

## 3rd Quarter 2015 Market Update

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Greetings!

Happy Friday! After a rocky third quarter, it is nice to see the market up as we enter October.

October is also the month when companies report earnings, so we will be sure to keep you abreast on what management has to say about future prospects for corporate profits.

Today's newsletter takes a look at, and reflects on, the third quarter and our companies.

As always, please feel free to call with any questions!

Warm regards,



Catherine Maniscalco Avery



Catherine  
Maniscalco Avery

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The backbone of CAIM is to employ a classic long term investment strategy including dividend paying stocks. CAIM is an independent, women owned investment management firm specializing in managing investment portfolios for women and baby boomers.

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## 3rd Quarter 2015 Market Update

Slow growth in China, declining oil prices and the uncertainty of rising interest rates here in the U. S. all played a role in market volatility in the 3rd quarter. At the end of the quarter the S&P 500 and Dow Jones Industrial Average are down 6.7% and 8.6% respectively year to date.

While the stocks we own at CAIM are also down, our focus remains quality. As you all know from everyday experiences, quality goods tend to last longer and provide a better value over the long term. Similarly, while performance year to date has been negatively impacted by our exposure to industrials,

energy and materials, consumer staples and consumer discretionary have had a positive contribution to returns.

CAIM's portfolio retains a strong financial stability with an average debt to total capital ratio of 35% and cash flow of \$6.00 per share. The current yield on the portfolio is 3.1% - 90 basis points above the market and 100 basis points above the 10 year Treasury bond. And, so far this year, 21 of our 30 holdings have had dividend increases, with the average increase being 12.5%.

Even though the industrial side of the economy has been showing weakness, we believe it should be offset by the consumer. Lower oil prices and interest rates remaining at low levels will be a positive for individuals.

Looking ahead it is possible that earnings will come under further pressure and we may even see an earnings recession. Given that scenario, our focus will continue to be on companies with strong balance sheets and high levels of cash flow, as they are best suited to weather the current investment environment and return cash to our clients.

We want you to know that we understand how the swings in the market can lead to anxiety. Just remember that that same volatility can also create great long-term stock values for you.

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## Hanging Tight on the Market Roller Coaster



It's down! It's UP! No, it's down again!! If you listen to the cacophony of today's headlines; [...Read more](#)

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## 2Q 2015 Market Update



Financial markets were unable to move forward in the second quarter. China, Greece and the strong U.S. dollar were all reasons for [...Read more](#)

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