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SPECIAL
POINTS OF
INTEREST:

- Enroll your account online
- Learn how to reduce the ups and downs of the stock market
- Learn about the basics of Pennsylvania and Federal death taxes
- Manage your wealth using eMoney



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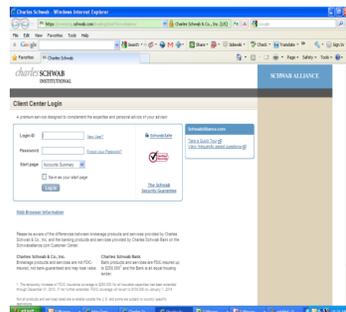
SUMMER NEWSLETTER

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Monthly statement values may cause investors to become emotional. Rapidly rising values may lead to a feeling that risk should be increased, while declining values cause many to become more defensive. These emotions are embedded in human nature. If something is providing a positive outcome increase it, and if something is producing a negative outcome decrease it. This emotion has been the basis for human survival, yet it flies in the face of what most investors claim to do when investing, “buy high, sell low.” If “buy high, sell low” flies in the face of the normal human response, what is an investor to do? Monthly values should be monitored but they should also be judged in context. What is the overall market doing? What is my risk? Am I in the right investments? Am I invested for the long-term? Over time, monthly highs or lows mean very little. What really matters is building a nest egg for retirement or managing cash flow and earnings while in retirement. Emotional responses to monthly, quarterly, or even yearly results rarely prove to be correct over the longer term and are rarely beneficial for a long-term investor.

Emotional responses were triggered on Monday, June 29th, when the Dow Jones Index was down 300 points. This caused many to ask, “Is this the start of the new bear market?” Just this week, Societe Generale said in a Barron’s headline, “Odds of a Bear Market Highest Since 2007.” This headline reads just like all of the other “bear market” headlines over the past number of years, and so far anyone that has reacted to these headlines has done the wrong thing. Will Societe Generale’s prediction prove true? Who knows? But what I do know is that sooner or later we will get a correction of 10% and maybe much more. The first half of 2015 has been very challenging for investors with a miniscule rise of 0.2% in the S&P 500. In our last newsletter, we mentioned we have increased our investments that provide some downside protection, however, these investments also have some limitations on potential gains. We have continued to do so in this quarter. This is a means to hedge possible future declines while still providing the potential for returns.

In addition to talk of a new bear market, investors are currently concerned about the extent of interest rate increases that will certainly be coming. I believe these increased rates WILL cause considerable increased volatility in our markets, which we must be willing to accept. There are still many positives to remind us that investing for the long term is the only way to go and that speculators’ actions, while unsettling, many times provide opportunities for investors who take a cautious, hedged approach. As always we welcome visits from all of our clients and encourage any questions. One area some clients may be missing out on is our Wealth View platform which allows you to consolidate all of your financial assets on one simple online statement. Please call us for more information about this investment tool. As always thank you for your confidence.



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Understanding CEF Opportunities

One of my favorite investments has always been closed-end funds, but only when purchased properly—never as a new issue or at a premium to net asset value (NAV). Investing in the face of the emotions described on the previous page is one of the keys to successful closed-end fund (CEF) investing. CEFs have more volatility in uncertain times, but can also offer attractive returns for investors who choose them carefully. I like CEFs because I like a bargain. I want to purchase them at discounts to their NAV, where the bigger the discount the better. However, if a discount on a CEF is increasing, the market return on the CEF must be lagging the NAV, or in other words, underperforming the NAV. The emotional response to an underperforming asset is to sell, but many times in the CEF world, the right response would be to buy. As CEFs' discounts decrease, it means that the share price is rising more rapidly than the NAV. Many would see this increase in share value as a sign to buy the CEF, but to the educated CEF buyer it is actually a selling opportunity. In the CEF market, the emotional response described on the previous page can cause lackluster returns. For the educated CEF investor, buying and selling in the face of these emotions can lead to tremendous opportunities. As counterintuitive as it is, in the CEF space, many times the largest share price underperformers provide the best value, while the share outperformers provide the best selling opportunities. It is interesting to note that when CEFs look their worst on investors' statements, they usually provide the best values. We constantly are searching for these values.

