

BUILD & PROTECT



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A Challenging Environment

During the 3rd quarter, the markets recovered from the June U.K. referendum vote to leave the European Union. After a huge reaction to the shocking decision, the markets resumed a volatile uptrend and by the end of the summer we were back to where they started. The broad-based rebound was led by the emerging markets and other non-U.S. equities while other U.S. sectors such as utilities and telecoms cooled off after a strong run of performance. We saw a big shift or rotation in the markets from utilities, consumer staples, healthcare, and telecoms to technology, financials, and industrials. The Nasdaq composite was and remains the leading major index. As we move into the 4th quarter, we continue in a sideways pattern, unable to punch through the level of resistance. For the next three months we are focused on: **the election, a potential rate hike and the corporate earnings season.**

How will the election affect the markets? We can all agree this election is different. While political and legislative actions have certainly impacted market performance, market fundamentals historically prove to be far more important. We believe that the state of the economy, corporate earnings, valuation levels and fundamentals have far more effect on an investor's portfolio than election outcomes. In the past, equity markets have predicted with surprising accuracy who will win the presidency. A solid correlation exists between strong markets and the incumbent party retaining the presidency.

A December Fed rate hike could spark some volatility, but shouldn't derail the bull market as the Fed plans to proceed cautiously. If you recall, during the height of the financial crisis, the Fed stepped in to prevent complete global financial disaster. In the

ensuing recovery, monetary policy has remained extremely accommodative and has been largely responsible for an eight-year equity bull market. For now, monetary policy continues to be a driving force behind equity market performance. We need to get to a place where the markets are not negatively impacted by a rate hike.

The key to most bull markets is earnings, earnings and earnings. Over the next year, we anticipate that corporate earnings results should improve modestly depending on the sector. Given the still-sluggish economic environment, we anticipate the improvement to be volatile and uneven. We expect a gradual and broadly improving global growth trajectory, led by U.S. consumers. The jobs market remains on track and incomes are rising, which should boost consumer spending. Summer retail sales were lackluster, but we expect better results ahead. Consumer spending is the key to the economy getting better. Likewise, manufacturing data will likely improve. Outside of the United States, growth remains relatively weak.

We remain mildly risk-on in our investment positioning, and expect equities and other assets to move higher over the next 12 months. But this remains a challenging investment environment given the many uncertainties in the market, economy as well as overall weak fundamentals. We will increase or decrease our cash position as we see fit. As the bull market matures, selectivity is growing in importance. Stay patient as the market and economy work through these uncertainties. Please reach out if you have any further questions.

Have a wonderful Fall and healthy Holiday Season!



Legal Briefing: Two New Statues!

A new **Power of Attorney Law** has taken effect on **October 1, 2016**. A Power of Attorney is a legal document used to allow another person to act for you. A POA specifies the powers, limited or broad, you give to your another person. The current changes to the POA law are designed to make POAs easier to use. One important provision requires banks and other financial institutions to honor a POA document and grant new authority to the Probate Courts to compel these institutions to accept POAs. The act also better protects vulnerable individuals from POA abuses and financial exploitation by providing remedies through the Probate Courts, giving them additional authority to resolve problems that may develop in the course of following a POA appointment.

Secondly, the **CT Revised Uniform Fiduciary Access to Digital Assets Act** provides guidance on when and how your digital assets may be accessed, both during your lifetime (by your POA), or after your death (by your Executor). This act extends the traditional power of a fiduciary to manage tangible property to include management of a person's digital assets. The act allows fiduciaries to manage digital property like computer files, web domains, and virtual currency, but restricts a fiduciary's access to electronic communications such as email, text messages, and social media accounts unless the original user consented in a will, trust, power of attorney, or other record.

Neither of these new laws require any immediate change to any existing estate planning documents, but they do present potential opportunities that dated documents may not be able to take advantage of. We do suggest a general review of your estate plan at least every five years, or upon changes in your personal, family, or financial situation. Please contact us if you need any recommendations for an Estate Planning Attorney.



Quick End of Year Checklist

Increase contributions to tax-advantaged savings Accounts. Max out 401ks, SEPs, IRAs and HSAs.

Donate to charity.

Update your spending plan. Do you need to save more/spend less? Have your circumstances changed?

Consolidate any accounts that can be combined.

Use up your flexible spending account balance.

Make sure your beneficiaries are up-to-date on your accounts.

Update your estate planning documents.

Revisit your life insurance coverage.

Conversations with CATAMOUNT

Estate Planning Mistakes - Are You Making Them?

Presented by
Edward Marcantonio
Hermenze and Marcantonio LLC
November 4, 2016 - 11:30am

What's Your Money Story?

Presented by
Laurie Stefanowicz
Catamount Wealth Management
November 11, 2016 - 11:30am

Insurance-the Necessary Evil

Presented by
Teri Walsh
Sachs Walsh Insurance
November 18, 2016 - 11:30am

All Sessions are held at:
WESTPORT WESTON FAMILY YMCA
14 Allen Raymond Lane, Westport, CT

For more information please contact
Adriana Calousdian 203.226.0603 or
acalousdian@catmg.com



Catamount proud sponsor of

The WYWL's CraftWestport Nov. 5th & 6th - Staples High School

CraftWestport, the longest running indoor fine craft event in Connecticut for 41 years, this show has been the perfect venue for unique one-of-a-kind holiday shopping. Featuring 175 top craft artists from across the country it includes a pop-up marketplace of local Connecticut makers. All funds raised by the League are given to worthy local charitable organizations. The Westport Young Woman's League is a non-profit philanthropic organization of women committed to building community through volunteerism, social activities and fundraising for local charities.

Call the office for complimentary tickets.