



Michael Bischoff, CFP®

Coming March 2016

Webb Financial Group New Office Location

**8120 Penn Avenue South,
Suite 177
Bloomington, MN 55431**



Only minutes away from our current location.

We are very excited to announce our new modern space. Our phone numbers and emails will remain the same.

more details to follow

2015 CHARITY GIVING

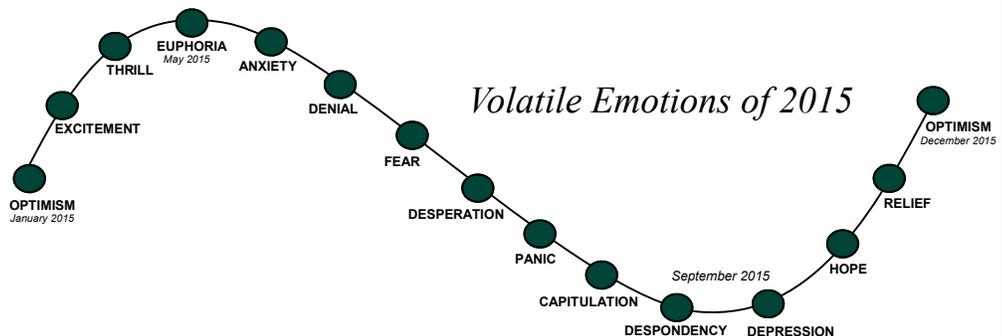
- Compassion International
- Humane Society
- Campus Outreach
- Doctors w/o borders
- JDRF
- Zuhrah Shrine Circus
- American Heart Association
- Amos Health
- MS Society
- Pacer Center
- Bethel University
- Boy Scout of America
- Gideons International
- MN Goal Line Club
- University of MN Foundation
- Eagan Foundation
- RAVE Special Olympics
- Arthritis Foundation
- Feed My Starving Children
- Salvation Army
- Senior Community Services
- Compassion International

Every year we donate to a lot of great charities, foundations and causes.



Year in Review

The S&P 500 is one of the most common benchmarks for the overall US stock market and we believe that it is the best representation of the US stock market. On January 2, 2015 it opened the year at 2058. The year started on an upward trend until late-May and then started to pull back in August with concerns in the international markets. The beginning of the year brought optimism and excitement with the S&P 500 hitting an all-time high. It turned very quickly when all the volatility started. The third quarter ended in September with the US market down for the year with despondency and depression on some minds. October saw a positive move upward erasing some of the previous losses. The fourth quarter brought us hope, relief and optimism while the S&P 500 end 2015 at 2044. The index ended almost exactly where it started for the year.



2015 has been a year of waiting. Much of the waiting revolves around when the Federal Reserve would finally boost short-term interest rates. The first move is over and we expect modest increases in 2016 as the economy continues to grow. Keep in mind, it will take several years for cash, money markets and CD rates to climb back into the 3 to 4% range. Rising rates do not necessarily mean negative bond returns. Various asset classes respond differently to interest rate changes. A very high percentage of bonds total return is generated by its income and higher yields will ultimately help returns. We will continue to hold bonds in our client's portfolios for the stability they provide. Diversification is crucial in constructing any portfolio.

We continue to rebalance portfolios on a regular basis and 2015 has brought several portfolio changes. We'll look back on 2015 as a very volatile year for stock prices. The range between the high and low on the S&P 500 was 11.5%. A correction of this percentage is normal every few years. Thank you for your business and I think you'll be surprised with the positive results in the year to come.

A brighter outlook for 2016

- The Federal Reserve has forecasted a somewhat faster economic growth in 2016
- Unemployment rate will continue to fall
- Lower oil and gas prices will help consumer spending
- Housing prices continue to get stronger
- The US stock market historically performs well in election years with an over 80% probability of positive returns.
- Rising interest rates are generally good for stock prices
- Continued low inflationary environment
- Advances in technology and health care

ANNOUNCEMENT

*We would like to welcome
Kristi Mattiuz to our team!*

Kristi was previously employed at Prudential in several departments as a claim representative, annuity specialist, education coordinator, and business analyst. In addition to a marketing degree from Mankato State, she also studied to be a jeweler. Kristi and her husband, Mike, live in Maple Grove and have two kids, Zane who is 18 & Shay who is 16. She enjoys boating, golfing, reading, hiking, travelling and is looking forward to the end of winter!



