



PROVIDENCE FIRST
TRUST COMPANY

PLEASE FILE YOUR CHILD'S TAX RETURN! (It is never too late.)

If for some reason you have not yet filed your child's 2014 tax return, please do not wait any longer. Please contact your tax return preparer and file immediately to avoid further interest and penalties. You need a form 1099 from the Nation and tax documents from Fifth Third Bank and Providence First Trust Company.

Economic Overview

While markets have made headlines recently with larger than average swings, economic fundamentals appear to still be sold. Employment and home building are still in uptrends, and consumer confidence is still good. Continued low interest rates are an important source of support for economic growth. As long as economic growth continues and no recession appears likely, the investment climate will remain generally positive.

Investment Recap

Financial markets have tended to disappoint investors for the first nine months of 2015. Stock markets world-wide have given up gains from the early part of the year. A sharp sell-off in August has led to most stock investments posting negative returns year-to-date. Interest rates have fluctuated in a narrow range. Bond investments have managed modest positive returns in this environment. U.S. stocks are down around 5.5% year to date, with international stock markets down about 10.5%.

Quarterly Investment Question: What are market indexes and why are they important?

Indexes are tools investors use to measure the performance of various financial markets. A market index is made up of the prices of stocks or bonds that move with market conditions. The index price and return is a way of establishing a benchmark for how different types of investments have done over a period of time. Some well-known benchmarks include the Dow Jones Industrial Average and S&P 500 Index of large U.S. stocks, and the Barclays Aggregate Index of U.S. bonds. Other benchmarks you may see are the Russell 3000 Index of all sizes of U.S. stocks, and the MSCI All Country World Index of foreign stocks.



Budgeting

In the last newsletter, we discussed the importance of having a plan of how you will use your trust money wisely. Important first steps were setting goals and identifying the costs of those goals.

Once you receive your trust money, keeping a budget is an essential part of a financial plan. A budget is a plan of how much you will earn, how much you will save, and how much you will spend during a period of time. Your budget will be more helpful and meaningful if you write it on paper or record it on your computer and then frequently review it.

A budget will help you save money, avoid debt, make wise purchases, prepare for emergencies and carry out your financial plan and achieve your goals.

Here is an example of a budget.

First, the income, or money Jennifer received, was written down at the top. This is the amount of money Jennifer has to save or spend in the categories below. Next, there is a list of categories. The first category is savings. Then, there is a list of expenses. At the bottom, there are subtotals for the different categories. The income should equal the total savings and expenses.

Please contact Providence First Trust if you would like to learn more about budgeting.

PERSONAL BUDGET
Name: Jennifer
Year: 2016

INCOME	
Minors Trust Distribution	\$ 25,000
Per Capita Payments	\$ 8,000
Wages	\$ 10,000
Total Income	\$ 43,000

SAVINGS	
Savings Goal	\$ 10,000
Total Savings	\$ 10,000

EXPENSES	
Rent/Mortgage	\$ 4,000
Utilities (electricity, water, phone, cable, internet)	\$ 2,400
Vehicle (payments, insurance, fuel maintenance)	\$ 3,000
Medical (perscriptions, doctor, dental, insurance)	\$ 1,600
Food (groceries, dining/restaurants)	\$ 2,400
Education	\$ 3,000
Clothing	\$ 1,000
Hair and other hygiene	\$ 800
Pets	\$ 500
Gifts to others	\$ 1,000
Charitable and religious donations	\$ 2,000
Entertainment (movies, music, concerts, etc.)	\$ 1,200
Recreation/Fitness center/Sports/Hobbies	\$ 900
Vacation/Travel	\$ 1,200
Taxes	\$ 7,000
Miscellaneous	\$ 1,000
Total Expenses	\$ 33,000

SUMMARY: TOTALS	
Total Income	\$ 43,000
Subtract Total Savings	\$ -10,000
Subtract Total Expenses	\$ -33,000
Summary - Amount Not Used	\$ -

If you have any questions regarding your Minors Trust, please don't hesitate to call us at 602-952-2300 or toll free at 1-800-350-0208. Thank you for being a valued client of Providence First Trust Company.