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We hope this letter finds you doing well and enjoying the change to spring temperatures and longer days. While a good snow pack is always welcome, nothing brings a smile like a sunny day and warm temperatures.

In the spirit of these happy thoughts, we want to share some good news about your investments. We are pleased to see in review of our 2015 model portfolios that nearly all of them have gone down less than their benchmarks and significantly less than the S&P 500 Index. The smaller the drop of value in your portfolio, the quicker you will recover and be able to capture more of the positive returns in the bull (up) market.

We hear a lot of bad news about a "stock market correction" (which is a 10% drop in value). A "correction" has been predicted since 2012 due to the positive market gains that were happening over the last 4-6 years. Market prices simply cannot go up and up every year. As more individual, and large institutional investors, see the opportunities to realize profits, the selling activity increases, driving the stock market down in value.

However, this selling activity creates great buying opportunities for the shrewd investment managers within the diversified portfolios we have created for you. These active fund managers have been selling some of the over-valued stocks in your portfolios over the past 2-3 years, and increasing the cash balances for later investment at lower, more reasonable prices. Now that the market prices have fallen to a good value, they have been able to reinvest this money into lower priced, well researched companies with solid management, good products and opportunities for growth in this market.

Our focus has always been on researching the best investment managers we can find in every category and sector who have a long history of managing downside risk (potential for loss of value), while delivering good long-term performance. In these down markets, you will see where our value as your investment advisor truly shines. Throughout the stock market's history since 1926, the average Bull Market (up market) has lasted 8.8 years and the average Bear Market (down market) lasted 1.3 years. As you can see, the smaller we can reduce your loss of value in the down markets, the greater will be your recovery and ability to realize the longer Bull market accumulative total returns.

Please give us a call if your goals have changed, or if you want to have a discussion about the changes we are making to better control downside risk in the portfolios, while generating reasonable long-term returns.

Sincerely,

Dick | Doug | R.

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