All of us at
Webb Financial Group
wish you a healthy and
prosperous New Year.



Best wishes in 2016!

In compliance with the SEC rules and regulations, we would like to offer you the most recent copy of our ADV II brochure. Please call if you would like a copy.

**Webb Financial Group
provides comprehensive wealth
management solutions to
individuals and businesses.
For over thirty years, we have
helped our clients achieve
financial security.**

Michael Bischoff, CFP® & COO
Gary Webb, RFC® & CEO
Dave Verbeke, Financial Advisor
Crystal Enderson, Financial Advisor
Leslie Webb, Investment Advisor
Michelle Brennan, Registered Paraplanner, RP®
Tim Greife, Financial Management Assistant
Kristi Mattiuz, Contoller

Advisor Value in Unpredictable Markets

The current markets, exacerbated by negative press may cause some to wonder why they should pay for professional management. The markets performed well from 2009-2013 and not at all in 2014-2015. Human nature wants us to have gains every year, even in down markets, and we'd all love to win the Lottery too! Reality is it's not going to happen.



Gary Webb, RFC®

Index funds, and automated advisor firms continue to put pressure on lower costs. Having a focus on price above all else creates a disadvantage. That's why we encourage people to look at the value their advisor is adding. Vanguard's research indicates that good advisors create additional return by promoting and developing proper behaviors, such as staying invested and diversified in difficult markets & sticking to the financial plan. As passively managed strategies help reduce expenses, Morningstar research makes it clear that active management can outperform, especially in rising rate environments. We use both passive and active management strategies in our various models. Doing both decreases fees which keeps more money in your accounts.

The automated advisor is designed to charge a lower fee. They use an algorithm fitting you to an investment strategy based on your risk tolerance with no customization. That's great, but there are crucial parts the automated advisor doesn't do. They don't call their clients, offer to meet in person, or provide a sounding board for a second opinion. Most of all, they don't provide comprehensive financial planning. For one example, they don't help people understand the process of how or when to file for Social Security or Medicare Benefits. Most of these services are nuanced and therefore not scalable, which is why you won't see those types of firms offering them.

Since 1981, we built a track record of implementing sound investment strategies and have continued to add services like comprehensive financial planning without increasing fees. We strongly believe we continue to make good choices putting our client's best interest ahead of our own.

Health Savings Account—a new retirement plan?

If you qualify for a health savings account (HSA), it should be an important part of your retirement planning. HSAs are available to people who are covered by a high deductible health care plan, are not eligible to be claimed as a dependent on another person's tax return and are not entitled to Medicare benefits. HSAs are a triple tax free benefit. The contributions go in to the account pre-tax, earnings grow tax free and withdrawals are tax free if used to pay for qualified medical expenses (including long-term care premiums).



Dave Verbeke
Financial Advisor

One of the strategies to consider is to make contributions to the account but still pay for medical expenses out of pocket. This gives the account a chance to grow until you qualify for Medicare. It's estimated that a retired couple will spend over \$265,000 in out of pocket medical expenses in retirement. Having a HSA account with a healthy balance can reduce the amount of money you have to take out of your IRA to pay for medical expenses in retirement.

Contribution limits for 2016 are \$3350 for a person with single coverage and \$6750 for family coverage. Once you turn 55, you're eligible for a catch up contribution of \$1000. Both spouses can make a catch up contribution if they are covered by a high deductible plan. This means that a 55 year old spouse could open their own HSA just for the catch up contribution which would allow a total contribution for the family of \$8750 for the year. Many HSA providers offer an investment account option where mutual funds can be purchased for longer term investment timelines. This allows you to potentially earn more on your savings to help you in retirement.

Webb Financial Group
Wells Fargo Plaza
7900 Xerxes Avenue South, Suite 1920
Bloomington, Minnesota 55431

www.webbfinancial.com • 952-837-3200 • info@webbfinancial.com
1-800-927-9322