



PAYNE CAPITAL
MANAGEMENT
CHRONICLE

YOUR PERSONALIZED PATH TO FINANCIAL FREEDOM

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PAYNE CAPITAL MANAGEMENT: YOUR PERSONALIZED PATH TO FINANCIAL FREEDOM

PCM Cracks the 2016 Inc. 5000 List!

Payne Capital Management (PCM) is proud to announce its first-ever ranking on the **Inc. 5000 List of America's Fastest-Growing Companies** (<http://www.inc.com/inc5000>). Founded in 1979 and based in New York City, Inc. is a business publication whose annual list has become a much-anticipated and coveted honor among entrepreneurial enterprises.

According to the publisher, *"The 2016 Inc. 5000 are the superheroes of the U.S. economy. America's fastest-growing private companies wield powers like strategy, service, and innovation. Thrill to these companies' amazing exploits - and learn a thing or two about the hard, real work."*

When the rankings came out last month, Payne Capital Management (<http://www.inc.com/profile/payne-capital-management>) made the list at #3269, a distinction the company views as both exciting and a springboard for future rapid growth.

"This was the first time we even applied for the list, which is based on revenue growth over the past 3 years," said PCM President Ryan Payne. *"We suspected our growth rate had been above average, but had no idea if we'd actually make the list, so it was a nice surprise."*

A surprise that not only gratified the PCM staff, but also reinforced the company mindset of employing an intense work ethic to achieve elite results.

"I think the ranking has prompted an overall sense of satisfaction at our office," Payne added. *"It always feels good to be recognized for your hard work. We have a really*



dedicated team that works a lot of hours, including through many weekends. So making the list is like a warm ray of sunshine in our direction or just a nice pat on the back."

Launched in 2008, PCM generated \$4.3 million in 2015 revenue as part of an overall 3-year growth rate of 102%. But as far as the motivated team at this trailblazing outfit is concerned, that's only the beginning.

"We have a firm of very high achievers," concluded Payne. *"There is a great ambition here to service our clients better than anyone, while providing the most timely and progressive financial advice available. To innovate, innovate further, and then innovate even more. We want to be the premier financial services firm of the future. Making the Inc. 5000 list this year is symbolic of the direction we're headed."*

AUDIO



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Hear Bob and Ryan share their strategies to navigate through today's complex financial jungle.

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Ready to talk about your goals?
Let our team steer you in the right direction to a secure financial future.

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Perplexed by Presidential Politics?



By Michelle McKinnon, Financial Advisor

These days everybody is talking about the upcoming Presidential Election in November. Every time you turn on the news, it's all about Hillary Clinton, Donald Trump, and who's going to get elected. I've fielded many questions from clients who are really nervous about how the markets will react to the election. I've also spoken with a lot of friends and colleagues who have chosen to wait on the sidelines because they want to put the election in the past before investing.

Three Keys:

- 1 Many potential investors are concerned by market reactions to the Presidential Election
- 2 But historically the President has actually had little impact on market performance
- 3 Stay invested because day-to-day fluctuations often don't reflect long-term market trends

Well, here's the issue. If you've been sitting on cash waiting for the election to pass, particularly this year, you've missed quite a move. At the time of writing this article, Emerging markets are up over 16 percent, energy markets 15-25 percent, commodities more than 11 percent, and real estate over 12 percent just in the past couple of months.

One thing we do know about elections is that, yes, some type of volatility typically comes with them because markets hate uncertainty. However, it's often only for the short-term. From a long-term perspective, the President of the United States has little to do with how the markets react. Walmart, Johnson & Johnson, and all the other significant corporations are still going to open their doors the day after the election. They'll continue to sell products and create profits.

So the President doesn't really control the market. And although there will likely be volatility, maybe we should actually take advantage of that by adding more money to the market. I'm always saying buy low and sell high. But the takeaway message here is to stop being so consumed by day-to-day fluctuations. Turn off those TVs, stop reading all of the "financial pornography" as we call it in our office, and remember it's about the long-term. Because from that perspective, markets will eventually go higher as they always have for the past 200 years.

Smart WOMEN was created to help empower women by providing some financial tools and support so we can get smart with our money.

Would Your Portfolio Withstand the 'Stress Test?'



By Ryan Payne, President

Regrets are something you're bound to come across when talking with market investors. It seems almost everybody has a story about a move they wish they had or hadn't made, with the benefit of hindsight. One of the most significant regrets that I hear is: **"I wish I realized how much risk my portfolio had before I took that big loss."**

Three Keys:

- 1 A common investor regret is not realizing how much risk may be in their portfolio
- 2 Markets are cyclical, so what worked in the past often will not in the future
- 3 Conversely, investments underperforming now frequently come into favor later

This kind of statement often results from one of my least favorite investing mentalities, which is: **"If it ain't broke, don't fix it."** Although that sounds good and could be very wise in many other walks of life, the problem in this context is that markets are cyclical.

"Don't fall in love with your investments, because they won't love you back."

Which brings me to one of my favorite sayings: **"Don't fall in love with your investments, because they won't love you back."** What I mean by that is whatever works today most likely won't continue to work in the future. Conversely, whatever isn't working now probably will come into favor at some point.

I'll give you a perfect example of this scenario, and why it's important to know the potential risk in your portfolio. I met with a client about a year ago who had 70 percent of his money tied up in energy stocks. And up until last year, the longer-term performance of energy had been great. So at the time it was easy for my client to say, **"Why would I change anything here, Ryan? This distribution has done extremely well for me."**

To illustrate my point, I ran what we call the **"Portfolio Stress Test"** and showed him that if he looked back to 2008 when energy stocks took a big hit, his portfolio would have plummeted 40 percent. So with my client now recognizing the risk, we took the time to proactively diversify. But had he stayed with his previous portfolio, it would have declined another 40 percent when energy prices crashed earlier this year. So I can't emphasize this enough, especially when things are going well, you need to understand why that's happening and the potential risk you'll have in the future. Put your portfolio to the "Stress Test."

WELCOME to the September 2016 edition Payne Capital Management CHRONICLE,



bringing you insightful investment information from the dynamic financial experts at Payne Capital Management (PCM). Our content is based on timely topics in the field and real questions from investors. We believe the approach at PCM is both different and better. In this edition, you'll learn our perspective on a variety of significant financial matters such as:

- Would your portfolio withstand the "stress test," which gauges potential risks?
- How uncertainty over the upcoming Presidential Election is causing anxiety among investors.
- PCM cracking the Inc. 5000 List of America's Fastest-Growing Companies!

We bring it all to you in an engaging

style that helps make sense out of complicated issues. The client-centered approach at Payne Capital Management can be encapsulated in these words: "Your Personalized Path to Financial Freedom." Our focus is to create a Financial Master Plan for you, by emphasizing all the financial issues that can impact you. As always, thanks for reading and we hope you enjoy what we have to offer..

Ryan Payne
PCM President

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