



“Don’t count the days, make the days count” – Muhammed Ali

Dear Client,

Cynically speaking, there is a lot to dislike in this market and economy. The US Stock Market is seven years into a growth market that is likely the most hated of all time. Markets are close to all-time highs, yet investors have consistently been worried about growth. News headlines often make us feel like we are on the brink of disaster. Interest rates are low across much of the developed world, and in some cases negative, signaling potential economic weakness. The UK referendum, colloquially known as Brexit, has created roller coaster market behavior. Let us also not forget to mention the US political reality show that is streaming 24/7.

Every day there is a plethora of new information that gets absorbed by financial markets. Oftentimes, new or unexpected information causes overreactions and increased volatility, similar to what we have seen with the Brexit news over the past few weeks. Our thoughts on Brexit, in short: no one knows the ultimate outcome (akin to the fact that most were wrong with the vote results) and the UK economy is small relative to the global market, meaning any slowdown in the UK will have muted impact on the global economy.

As we recently saw with the UK referendum vote, making short term decisions based on inclinations is often times a losing proposition. More important is managing to your goals to help create success. Success is appropriately measured and experienced on an individual basis. Social gatherings and news outlets can train investors to define success or failure as whether or not you beat an arbitrary market over the short term or whether you own the hot stock of the month. Success should be measured by whether or not goals are obtained. We can’t minimize the importance and awareness of what is occurring around us; however, we need to focus on what we can control. Since the market peak of 2015 (approximately 1 year ago), broad stock markets are down around -2% to -15%, depending on the region. The dividend paying/yield investments in your portfolio, which are focused on the near term, performed well, returning +5 to +9% over the past year. The decline that started in 2015 ultimately reached a bottom mid-February 2016. Since then, broad stock markets are +12 to +15%. For the most part, the investments that lagged leading into the market bottom, outperformed so far in the recovery period. The volatility experienced over the past year was a rare sighting during the prior 6 years, but serves as a reminder of the benefits of diversification and patience.

Despite what the cynics are stating, there are bright spots in the market and economy. The US economy is slowly, but gradually growing and the job market has been improving. Bullish sentiment is still low despite markets being near all-time highs. Specific to your portfolio, we continue to find value in several yield oriented investments. Increased market volatility often presents compelling, long term investment opportunities as we witnessed in January and February of this year.

Muhammed Ali had many great quotes, with the one above being a favorite. One of our goals is to get you to focus on what is important today; to get today right. Financial markets will always ebb and flow; it is through market uncertainty that investors are compensated with return over the long term. By understanding your goals and aligning them with your investments, together we build discipline to not get caught up in the day to day noise.

As always, please contact us if you have a question or if there is a change in your financial situation.

Warm regards,

Thomas G. Fee
Principal & Managing Partner

Jason Ranallo, CFA®
Director of Portfolio Management



2nd Quarter 2016

Coming Soon!

We are excited to announce the upcoming redesign of our quarterly statements and the launch of a new Client Portal. All clients will be receiving details on how to create or update your login information. Look for more communication on these changes sometime in the 3rd quarter.

The Client Portal allows you to easily access your Vector quarterly statements. You can also securely upload any documents such as tax returns, retirement statements, estate planning documents, and some account forms.

Custodial Statements

In addition to Vector quarterly statements, you should also be receiving statements from your account custodian. Recently, the custodians have updated their procedures to send monthly statements only if there is activity in the account for that given month. If there is no activity for the specified time period you can expect to receive statements quarterly.

If you receive your custodial statements in paper format and would like to receive them electronically, you can change this by logging on the custodian's website. If you'd like help logging into the site, please contact us or the custodian.

Tax Returns

Have you sent us your 2015 tax returns? If not, please forward copies of your Federal and State returns including the schedules and worksheets to Melissa. Having this information on an annual basis helps us improve our service by giving us a better understanding of your tax situation.

Taking a Withdrawal from your Account?

Within the financial services industry, there has been an increase in fraudulent requests for money via phone and email. For your protection, if you request a withdrawal, we may contact you to verify the transaction. This would typically be for transactions where the recipient is someone other than an account holder. Your custodian continues to remain vigilant by staying up to date on security scams and monitoring your account(s) for any unusual activity. Safeguarding your assets is of utmost importance to us!

Referrals

We are fortunate to have grown over the years primarily through referrals from you, our clients. Thank you! If you know of other individuals you think could benefit from our services, we would love an opportunity to speak with them.