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Dear Client,

This letter contains news and views that I feel will be of interest to you. As always, please call me at your convenience to set up your quarterly meeting.

**Contents:**



**Going, Sebastien, Fisher & Le Bouef, LLP (GSF&L) News:**

- Craig attended the Louisiana Society of CPAs Estate and Financial Planning Conference in Kenner, LA on November 8, 2013. Sessions he attended included Economic Review and Outlook for 2014; Another Election, Another Round of Tax Changes; The Patient Protection and Affordable Care Act; Estate Planning Update; Portfolio Construction in a Rising Interest Rate Environment.

**Investment Views:**

- ***Morningstar Data - Through December 31, 2013 - Year-to-date returns--*** S&P 500 32.35%, NASDAQ Composite (dollars) 40.12%, MSCI EAFE (dollars) 22.78%, and the Barclays U.S. Aggregate Bond Index -2.02%.

- ***Bureau of Labor Statistics – January 10, 2014 –*** The unemployment rate declined from 7.0 percent to 6.7 percent in December. The Consumer Price Index for all Urban Consumers (CPI-U) was unchanged in November on a seasonally adjusted basis over the last 12 months ended November 2013.

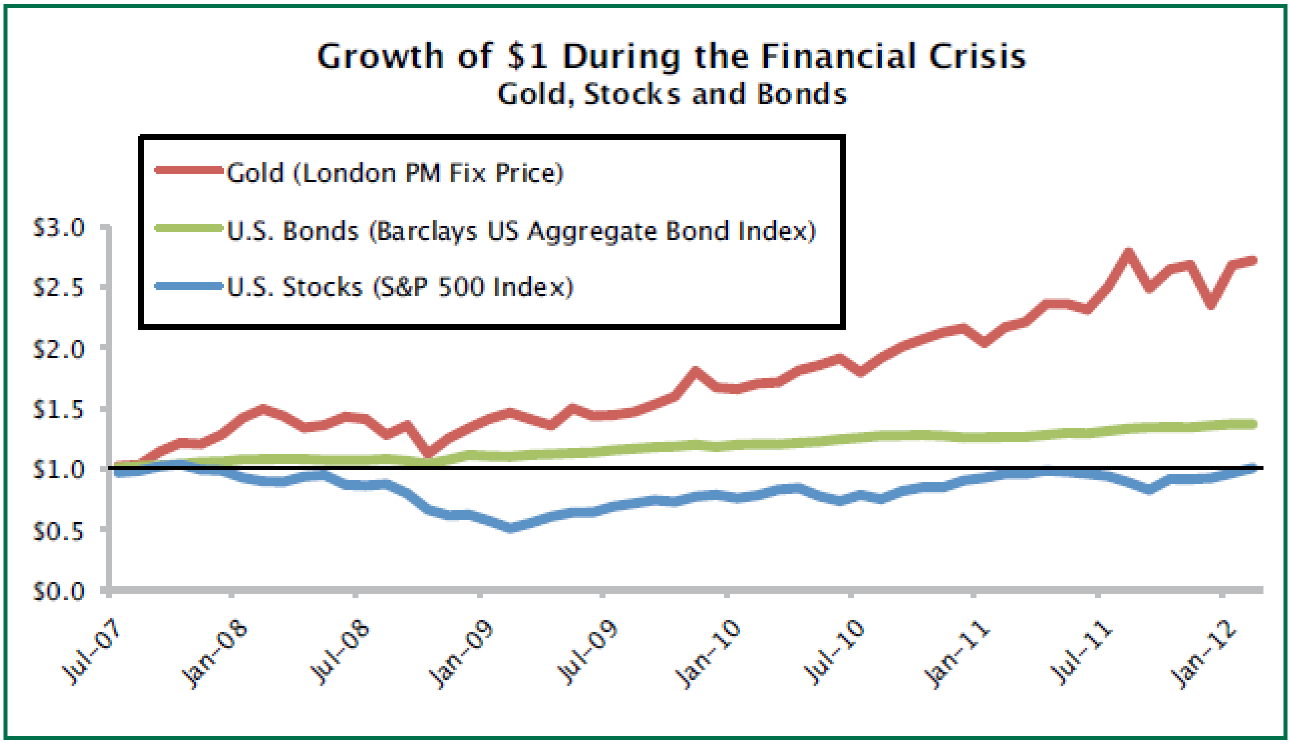
- ***Bureau of Economic Analysis – December/January Releases –*** Real gross domestic product (GDP) – the output of goods and services produced by labor and property located in the United States – increased at an annual rate of 4.1 percent in the third quarter of 2013. In the second quarter, real GDP increased 2.5 percent.

