



New Year's Resolutions



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Happy New Year! 2015 is here entering the opportunity for a great fresh start to a new year and we hope you "begin it well"!

As we focus on our new year, we might think about two of the most useless phrases in the English language: "what if" and "if only". We waste so much time and energy thinking about what we might have done and wishing we had acted or reacted differently. We imagine how things might have turned out "if only..." All of us make mistakes or wish we made different decisions. To go back and wonder and wish about 2014 prevents us from living fully today and throughout the year. Each day is a fresh chance; a new beginning. According to well-known psychologist, we can only "squeeze what we can out of the moment and let the drops fall where they may. Some will evaporate and some will form rainbows."

It's funny how New Year's Day provokes New Year's resolutions in people. The tradition of New Year's resolutions dates all the way back to 153 B.C. January is named after Janus, a mythical god of early Rome. Janus had two faces — one looking forward, one looking backward. According to the



Romans, this allowed him to look back on the past and forward toward the future. On December 31, the Romans imagined Janus looking backward into the old year and forward into the New Year. This became a symbolic time for Romans to make resolutions for the New Year and forgive enemies for troubles in the past.

The Romans also believed Janus could forgive them for their wrongdoings in the previous year. The Romans would give gifts and make promises, believing Janus would see this and bless them in the year ahead. And thus the New Year's Resolution was born!

In modern times, here are some interesting statistics about the American Tradition:

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| Percent of Americans who usually make New Year's Resolutions | 45% |
| Percent of Americans who infrequently make New Year's Resolutions | 17% |
| Percent of Americans who absolutely never make New Year's Resolutions | 38% |
| Percent of people who are successful in achieving their resolution | 8% |
| Percent who have infrequent success | 49% |
| Percent who never succeed and fail on their resolution each year | 24% |
| People who explicitly make resolutions are 10 times more likely to attain their goals than people who don't explicitly make resolutions. | |

(Source: Statistic Brain – Research Date: January 1, 2014)

Although the statistics may be anecdotal to success, you cannot ignore the last point . . . *those who make resolutions are 10 times more likely to attain their goals.* We find this to be true and why we stress that all clients need a plan that includes short and long-term goals, accumulation goals, cash flow and expense analysis, and proper estate and tax planning goals. These are paramount in seeking to attain success and peace of mind, they and do not need a New Year's resolution to define. However, they do need ongoing review and analysis.

To that regard, we have been planning for our upcoming meetings in 2015. Although our plans are not resolutions, we will focus on one issue per quarter, knowing some of the topics will flow into follow-up meetings. To start, we will focus on beneficiary designations for retirement and "TOD" accounts. Although we have access to accounts currently managed through Kemp Financial Management, it will be a great reminder to review beneficiary designations on employer related retirement accounts as well. We want to ensure the designations are listed properly across the board so that all of the wishes of our clients are understood and followed. As we bring on new clients, we find this area to be overlooked by other firms. Please let us know if anything has changed in your personal situation.



GUIDING CLIENTS
TO FINANCIAL SECURITY

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***Finish each day and be done with it.
Tomorrow is a new day; begin it well.***
—Ralph Waldo Emerson

During the year, we will also focus attention on current estate planning issues that may impact your personal estates going forward. Through conversations with estate planning attorneys, along with our continued education at breakout sessions at our National Educational Conferences, we have identified topics that may be relevant to your personal estates. This will allow you the opportunity to determine whether or not it makes sense to modify your current estate plan with your attorney. Once again, the intent is to make sure your strategy is current and designed to be aligned with your personal goals.

Throughout the summer months, we will spend time on our favorite topic, cash flow. We will continue to monitor existing cash flow and expense needs. We will also review future retirement cash flow needs and ongoing accumulation assessments for those approaching retirement. As this is part of our ongoing support, we want to make sure we are on track for those currently needing income as well as for those that will require income in the future.

Finally, throughout the year and specifically during the fourth quarter, we will focus on tax planning. We will concentrate on IRA minimum distributions, capital gain distributions, realized and unrealized gains and losses, and any "tax loss harvesting" strategies to help mitigate personal income taxes from investment related activities as best as possible. This is something we as a firm focus on each and every year and remain committed to assisting you wherever possible. As we meet throughout the year, it is important for you to share any activities that may be tax related to help us assess your situation as well as search for possibilities to offset, or perhaps, defer to subsequent years to control your taxable income.*

Although 2014 was an extremely volatile year, the capital markets did end in positive territory with the S&P 500 index up approximately 11.4% and

small company stocks up 3.50% as measured by the Russell 2000 Index (Source: *The Wall Street Journal*). Although a positive year for US stocks, it was not so positive in the bond market. No, this did not have to do with Bill Gross moving from PIMCO to Janus in the fourth quarter of 2014, but from simple supply and demand economics as investors feared increased interest rates from the unwinding of the Federal Reserve's monetary support. Investor's behavior in bonds moved prices up with bond yields declining as much as -0.87% for the year. Furthermore, the international indices were negative from -6% to -8% (Source: MSCI) depending upon whether you track International Large, Small or emerging market stocks.**

2014 did however demonstrate dissimilar price movement among the major asset classes as indicated by the year performances. As we know, it is important not to put "all your eggs in one basket", so one should not "load up" on US equities based upon its growth in 2014. Nor should one lose hope on the global economy based upon its drag on performance in 2014. One should however rebalance their portfolio to take advantage of the growth by selling "high" and buying "low". Furthermore, the focus should still remain on long-term goals and portfolio allocation based upon your unique situation. All-in-all, 2014 was a slightly positive year for diversified portfolios, while providing an opportunity to rebalance along the way.

As we cannot change 2014, we do look forward to 2015 based upon continued economic developments throughout the US and the world. We are excited for our upcoming meetings and we appreciate your ongoing confidence in our firm as recognized by your continued introduction of new clients throughout 2014. To close, we wish you and your families a very healthy, happy, and successful 2015 and beyond. You may want to give resolutions a try, knowing if you put it in writing, you are "ten times more likely to attain the goals."

