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Plan Well ■ Invest Wisely ■ Live Fully

December 2011

marketDATA

	Price	% change		
		YTD	1 month	3 months
Dow Jones ¹	11,232	-0.61%	-3.74%	1.45%
S&P 500 ²	1,159	-6.14%	-5.51%	0.53%
NASDAQ ¹	2,442	-6.44%	-6.57%	0.87%
Russell 2000 ³	666	-14.03%	-6.55%	-0.84%
Wilshire 5000 ⁴	12,159	-7.24%	-5.60%	0.34%

data as of: 11/25/11

¹Source: Google Finance

²Source: www.standardandpoors.com

³Source: www.russell.com

⁴Source: www.wilshire.com

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We would like to wish our valued clients and friends a wonderful holiday season and a happy, healthy and prosperous 2012. We look forward to continuing our relationship with you in the new year and for many years to come.

As we continue to closely follow leading economic indicators, conditions suggest that a recession in both the U.S. and Europe is possible. Recent better-than-expected economic data are coincident or lagging indicators and not inconsistent with an impending recession. Investor confidence remains shaken by the turmoil in Europe, especially in Greece, Spain and Italy. The ongoing contagion has impacted core European banks and the U.S. remains vulnerable to further adverse shocks, such as a disorderly default of Greece and especially Italian and Spanish fiscal and bank concerns. However, we believe European officials ultimately will recapitalize their banks, which will hopefully be a precursor to a restoration of confidence in the markets. Balance sheets for corporate America are strong, but there is little willingness to add new workers given the uncertain economy and policy climate in Washington. Lower commodity prices should benefit consumer spending in the coming months, but real income is declining. Meaningful economic improvement, however, hinges on global policy makers shifting to a pro-growth stance, eurozone leaders taking aggressive steps to contain Europe's crisis, and the impending global economic downturn running its course.

Even though our expectation for the second half of 2011 GDP remains the same, the significant changes for the first half of 2011 GDP alters the math for the full year estimate to a range of 1.5% to 2%. Moreover, the GDP revisions showed the recession was much more severe and the trajectory of the recovery has been much flatter than originally reported.

Challenges to the recovery remain as high unemployment and uncertain fiscal policy will produce headwinds. Unemployment is unlikely to improve for the remainder of 2011 as we expect only modest job creation. We anticipate core inflation will remain benign due to housing woes as well as overcapacity and lack of wage pressure. We also believe that Federal Reserve policies will continue to be supportive of a gradually accelerating economy.

Going forward, we remain vigilant of continued geopolitical risk, especially in the Middle East, leading to sharply higher oil and commodity prices. Extremely high budget deficits remain an area of concern as well as weakness in the eurozone and emerging markets uncertainty.—11.22.11

Source: Sterling Capital Management, LLC

**Scott &
Stringfellow**
A BB&T Corporation Affiliate

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The Benefits of Charitable Giving

Would you like to possibly secure a federal income tax deduction and avoid current capital gains tax liability on highly appreciated assets? Are you interested in increasing your income and providing a special gift to your favorite charity?¹

If so, consider creating a charitable remainder trust. It can provide you—or anyone else you choose—with lifetime income and provide the charity of your choice, such as a church, university or non-profit hospital, with remaining trust assets upon the death of the last income beneficiary.

When you set up a charitable remainder trust, you may receive an immediate federal income tax deduction and avoid current capital gains income taxes on the sale of highly appreciated property you place into the trust.

With a charitable remainder trust, you can name yourself as beneficiary and even name joint beneficiaries over one or more lifetimes. Naming successive beneficiaries will decrease the amount of your charitable deduction and might result in a gift tax liability. A charitable remainder trust is an irrevocable trust, which means that, once established, there is little to no ability to modify the trust.

There are two basic types of charitable remainder trusts: the Charitable Remainder Unitrust and the Charitable Remainder Annuity Trust. With a Charitable Remainder Unitrust, you place assets in a trust and receive a distribution each year, based on a percentage selected by you. (No less than 5% of the fair market value of trust assets is permitted.)² Following the death of the income beneficiaries, the charity receives the trust property.

Annual payments to beneficiaries from a Charitable Remainder Annuity Trust must be in a specific dollar amount that remains the same until the death of the last income beneficiary. It must be equal to 5% or more of the trust's starting value.²

To set up a charitable remainder trust, you need to have a good understanding of a wide range of issues from tax laws to investment strategies. You should ask yourself some important questions such as: What are the most appropriate assets to use? How will you ensure the trust remains fully qualified at all times?

Setting up and maintaining a charitable remainder trust requires professional expertise and should only be administered by a qualified professional. Consult with your professional legal and tax advisors before taking any action. If you do not currently have a tax professional, ask your Scott & Stringfellow financial advisor to recommend one.

¹ Contributions to organizations that qualify as 501(c)(3) organizations under the Internal Revenue Code are usually tax deductible. Contributions to most foreign charities are not deductible.

² Additional restrictions apply.

2012 Limits

Here is a handy guide to the annual limits and other numbers of interest to get you ready for 2012*.

IRA Contribution Limit (Traditional & ROTH)	\$5,000
Catch-up Contribution Limit (401(k), 403(b), SAR-SEP, and 457)	\$5,500
SIMPLE Catch-up Contribution Limit	\$2,500
IRA Catch-up Contribution Limit	\$1,000
Elective Deferrals (403(b) & 401(k) Plans)	\$17,000**
Annual Defined Benefit Limit	\$200,000
Annual Contribution Limit (401(k), 403(b), and SEP)	\$50,000
Annual Compensation Limit (401(k), 403(b), and SEP)	\$250,000
457 Deferral Limit	\$17,000
Highly Compensated Employee Definition	\$115,000
SIMPLE Plan Contribution Limit	\$11,500
SEP Eligibility Coverage Limit	\$550**

As always, please call our office if you have any questions about anything you read in *marketSHARE*. We will be happy to discuss any financial topic with you one-on-one.

* source: www.irs.gov

** calendar year limitations

Please note, this general listing of the referenced plan limits is meant for informational purposes only. Other requirements and/or restrictions may apply.