



## Fourth Quarter 2015 Review Letter

Dear Clients:

Greetings from Ridley Cove! We anticipate a wilder ride in 2016, and your portfolios are ready.

The fourth quarter provided consistently positive returns, with the S&P 500 up 7% and even the MSCI EAFE Emerging Markets Index slightly positive. The strong quarter was not enough to provide more significant performance for the year, with the S&P 500 up 1.4%, the MSCI EAFE International Developed Markets Index down 0.4%, and the Emerging Markets Index down 14.6%.

The first two weeks of 2016 have been volatile, with concerns about China and the plunging price of oil stoking fears of a global economic slowdown. It is worth noting that this is the same concern that led to a weak third quarter before investors decided that the fears were overblown. Many economists and portfolio managers believe that this volatility is the norm; we have just experienced several years of unusual calm due to the Federal Reserve's asset buying programs and its suppression of interest rates.

As we attempt to discern reality through the opaque lens of the markets, we recall that US investments have often benefited from tumult overseas. Having assessed the risks and opportunities, we take comfort in our all-weather, diversified strategy. Your Treasuries and high-quality companies have moderated recent volatility, and our approach to emerging markets has mitigated some of the downside while keeping us positioned to capture future growth.

Please refer to the following statement for your quarter-end balances, and please contact me if you have any questions.

Sincerely,

John H. Biebel, J.D., CFP®

617-791-3811

[jbiebel@ridleycove.com](mailto:jbiebel@ridleycove.com)