First Quarter 2016 Review Letter

Dear Clients:

The first quarter delivered on our volatility expectations, with the S&P 500 stock index declining nearly 5% in January, staying relatively flat in February, then roaring back 6.6% in March.

We continue to be intrigued by global trends and their impact on our investments. Brazilian corruption, the collapse of the Venezuelan petro-state, and continued hand-wringing over slowing growth in China are some of the challenges overseas. And yet over the last three months emerging markets provided the highest return of the asset classes that we track, with an increase of nearly 20%. Some of this gain is the result of a weakening dollar, which benefits our globally diversified portfolios. Is this an “emerging” trend, or just an aberration? It doesn’t really matter; we continue to diligently reinvest when asset prices decline, and when US price growth takes a back seat, these sale prices further enhance our future returns.

One of our major undertakings this quarter was the addition of performance metrics to your quarterly report. Thanks to Chief Allocation Strategist Steve Bobo, we will be tracking monthly account performance and comparing it to multiple benchmarks. We look forward to enhanced conversations with you about our expectations for your investments and how we are doing. While we recognize the limits of data over short time periods, we enjoy assessing our performance during these wild market swings. Our portfolios have generally functioned as expected, with lower volatility and in most cases incurring less of the market declines while capturing more of the gains.

We will continue to maintain discipline and focus on what we can control. Please refer to the following statements for performance and quarter-end balances, and please contact me if you have any questions.

Sincerely,

John H. Biebel, J.D., CFP®
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