The Basics of Pennsylvania and Federal Death Taxes

We are often asked by our clients how their property will be taxed upon their deaths. While we are not qualified to provide specific legal and tax advice, we wanted to share some of the basics of the Pennsylvania Inheritance Tax and the Federal Estate Tax.

Pennsylvania Inheritance Tax:

this is a tax levied on the beneficiary's right to receive your property. The PA inheritance tax is imposed as a percentage of the value of a decedent's estate transferred to beneficiaries by will, heirs by intestacy (where there is no will) and transferees by operation of law (by trust). There is no minimum amount to the size of our estate to be subjected to the tax. The tax rate varies depending on the relationship of the beneficiary to the decedent. The rates for PA inheritance tax are as follows:

- 0% on transfers to a surviving spouse (spousal exemption) or to a parent from a child aged 21 or younger;

- 4.5% on transfers to direct lineal descendants (children, grandchildren and stepchildren);
- 12% on transfers to siblings; and
- 15% on transfers to other heirs, except charitable organizations, exempt institutions and government entities that are exempt from tax.

This tax is not imposed on the gross value of your estate. Your executor will be able to deduct any outstanding debts you owed at the time of your death, your funeral expenses and any other estate-related expenses.

There are some notable inheritance tax exemptions written into the law: life insurance policies proceeds on the decedent's life are not taxed as are the benefits of many retirement plans. IRA accounts are subjected to the tax if the decedent was over age 59 1/2 at the time of death.

Federal Transfer Taxes: The federal government imposes a set of taxes (estate, gift, and generation-skipping) on the transfer of wealth. Generally, there is no federal tax on what you leave to your spouse or charity. And there is no tax on the first \$5.43 million (in 2015) that passes to your other heirs.

If you do have an estate of more than \$5.43 million, you need to plan to reduce federal transfer taxes. The tax rates are high – the federal estate tax is 40% on the excess – but that tax can be greatly reduced or eliminated by good advanced estate planning.

For most seniors, it's the cost of long term care rather than death taxes that should be the focus of advance planning. Similar to most tax matters, proper planning can save taxes and ensure that you pass along the true value of your estate according to your wishes.

What if you could reduce the ups and downs of the stock market?

If you are like other investors, you expect to see your investments grow over time. However, along this path to long-term growth, there will be turbulent times that could cause you to question your decisions:

Am I invested in the right place?

Is investing for me?

I'm not sure I can handle it if my account declines more.

Should I sell now and wait for things to settle down?

The market always comes back but is it different this time?

These are some of the questions and thoughts that most investors face when the markets become volatile. But, what if you have a way reduce the ups and downs of the stock market and therefore your worry?

By altering the risk and return profile of your investments, you could partially limit losses in exchange for limiting your potential profit. This par-

ticular note was made available only to Blue Bell PWM clients and does what we just described. This investment is linked to the S&P 500 Index for the next 13 months. During this time, an investor will participate in the gains of the S&P500 Index at a rate of 1.5x up to a maximum return of 12.45%. If the S&P500 loses value, the investment will protect the first 10% of loss and lose 1:1 on losses below 10% of the initial level (if the index falls 20% this investment would lose 10%). The return profile of this investment assumes the credit risk of the issuing bank (JPMorgan) and the investment being held to maturity. This investment will not pay dividends.

The following chart shows the potential payout scenarios of the note versus the S&P500 Index over the next 13 months:

S&P500 Index	S&P500 Return	Note Return
2,365.65	15%	12.45%
2,262.80	10%	12.45%
2,159.94	5%	7.50%
2,108.52	2.5%	3.75%
2,057.09	0%	0.00%
2,005.66	-2.5%	0.00%
1,954.24	-5%	0.00%
1,851.38	-10%	0.00%
1,748.53	-15%	-5.00%

S&P500 initial index value: 2,057.09 on 1.26.2015
10% downside buffer level: 1,851.38
Maximum return amount: 12.45%

We believe this to be a prudent investment for those investors who would like to reduce the stock market's volatility. If you would like to learn more about this or other investments, please contact us.

