



YOUR MONEY STORY

A Financial Workbook from Catamount Wealth Management

Are you looking for fresh ideas or new investment solutions? Are you not seeing the investment returns that you had hoped for or do you feel that others are doing better? Have your personal circumstances changed and thus need to adjust your investment plan as well? If you have answered “yes” to any of these questions, now is the time to align yourself with a trusted partner to help you reassess your goals.

With more than 35 years of experience in wealth management, Catamount is here to help. We provide high net-worth individuals and small businesses with investment solutions that create, build and preserve wealth.

To that end, we designed this workbook to foster the collaborative process that ultimately drives Catamount’s mission to educate and empower our clients. We don’t rely on formulas or fads. We consider each client’s unique needs in order to craft an optimal investment plan.

In the next few targeted chapters, we’ll explore the financial questions you’re facing, and then, together, we’ll develop strategies that suit you best. As you gain clarity about where you stand, we can better provide guidance about where you want to go next.

We look forward to mapping out that path—together.

—The Catamount Team





In some ways, your financial goals probably seem pretty straightforward:

You want to ensure that you have enough money to live the lifestyle you desire. And you want to make sure your money lasts as long as you do.

But occasionally, you may experience a sense of doubt. Maybe a friend or colleague is making choices that are causing you to question whether you're on the right track. Or maybe a recent life change has stirred up a series of new challenges that you weren't expecting. In order to create an optimal wealth strategy for you and your needs, we need to start with two simple steps.

1. We'll ask for details that will shine a light on your personal needs and perceptions.
2. We'll take a snapshot of your current situation.

What brings you to Catamount?

Have you had a major life changing event? Do you need to organize your finances? Or, do you just need a change?



How do you rate your financial knowledge?

Do you have a basic understanding, no idea what is going on, or do you feel if you had the time you would manage your own investments?

Define your relationship with money?

If your money were a person, would you be on friendly terms with him/her; would the relationship be volatile; is it a secure connection or an insecure one? Money can mean a lot of different things to different people.

Did we miss anything?

Do you have any other pertinent information you'd like us to know about?



The biggest question we get is “will I be ok?” That cannot be answered unless you know your numbers—we need to examine what you own, owe, earn and spend. Feel free to use ballpark estimates throughout this chapter. We’ll have a chance to get into actual details later. There are worksheets in the appendix if you need help.

What You Own

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- Property, including homes, cars, boats, land
- Furnishings: Antiques, art, electronics
- Jewelry and other valuables: collectibles
- Cash on hand: liquid assets
- Bank accounts and CDs
- Brokerage accounts, stocks, bonds
- Retirement accounts: 401(k)s, 403(b)s, IRAs, annuities
- Insurance policy cash out values
- Inheritances and trusts

What You Earn

\$

- Salary, fees, commissions, bonuses
- Rental income, royalties
- Alimony
- Pensions, Social Security benefits, retirement account distributions, survivor benefits, inheritance or trust withdrawals
- Social Security, IRA and 401(k) distributions, and annuity payments, if they apply.
- If your income varies, find and average from the previous tax year.

What You Owe

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Investors use debt for a variety of reasons. By listing your debts, we gain a clearer sense of some of your current priorities.

- Mortgage(s)
- Loans: student, car, business, personal
- Outstanding credit card balances
- Other

What You Spend

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Using the spending plan worksheet in the appendix record your monthly, quarterly or yearly outlay in these primary categories.

- | | |
|----------------------|--------------------------------------|
| • Housing | • Personal care |
| • Utilities | • Children |
| • Landscaping | • Pets |
| • Health and fitness | • Gifts and charitable contributions |
| • Transportation | • Travel |
| • Food | • Loans/debt service |
| • Entertainment | |





Now that you've taken an inventory of your financial life, it's time to build a long-term plan, based on your needs, goals and desired quality of life. As with most things, this is a process of balancing priorities and realities.

Spending

There are two ways to approach the question of lifestyle costs.

