



Citrin Cooperman Wealth Management, LP Quarterly Report July 2011

An update of current marketplace conditions

Economic and Financial Market Analysis

During the month of June, stocks and commodities posted declines while the bond market showed continued strength. The market overall was weighed down by the possibility of a default in Greece, the continued saga building around the U.S. debt ceiling and deficits, and signs that world economies may be slowing. Investors shed the heaviest volume of riskier assets since January 2009. Markets sold off sharply for most of June before rallying the last four days of the month.

The second quarter saw renewed equity market volatility as markets reacted to both political and economic news from around the world. Investors began to worry about a “double-dip recession” as the quarter’s economic data continued to disappoint. Unemployment, housing, manufacturing, and consumer spending all pointed to a potential slowdown in growth. Although certain data points to a potential slowdown, many economists believe that growth will accelerate in the second half of 2011. The general consensus is that U.S. GDP will grow roughly 2.3% in the second half of 2011. Investors will be focused on earnings, the U.S. debt ceiling, commodity prices, unemployment, and housing through the coming months, all of which will likely determine where equity markets finish the year.

The S&P 500 and the NASDAQ posted small losses of 0.39% and 0.60%, respectively, while the Dow Jones Industrial Average had a small gain of 0.77%. Year to date (as of the end of June), the S&P is up 5.00%, and the Dow 7.23%, the NASDAQ 4.83%.

International Markets up Marginally While Emerging Markets are in the Red

The MSCI EAFE was down 0.33% for the month while the MSCI Emerging Market Index returned a negative 2.10% for the same time period. Greece was again the headline of international markets and was the driver for much of the sell-off across the globe. Emerging market policy makers continue to raise interest rates in an effort to control inflation. Investors’ fears of emerging market economies’ slowing growth caused the Emerging Markets Index to retreat. Year to date, the EAFE is up 3.0% while the Emerging Markets Index is down 0.45%. China, Brazil, and India are all negative year-to-date. China is down 0.70%, Brazil 1.65%, and India 9.17%.

Bonds Markets Continue to Post Positive Total Returns

Bond markets produced decent gains across the board as interest rates moved lower and bond prices rose, buoyed by the continued buying of bonds by the Fed, investors' rotation out of stocks and into bonds, and continued mounting fear that world economies are slowing. The Barclays Aggregate Bond Index (the broadest measure of taxable bond returns) generated a 2.29% total return for the month of June and is up 2.72% for the year. The Barclays Municipal Bond Index posted solid gains as well, and is up over 5% for the year.

Most Commodities Down in June While Gold Continues to Glitter

The majority of commodities fell across the board. Crude oil was down 10.6% to close at \$95.42 per barrel, silver was down 8.58% to close at \$34.69 per ounce, natural gas was down 0.03%, and copper was down slightly with a return of negative 0.01%. Gold, however, continued its upward trend to close at \$1,502.20 per ounce, up 4.44%

Investment Conclusions and Potential Market Moving Events

1. Anticipated high market volatility due to headlines of slower growth, falling home prices, continued unemployment, and Washington's dithering regarding the debt ceiling and the deficit.
2. Eurozone bailouts, particularly the so-called "PIIGS" (Portugal, Italy, Ireland, Greece and Spain) nations.
3. Emerging market economies' slowing growth.
4. Second quarter corporate earnings.

Market Metrics

Equity Class	Index	2Q 2011 Return
Large Cap	S&P 500	-.08%
Mid Cap	Russell Mid Cap	.49%
Small Cap	Russell 2000	-1.23%
International	MSCI EAFE	2.33%
Emerging Markets	MSCI Emerging Markets	-1.15%

Fixed Income Class	Index	2Q 2011 Return
U.S. Taxable	Barclays U.S. Aggregate	2.33%
U.S. Non-Taxable	Barclays Municipal	1.19%
Inflation Protected	Barclays TIPS	3.85%
International	Barclays Global Treasury Ex U.S.	3.96%
High Yield	Barclays High Yield	2.27%

Asset Class	Index	2Q 2011 Return
REITs	Wilshire REIT	4.76%
Commodities	S&P GSCI	-5.06%
Absolute Return	HFRX Absolute Return	-1.97%



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