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A Time of Change & Opportunity

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Dear Investor:

In 2017, we have entered an era here in the US where political and economic uncertainty is at the forefront. We are a world in transition and with that, this change can cause volatility in both stocks and bonds. While we believe that equity markets are priced "fairly," we continue to look for opportunities in select sectors and regions of the market.

DOMESTIC

In examining the proposed tax plans of the current administration, we will likely see some deregulation in the financial markets. The Administration has proposed a reduction in corporate taxes from 35% to 15% and if passed would no doubt be a bonus to many companies. The President has stated that he can "deregulate" by 75% and is also looking for a reduction in personal taxes while already starting inroads into the revocation of the Affordable Care Act (Obamacare.)

As we gain a clearer sense of what the policies of this administration will follow, here at **Wall Street Access Wealth Management (WSAAM)** we are hesitant to chase market rallies. However, we do feel that there are certain segments of the market that should continue to do well: financials and energy. With oil prices stabilizing, we have been adding selective names such as British Petroleum and Anadarko Petroleum. And we feel "value" will outperform "growth" in the foreseeable future. In fact, since 1982 growth has tended to outperform during periods of earnings deceleration and value has won out when earnings start to increase.

INTERNATIONAL

WSAAM has been adding to Europe where appropriate for clients. In particular, we like certain dividend paying firms. While many issues still face Europe: slow growth, high debt levels and political risks, many multinational companies are thriving and valuations are compelling. For example, the Euro Stoxx 50, a blue chip index, underperformed the S&P 500 by 15 percentage points last year.

CASH

Finally, for most clients we recommend holding some cash. By most metrics, the market is not cheap and while we continue to believe the economy is accelerating, the market is vulnerable to shocks. Cash allows us to take advantage of opportunities brought forth by these shocks when they occur.

Wall Street Access Asset Management thanks you for your trust and confidence in us. As always, please let us know if you would like to schedule a meeting or conference call to review your portfolio. I can be reached directly at **212-709-9459**.

Here's to a healthy and prosperous 2017 for all.

Sincerely yours,



Colleen Kelleher Sorrentino, CFA

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