BBPWM in the News

“Mr. Miller recommends Morgan Stanley China A Share (CAF), a closed-end fund that invests at least 80% of its assets in so-called A-share Chinese companies, or those listed on the Shanghai and Shenzhen stock exchanges. The Morgan Stanley fund has been trading at a discount to net asset value of approximately 18%, or at a price lower than the value of the assets held by the fund. He recommends using cefconnect.com, a website managed by Nuveen Investments Inc., to check daily discounts before buying the fund, because the fund can be volatile.”

-J. Scott Miller, Jr. *Wall Street Journal*, June 14, 2015, discussing how investors could invest in China's stock market.

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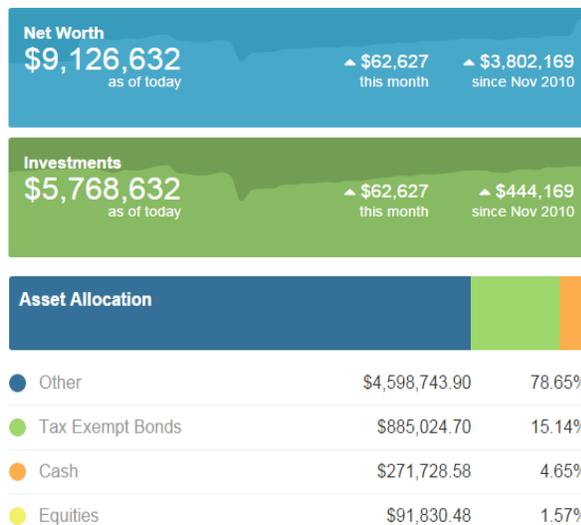


Blue Bell
PRIVATE WEALTH MANAGEMENT

Reminders:

- If you mail a check, please make the check payable to “Charles Schwab & Co, Inc.” with your account number written on the check.
- Please let us know if you hold any IRA money outside of Schwab so that we may include this into our RMD calculation for 2015.
- Talk to your children about the benefits of starting a Roth IRA.
- Please consider setting up online access to view your accounts online and to receive your statements and trade confirmations electronically.

BBPWM Wealth View



If you are interested in seeing a full picture of your financial situation, please feel free to give us a call. We have a new website that updates your assets and liabilities on a daily basis. We have an app that can be found at the Apple App Store.

PLEASE REMEMBER THAT PAST PERFORMANCE MAY NOT BE INDICATIVE OF FUTURE RESULTS. DIFFERENT TYPES OF INVESTMENTS INVOLVE VARYING DEGREES OF RISK, AND THERE CAN BE NO ASSURANCE THAT THE FUTURE PERFORMANCE OF ANY SPECIFIC INVESTMENT, INVESTMENT STRATEGY, OR PRODUCT MADE REFERENCE TO DIRECTLY OR INDIRECTLY IN THIS NEWSLETTER, WILL BE PROFITABLE, EQUAL AND CORRESPONDING INDICATED HISTORICAL PERFORMANCE LEVEL(S), OR BE SUITABLE FOR YOUR PORTFOLIO. DUE TO VARIOUS FACTORS, INCLUDING CHANGING MARKET CONDITIONS, THE CONTENT MAY NO LONGER BE REFLECTIVE OF CURRENT OPINIONS OR POSITIONS. MOREOVER, YOU SHOULD NOT ASSUME THAT ANY DISCUSSION OR INFORMATION CONTAINED IN THIS NEWSLETTER SERVES AS THE RECEIPT OF, OR SUBSTITUTE FOR, PERSONALIZED INVESTMENT ADVICE FROM BLUE BELL PRIVATE WEALTH MANAGEMENT LLC. PLEASE REMEMBER TO CONTACT BLUE BELL PRIVATE WEALTH MANAGEMENT LLC IF THERE ARE ANY CHANGES IN YOUR PERSONAL/FINANCIAL SITUATION OR INVESTMENT OBJECTIVES FOR THE PURPOSE OF REVIEWING/EVALUATING/REVISING OUR PREVIOUS RECOMMENDATIONS AND/OR SERVICES. PLEASE ALSO ADVISE US IF YOU WOULD LIKE TO IMPOSE, ADD, OR TO MODIFY ANY REASONABLE RESTRICTIONS TO OUR CURRENT WRITTEN DISCLOSURE STATEMENT DISCUSSING OUR ADVISORY SERVICES AND FEES REMAINS AVAILABLE FOR YOUR REVIEW UPON REQUEST.