



JUNE 2016

## MEM

Written by David Ferrucci

Paying homage to fallen soldiers, Henry Wadsworth Longfellow wrote:

*Yours has the suffering been,  
The memory shall be ours.*

During and since Memorial Day, patriotic symbols of Americana can be found in many places. Our office, as an example, is decorated with red, white, and blue bunting. Though a lot is – and should be! – written about our military personnel and their sacrifices, I'll take the lighter side of the word *memorial*.

Memorial stems from the Latin root *mem*, meaning “mindful of” or “recall.” Here are a handful of words containing *mem*:

- Memorial – a reminder of a great event or person
- Memoir – a record of something or someone
- Commemorate – to observe in remembrance of something or someone
- Remember – bring to mind again
- Memorable – worth remembering

Memorial Day has become the unofficial, though widely accepted, start to the summer holiday season. As such, I relish the expectation that, come September, numerous people, places, and things will be “worth remembering” from summer, 2016. In that sense, now is a time of promise. Michele and I recently reviewed our family calendar for the months of June, July, and August. My task was to then synchronize our family events with The Ferrucci Company's calendar, eliminating (hopefully!) the risk of having to be in Essex for a meeting at the same time as a family

*“The memory shall be ours.”*

Henry Wadsworth Longfellow

commitment a few hundred miles away!

Perhaps the most ominous mark on our calendar is that day in late-August when school begins. Just as Memorial Day signals the start of summer, the first day of school dangles at the end of August, serving as a grim reminder to our children that summer will end. However, we have our ancient Latin friends to thank for useful words like those above! And, following the summer months....

- A photograph or seashell may serve as a *memorial* to a cherished event or person
- You may write a letter or e-mail – a kind of *memoir* – to record a special day or trip
- Perhaps a date in June, July, or August is of significance, and you *commemorate* it in a meaningful way (my and Michele's anniversary is July 23<sup>rd</sup>!)
- I like to *remember* my "shot of the day" from each round of golf!

May the summer ahead be especially *memorable* for you and your family!

## MARKETLIGHT

Written by Paul Ferrucci

### Improvement!

U.S. stocks got off to a bumpy start in 2016, but have recovered nicely in recent weeks. Bond returns, meanwhile, have been both steady and strong. Through May 31<sup>st</sup>, the S&P 500 equity index was up slightly more than 3.5% for the year; the Barclays US Aggregate Bond Index has advanced 3.0%.

International stocks haven't fared quite as well as domestic equities, though certainly not badly. The MSCI EAFE Index (representing developed economies) through May 31<sup>st</sup> was down a scant 1.1% for the year, buoyed by a significant late-May upswing. On a more positive note, the MSCI Emerging Markets Index (representing developing economies) finished the first five months of 2016 at 2.2%.

### Signs of spring!

Released at month-end, the gross domestic product report showed

that the U.S. economy had grown marginally faster, 0.8 percent, in the first quarter of 2016 than the 0.5-percent uptick initially estimated. (Remember our primer on GDP in April's issue of *MARKETLIGHT?*)

### The Fed and interest rates

The most recent Federal Open Market Committee meeting minutes came as a surprise, announcing that the economy was considered to be at full employment and inflation moving in the right direction. This view was accompanied by a clear statement that rate increases were quite possible. Though implications for financial markets are mixed, this is positive for the economy.

### International risks remain

Internationally, the most immediate concern is the June 23 referendum in the United Kingdom regarding their departure from the European Union; polls indicate an exit is

possible, though not likely. Another concern in Europe is the return to center stage of negotiations over Greek debt. While concerning to bankers, economists, and politicians, investors may already have grown jaded by innumerable headlines on the topic. A third international risk is, simply put, China. While China's government continues to increase stimulus, the country's growth continues to disappoint.

### A return to normal?

With the U.S. economy on the mend and the bulk of risk coming from abroad, we seem to be returning to normal. But normal doesn't mean that risks have vanished. Cautious optimism remains the appropriate outlook for investors. Therefore, as always, maintaining a well-balanced, diversified portfolio is the optimal way to meet financial goals.

The Ferrucci Company is a wealth management boutique where families turn for financial guidance and leadership, freeing them to pursue their most important goals and values.

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**David Ferrucci:** Over twenty-five years ago, David began helping individuals, couples, and families make balanced – and smart! – financial decisions. Earning Bachelor's and Master's degrees from Trinity College, he focused his studies within the field of behavioral finance; an academic discipline that factors human elements into traditional economic assumptions. David also earned a Master's degree from Columbia University, where he examined the complex relationship between personal finance and family dynamics. Currently, he is pursuing a Master of Philosophy degree through Wesleyan University, deepening his understanding of personal, family, community, and global matters as they relate to finances. Today, David's expertise lies in the macro-economic realm of coordinating, synchronizing, and advancing individual and family goals.

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*balance* is a monthly feature written by Paul and David Ferrucci,  
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