***C**raig's Thoughts and Views:*

### Your Portfolio and Gold

As 2013 closed most equity asset classes delivered returns that were worth celebrating by popping the cork on that bottle of champagne. However, a couple of asset classes put a damper on the celebration. Bonds and gold produced negative returns. Gold in particular is worth a closer look, especially for those whose perceptions are swayed by recent performance. Through December 23 the price of gold had fallen 38 percent and could represent the largest calendar-year loss since 1981, when the price fell by 33 percent. During times like these it is easy to question why we hold gold in our portfolio.

About five years ago, during the financial crisis, gold performed well in its role as portfolio insurance. The chart below demonstrates the growth of a hypothetical dollar invested in gold, U.S. bonds, and U.S. stocks between July 2007, when stocks peaked, through February 2012 when the stock market had fully recovered. At the bottom of the crisis in February 2009 a dollar invested in stocks would have fallen 49 percent, while a dollar invested in gold would have increased by 46 percent.




The price of gold can be volatile therefore having a predetermined range in the portfolio can be beneficial. Gold's recent decline had a different effect as compared to year 2008, it diminished the strong gains in stocks. However, accepting this offset can be beneficial when a crisis emerges. Global markets are unpredictable and risks always lurk.

### Interest Rates and Expectations

Interest rates are at historic lows and most people feel they can only go up. Therefore, many people think that rising interest rates are bad for bond investors. Central banks in most developed countries have pumped stimulus into their economies since the global financial crisis about five years ago. The stimulus has come from large reductions in interest rates and from measures aimed at holding down long-term interest rates.

In 2013, the financial markets became unsettled (briefly) when the U.S. Federal Reserve indicated it might set a timetable to begin reducing stimulus – the so called "taper." Soon after this announcement, the central bank later changed its mind and the markets began their ascent. Investors have and are asking what will happen to their portfolios when the central banks decide to start restoring rates to more normal levels.

Bond values typically rise or fall based on investors' views about the outlook for inflation and interest rates, their perceptions about creditworthiness of issuers, and their risk attitude. Generally, a bond's yield is the inverse of its price. Therefore, if the price falls, investors demand more return or yield. Based on that, if interest rates can only go up from current levels, then why hold bonds. In response to that see the following points.

First, it is very hard to forecast interest rates with consistency. Standard & Poor's has scored the record of forecast-based managers and most failed to outpace bond benchmarks over periods of five years or more.

Second, it is very hard to determine when rates will return to normalcy. In the case of Japan, lending rates have been at or close to zero for about 15 years.

Third, bonds perform differently from stocks. Regardless of what is happening with the rate cycle, there is a diversification benefit in holding bonds in your portfolio. Diversification is a way to manage risk and help produce a smoother rate of return line.

Fourth, history has shown that there is no guarantee in any case that longer-term bonds will underperform shorter-term bonds when interest rates are rising. A study done by the American Institute of Economic Research during four different time periods of rising interest rates concluded that in two of the four periods, long-term bonds did better than shorter-to-intermediate-term bonds. This may seem just the opposite of what should have happened, but it is most probably explained by the fact that long-term bond holders, whose biggest concern is inflation, can be made to feel more comfortable by a central bank moving to halt inflation.

In concluding, trying to forecast interest rates is not a sustainable way of investing in bonds. The reasons for investing in bonds should be driven by your own needs and not by other's expectations.

