



Dear Client,

The resilient mood that pushed stocks higher through year-end 2016 continued into the first quarter as signs of an improving global economic landscape. Domestic stock markets are now eight years into a growth market and optimism remains, even as markets continue to reach new highs in price.

For the first time in a while, global economic growth is in sync and improving. While unexpected macro shocks can occur at any time, perhaps causing short-term volatility, the likelihood of a potential US or global economic recession appears low. Without a recession, history suggests a bear market in stocks is unlikely.

That said...stock market valuations in the US are elevated, but not in extreme or excessive territory. The long-term segments of the portfolio, which contain more stock and growth investments, have been performing well recently making now a good time to rebalance. We are selectively adding to volatility-mitigation strategies designed to participate in up markets while still protecting from downside risks.

It is interesting to note that over the past four years, much of the global stock market appreciation has occurred within just US stock markets. Finally the rotation has started; recently, non-US regions have outperformed, benefiting portfolio performance. During the first quarter:

- Domestic Bond (Fixed Income) +0.8%
- Large-Cap US Stocks +6%
- Developed International Stocks +7.3%
- Emerging-Market International Stocks +11.5%

As we head into the second quarter, we are alert to potential political risks in the United States and abroad, whether related to domestic policy or stemming from geopolitical developments. We continue to stick to our discipline of segmenting your portfolio based on goals and time frame expectations specific to you. We believe this is the best approach to investing as well as building and maintaining wealth over time.

Thank you for your trust and confidence.

Thomas G Fee
Principal and Managing Partner

Jason Ranallo, CFA
Director of Portfolio Management



1st Quarter 2017

Tax Returns

Have you sent us your 2016 tax returns yet? If not, please send copies of your Federal and State returns including the schedules and worksheets to Melissa at mhoffman@vectorwealth.com. Having this information on an annual basis helps us improve our service by giving us a better understanding of your tax situation.

Form 5498 Coming in May– IRA Contribution Information

Form 5498 is required to be filed by financial institutions reporting contributions to IRAs and other tax-preferred savings accounts. Contributions made up to April 18 for the previous tax year are included on this form, so it is normally mailed in May. Should you receive one of these, it is for informational purposes only and can be filed in your records.

How Long Should I Keep Tax Records?

The length of time you should keep a document depends on the action, expense, or event which the document records. Generally, you must keep your records that support an item of income, deduction or credit shown on your tax return until the period of limitations for that tax return runs out.

The period of limitations is the period of time in which you can amend your tax return to claim a credit or refund, or the IRS can assess additional tax. The information below reflects the periods of limitations that apply to income tax returns. Unless otherwise stated, the years refer to the period after the return was filed. Returns filed before the due date are treated as filed on the due date.

Note: Keep copies of your filed tax returns. They help in preparing future tax returns and making computations if you file an amended return.

Period of Limitations that apply to income tax returns

1. Keep records for 3 years if situations (4), (5), and (6) below do not apply to you.
2. Keep records for 3 years from the date you filed your original return or 2 years from the date you paid the tax, whichever is later, if you file a claim for credit or refund after you file your return.
3. Keep records for 7 years if you file a claim for a loss from worthless securities or bad debt deduction.
4. Keep records for 6 years if you do not report income that you should report, and it is more than 25% of the gross income shown on your return.
5. Keep records indefinitely if you do not file a return.
6. Keep records indefinitely if you file a fraudulent return.
7. Keep employment tax records for at least 4 years after the date that the tax becomes due or is paid, whichever is later.

ADV Part 2A - Brochure

The Securities and Exchange Commission requires Registered Investment Advisory firms to update their ADV Part 2A "brochure" by March 31st of each year and Vector is required to mail you a copy. If you receive your Vector quarterly statements in hard copy, the brochure will be enclosed. If you receive your statements via the client portal, we are required to mail you a hard copy under separate cover in the next few days.

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 the opportunity to speak with them.