

BUILD & PROTECT



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2016 off to a rocky start

Stock markets got off to a rocky start in the first quarter this year. Continued concerns about China, the global economy, and oil caused a steep drop during the first few weeks. At one point the S&P 500 was down 12%. However, the tone reversed mid-quarter as the U.S. economy showed some strength and the Fed softened its rate-hiking stance. It lowered its forward rate-hike guidance to be more gradual and closer to market expectations, which reduced financial pressure on China and helped push stock prices higher.

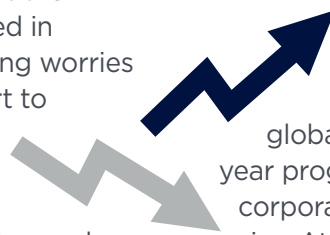
Oil has had a major impact on the markets. Even after a slight rally in the last weeks of the quarter, oil is still down about 70% from its high. Unfortunately the effect of oil has been counterintuitive. Oil was supposed to act like a huge tax cut for consumers, fueling spending and growth. However, consumers have been reluctant to ramp up their discretionary spending even though they have more money in their pockets.

U.S. equities rebounded sharply towards the end of the quarter, with the S&P 500 rising by an impressive double-digit rate - this offset the double digit decline we saw earlier in the quarter. The gains we saw were partly due to investors covering short positions as they seemed to recognize that the economy is in better shape than was feared in January. Oil prices also rebounded, reducing worries over deflation and providing some support to risk assets, including equities and high yield bonds. Most categories ended the quarter in positive territory. Defensive sectors outperformed, with telecom, utilities, and consumer staples leading the way. Leadership has improved ever so slightly, but we need to see more quality growth stocks emerge from their bases if the market is to have a meaningful higher move.

The uncertainties in the market have created a challenging investing environment which unfortunately will likely continue to be the case for the next quarter. Some of the biggest concerns are: slow global economic growth, recessionary pressures in China and several other emerging markets, unpredictable presidential election, and unstable oil prices. If we see improvement in these areas, the market could find some solid ground.

The key variable for equity markets remains corporate earnings. We expect relatively weak first quarter corporate earnings results but believe corporate profits could be bottoming, which should allow us to see better results in the second half of 2016. With nearly half of S&P 500 revenue derived from overseas, weakness in the global economy is showing up in U.S. corporate earnings. The declining dollar should help earnings overseas.

Despite some near-term risks, we have a positive long-term outlook toward equities. In our view, the global economy remains rocky and is still dependent on supportive monetary policy in some regions. In the near term, equities may experience some consolidation given the extreme pace of recent gains. We do not expect to see a sustained uptrend in equity prices until investors grow more confident in the global economy and become convinced that oil prices will stabilize. Nevertheless, we do believe global growth conditions will improve as the year progresses and provide more support for corporate earnings and allow equity prices to rise. At that time, we will become more invested. We expect global economic stabilization to provide favorable support for equities, but elevated volatility is likely to continue. Thus, the key is to stay patient at this time.





Maximize charitable giving with a donor-advised fund

Americans are moving from supporting their favorite charitable causes with 'checkbook giving' to the ease, convenience, and effectiveness of donor-advised funds.

A donor-advised fund (DAF) is a charitable giving program that allows you to combine the most favorable tax benefits with the flexibility to support your favorite charitable causes. To establish a DAF, you make an irrevocable charitable contribution to the public charity that sponsors the program; that contribution is then invested and may grow tax free; and you are able to recommend grants to eligible 501(c)(3) public charities at any time.

Grow your giving

Contributions made to a public charity with a DAF program can be invested with the potential to grow, tax-free – ultimately resulting in additional dollars for charitable grants. A DAF program can offer a variety of investment options to help you meet specific investment goals for your charitable assets.

Additionally, a DAF can be funded with certain assets beyond cash equivalents or publicly-traded appreciated securities. These assets can often be highly appreciated and donating them to charity can potentially eliminate large capital gains exposure, allowing the charity to ultimately receive more support.

A donor-advised fund is a solution that:

- Allows you to give now and provide support to multiple charities with a single contribution
- Makes it possible for you to contribute certain assets beyond cash or publicly-traded appreciated securities
- Provides an array of investment options, including a program that allows your advisor to manage the assets in the donor-advised fund
- Offers consolidated reporting and record keeping, providing you with quarterly statements, charitable contribution receipts, and contribution information for tax purposes

For additional information about a donor-advised fund, please contact Laurie or visit FidelityCharitable.org.

New Faces

We enjoyed seeing so many clients and friends at our March cocktail party! For those of you who were unable to attend, we would like to take a moment to introduce and welcome **Judy Burke, Director of Client Relations** and **Adriana Calousdian, Senior Client Advisor**, to the Catamount team.



Judy is responsible for the day to day client service requests and all administrative activities. Prior to joining Catamount, Judy was a Client Service Associate

for a private wealth management firm in Fairfield County, where she had a similar role and responsibilities. Judy earned her B.S. Degree in Finance from Marymount College in Tarrytown, New York.



Adriana is responsible for managing client relationships, assisting clients in accomplishing their financial goals and establishing new relationships for the firm.

She began her career at Merrill Lynch and Morgan Stanley. Adriana is a graduate of the Hopkins School, she holds a Bachelor's degree in International Political Economy from Fordham University. She holds FINRA Series 7 and 66 registrations and is fluent in French and Italian.

Feel free to reach out to both Judy and Adriana by phone 203.226.0603 or via email.

Judy: jburke@catmg.com
Adriana: acalousdian@catmg.com

Your entire financial picture—in one place

Full View® is a complimentary service with Fidelity that allows you to consolidate all of your financial information in one secure online location. In addition to your Catamount accounts, you can add accounts from other financial institutions to get a complete picture of your current financial status.

Use Full View® to:

- Set up Alerts to help monitor the activity on your accounts
- View home values and home equity charts
- Create a budget/spending plan, with the ability to run a variety of reports
- Track spending with categorization of transactions
- Store transaction history for 24 months
- View your transactions in a monthly calendar format
- Calculate your entire net worth

Please contact Adriana, Senior Client Advisor, and she can walk you thru the program. acalousdian@catmg.com or 203.226.0603



Save the Date

FROM PASSIONS TO ASSETS

A discussion of how to protect your valuables: art, jewelry, music, handbags, antiques

Thursday, May 12 2016

6:00-8:00P.M.

Southport Galleries 330 Pequot Ave. Southport, CT 06890

Cocktails and hors d'oeuvres reception

Guest Speakers

Heather J. Lange, Brody Wilkinson PC

Colleen Boyle, Pall Mall Art Advisors

RSVP to Adriana.acalousdian@catmg.com