- 1. Decide how much you want to spend, and then we can discuss ways to facilitate that amount based on your investment strategy.**
- 2. Based on your investment strategy, we can arrive at a monthly and yearly spending plan that makes sense for you.**

Income

Once you have a sense of your objectives, we need to decide how to structure your income stream. The investing world is full of "rules of thumb" that dictate how much you should withdraw from a portfolio. The 4% Rule is a common one. But every person's situation is unique: you can't always rely on a simple formula to guide your spending plan. Together, we need to establish a withdrawal rate that meets your needs and ensures you won't outlive your money.

Total Assets

Desired Income

Recommended Income



The Catamount investing philosophy is different. We keep our strategy simple—because investing isn't. In fact, investing can be endlessly complex, and that complexity is rarely useful (or profitable) for individual investors.

Everything we do stems from our cornerstone belief: **Protect first, and then grow.**

Everyone must have a strategy to protect their money. The path to sustainable long-term growth is a steady compounding of returns, while keeping your losses small. So, how can you really protect and grow your assets?

Asset allocation

Whether you chose the investments in your portfolio(s), or you enlisted the help of someone else, you ended up with a specific mix of securities: stocks, bonds, mutual funds and cash.

Two important questions: **Do you know your current asset allocation and does it makes sense for you now?**

Your asset allocation should change depending on many different factors (age, time horizon to retirement, income needs)—most importantly, *the current market conditions*.

Risk Tolerance

Risk tolerance is a more specific measure of the degree of uncertainty that you as an investor are willing to accept in respect to the possibility of loss in your portfolio.

Often your personal risk tolerance is determined by checking a box in a selection varying from Conservative to Aggressive. Do you as investor really fit in to one of 4 or 5 boxes? We also measure personal risk tolerance by “if you can sleep at night” or by the degree of volatility you are willing to endure. *Catamount feels your view of risk needs to be correlated with the risks in the market.*

Also keep in mind that risk and reward are closely correlated. The higher the risk, the higher the reward.



Trends

Understanding the overall market trends is a key element in investing. After that, it is finding a balance between participating in a rising market and preserving capital in a declining market.

For example, when the market is in a downtrend, investors need to adjust the holdings in their portfolio in order to reduce their exposure to risk with the aim of minimizing losses. By limiting your losses, you can make up for them in a relatively attainable way.

Conversely, investors need their money working for them when the market is in an uptrend. Whether it is to live a long and enjoyable life in all the ways that matter to you, keep up with the rising cost of living or leave money to your family members, investors need growth—you can achieve this by having the right investments for the current market.

Diversification

Diversification—i.e. owning a mix of different asset classes (or securities)—is one of the ways you can protect your portfolio if one area of the market suddenly drops in value.

A few things to note: Asset classes behave differently under different market conditions. It is possible to be over diversified. The same mechanics that protect your portfolio can be taken too far.

At a certain point it's possible for you to hold such a variety of asset classes or investments that your overall performance suffers—perhaps because one set cancels out the impact of others.

Investors need to understand market trends are constantly changing and your investments should change accordingly.

The role of cash

Cash should be treated with the same degree of respect and attention of all other asset classes. By having a cash allocation that increases and decreases based on market conditions you can protect your principal when the market is in a downturn as well as position your portfolio for opportunity when an uptrend resumes. Having a strategic cash allocation is a key component of the Catamount philosophy.

Be mindful of fees

You need to pay for financial management, but make sure it is a reasonable amount. Know what you are paying for, and why.

See appendix for a more comprehensive list of terms and definitions



We hope we've helped you simplify and better understand your finances. By doing so, you put yourself in a better position to get the results you want, for the life you want. As your financial quarterback, we want to make sure you have all the elements of a solid financial plan so you meet your goals:

Investments

- Retirement Accounts
- Brokerage Accounts
- 529s
- UTMAs/UGMAs
- Annuities

Estate Planning

- Will
- Trusts
- Power of Attorney
- Health Care Directives
- Beneficiaries

Tax Planning

Insurance

- Health
- Life
- Property & Casualty
- Long Term Care

Mortgage

Social Security

Other

