

Financial Planning • Corporate Benefits • Wealth Management

January 2016

It has been a very interesting year for the markets and we haven't even turned the page to March! We continue to monitor the impact of this volatility on your portfolio and offer some comments on your current Asset Allocation Summary Report (see enclosed).

What are we doing during this time of market volatility?

- Reading daily commentary and insight provided from our investment partners. Also participating in weekly webinars, conference calls and face-to-face meetings with other financial professionals to hear additional viewpoints and perspective.
- Following the headline news and tracking daily performance and opinions in the Wall Street Journal, Investor's Business Daily and other financial publications.
- Reviewing client portfolio allocations and monitoring the cash balances to be certain we have ample cash to meet shorter term liquidity needs.
- Researching buying opportunities with a variety of asset classes for clients who are able to opportunistically add to their portfolio.
- Analyzing the performance of client portfolio's as compared to broad index and sifting through the returns of specific fund holdings (managers) by comparing to peer group and benchmark performance.

What might you consider doing during market volatility?

Note recommendations below offered by Bill McNabb, chairman and CEO of Vanguard on how to think through this volatility:

- During periods of extreme market volatility stick with the investment plan that you've already put in place as it was designed for you based on your personal goals and objectives.
- Recognize that volatility and periodic corrections are common in equity markets - swings in the financial market are normal.
- Diversify among a broad mix of global stocks and bonds so that you are better poised to buffer the declines in the equity market.
- Tune out the noise and remove emotion from investing. Learn how to cope with volatility instead of changing your financial plan.
- Make volatility work for you by continuing to invest regularly in periods of market volatility.
- If your portfolio is broadly diversified and has the appropriate balance for your financial goals sticking with it has proven over time to be a wise move.

Source: <https://personal.vanguard.com/us/insights/article/market-volatility-082015>

Please review the enclosed note written 01/07/2016 and your enclosed Asset Allocation Summary. Please call us with any questions.

Sincerely,
Michael Matson

4 Mountain View Terrace, Suite 104, Danbury, CT 06810

Phone 203-743-0131

Fax 203-743-4086

www.matsonfinancialadvisors.com