window treatment. Simply gather a few long, thin branches or twigs and tie or wrap them to your existing drapery rod for an instant woodsy appeal.
- Create votive holders. Collect some small, straight sticks from the yard. With heavy scissors, cut them to equal lengths. With a glue gun, glue them around the perimeter of a glass votive holder. Tie with raffia or fall ribbon to create a lovely fall candleholder.
- Build a beautiful table centerpiece. Find sticks of varying lengths and shapes. Look for interesting shapes, bark patterns, and moss. The more interesting the better. Tie them together with a pretty ribbon or raffia, and stand them in a vase. Instantly, you have a beautiful centerpiece for your table. For longer branches, you could use the same concept and stand them in a floor vase.

Decorating with *Fall Leaves*

Autumn is a feast for the eyes, with all the pretty fall colors adorning the trees and ground outside. Bring some of those beautiful hues indoors with these easy ideas.

- Make wreaths. It couldn't be easier to make a pretty autumn wreath or swag using real leaves. All you need is a straw base from the craft store, floral pins, a collection of fall leaves, and a pretty bow. Simply pin your leaves onto the wreath base, attach the bow, and hang.
- Create candleholders. Many fall leaves are translucent enough that candlelight will glow warmly through them. Gather autumn leaves and attach them to the outside surface of glass candleholders with a dot or two of heat-resistant glue. To prevent fire, be sure the leaves don't come into contact with the candle flame.
- Frame fall leaves. Framed leaves make beautiful seasonal art for your walls. Look for fall leaves at the peak of their color. Glue them individually or in groups inside of a simple frame.
- Make leaf prints. Get your kids to help you make decorative leaf prints. Look for leaves with interesting shapes and patterns. Using acrylic paint, paint one side of the leaves with fall colors. Turn the painted side of the leaf over onto watercolor paper or other heavy paper and press. Remove the leaf. Frame your fall print, and display on the wall.

Don't allow beautiful fall leaves and interesting branches and twigs to stay on the ground outside this fall. Bring them inside and incorporate them into a beautiful autumn decorating theme.

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inside





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*Macon meeting location is an office of convenience and does not receive mail/correspondence.

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The background of the bottom half of the page is a dark blue or black color with a repeating, intricate, light-colored damask or floral pattern. The title "MONEY MATTERS" is written in a large, white, serif font, with the letters "M" and "M" being significantly larger than the other letters. Below the title, the words "FALL 2016 EDITION" are written in a smaller, white, sans-serif font, with spaces between the words.

MONEY MATTERS

FALL 2016 EDITION