**IRA Review**

If you are the owner of an IRA, there are some issues that you should be aware of. We assist our clients in avoiding these pitfalls, so they can maximize the use of their IRAs. Each IRA owner has different circumstances and these issues may impact individuals differently. Below are some areas that IRA owners should give attention to.

- First and foremost, it is important to review the current beneficiary of your IRA on at least an annual basis, especially if you have recently experienced an event such as a birth, death, marriage, or divorce. You should also make sure to list a contingent beneficiary or beneficiaries in the event the primary beneficiary predeceases the IRA owner or disclaims some or all of the IRA assets.

- Exercise caution before listing the estate or a trust as the beneficiary of your IRA. These can cause unnecessary required accelerated distribution methods that may be undesirable.

- When taking traditional IRA distributions, attempt to do so in a manner that does not cause IRS penalties. For example, traditional IRA distributions prior to the owner reaching age 59 ½ are subject to a 10% IRS "early withdrawal" penalty. Exceptions to this penalty as defined under the Internal Revenue Code Section 72(t) may be for the following distributions:
    - that are part of a series of substantially equal periodic payments

- o to the extent the individual's unreimbursed medical expenses exceed 10% (7.5% if age 65 or older) of adjusted gross income
- o to pay for health insurance premiums for certain unemployed individuals
- o for qualified higher education expenses
- o for first-time home purchases ($10,000 limit lifetime)
- o due to an IRS levy on an IRA
- o to reservists while serving on active duty for at least 180 days

In addition, traditional IRA owners must begin taking required minimum withdrawals from their IRAs after the owner reaches age 70 ½. A penalty of 50% may be assessed on any shortfall below the required minimum distribution amount.

- Effective for years 2010 and beyond, there is no adjusted gross income (AGI) limit for Roth conversions and married filing separate (MFS) taxpayers can make Roth conversions.

**GSF&L, LLP Registered Investment Advisors:**

We can never know what the future holds, but we can make informed decisions regarding investment strategies and portfolio allocations. We (GSF&L) make changes based on our perception of opportunities in the capital markets. We assimilate fundamental, technical, and economic information to make informed decisions. Of course it is important to have long-term focus on portfolio management, but with a critical analysis of intermediate strategies.

Managing risks and opportunities are important to portfolios and reaching one's financial needs and goals. Having a complimentary understanding of investment horizon and attitude toward risk are equally important. Markets and economies do not always behave as we expect them to. That is the problem with investing! There is no luck to professional investing. You can no more have a successful, disciplined approach by luck or accident than you can win a chess tournament by luck or accident.

If you know of someone who may fit our financial and investment planning philosophy, please mention our name. We are a small organization and intend to remain so. A solid organization makes it possible for us to spend our time managing our business rather than each other. Because everyone has so much to do, much gets done. We will forego any growth opportunity that may detract from our ability to serve our clients as they have become accustomed to. We never expect to be among the biggest, but our attention to be among the best is not subject to compromise.

Regards,

*Craig*

Craig C. Le Bouef, MBA, CPA/PFS, CFP®

NASDAQ composite measures the performance of all issues listed in the NASDAQ Stock Market, except for rights, warrants, units, and convertible debentures. The S&P 500 is made up of 500 common stocks representing major U.S. industry sectors. The Dow Jones Industrial Average contains 30 stocks that trade on the New York Stock Exchange (NYSE) which reflect the performance of 30 large American companies. The Morgan Stanley Capital International Europe, Australia, and Far East Index (MSCI EAFE) is a market-weighted aggregate of 20 individual country indexes that collectively represent many of the major markets of the world, excluding Canada and the U.S. The Lehman Brothers U.S. Aggregate Bond Index tracks performance of debt instruments issued by corporations and the U.S. Government and its agencies. The returns for this index are total returns, which includes reinvestment of dividends. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

All indices are unmanaged. It is not possible to invest in an index.

Past performance is no guarantee of future results.

Diversification does not assure against market loss.

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