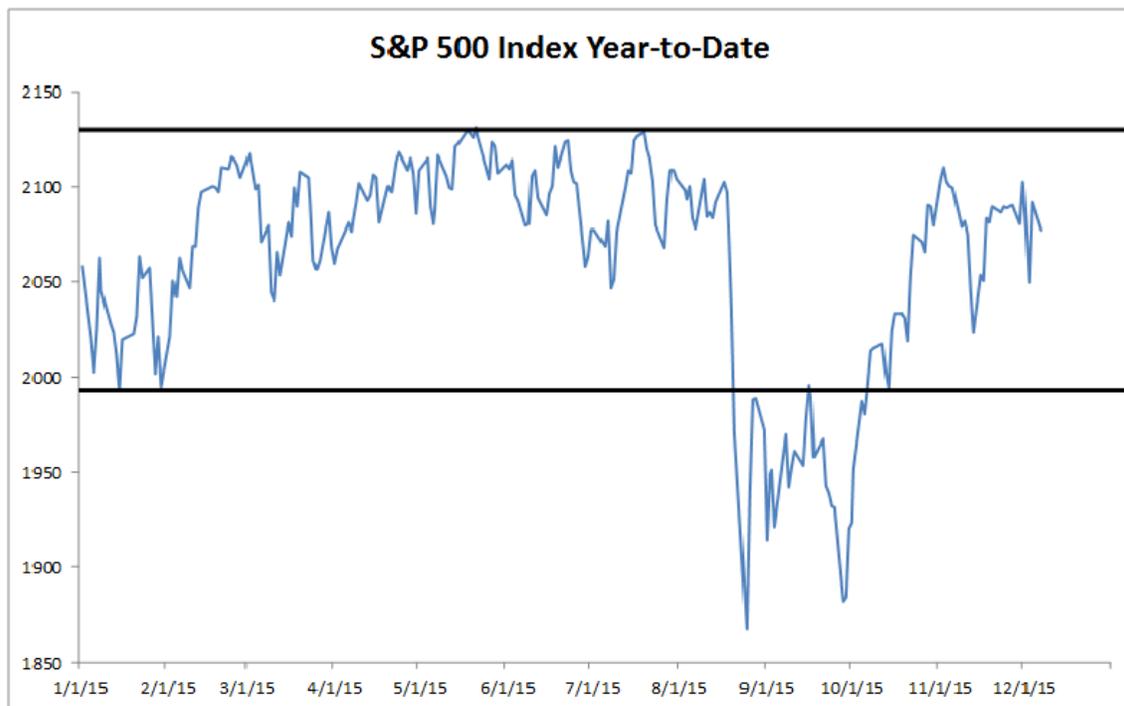


Looking Forward

November Market Review From Your Portfolio Management Team—December 7, 2015

While the U.S. stock and bond markets have stalled during 2015, one thing is obvious—volatility has returned. Even in a flat month like November, we saw quite a bit of day-to-day swings that would make any investor nervous. With one month to go in the year, stocks and bonds are on pace to finish the year well below their long-term average return levels.

What remains to be seen is whether 2015 was merely a pause for the markets to catch their breath before mounting another climb to new highs, or a stalling action before a more serious decline in 2016. (See chart below of the S&P 500 index for the year 2015.)



After recouping August losses in October, investors seem to be playing a waiting game to see if the Federal Reserve will begin to bump up interest rates later this month. The consensus seems to believe that the Fed will indeed make their first increase in interest rates next week, seeing ample strength in our economy. How will the markets take this action by the Fed? Tune in next week to find out.

Given this ongoing uncertainty, we maintain a cash cushion in place if the markets are surprised to the downside next week. That cash will either be a cushion to protect or a source of ammunition to add to areas that begin to outperform in the weeks or months ahead.

As we mentioned last month, for those of you who like to check your positions regularly, many funds will be paying their year-end distributions this month. As a result, you might see some funds with a sharp price drop some day when the overall markets are flat. Those dividends will usually be reinvested the next day, which will bring your account values back up.

Also, please contact us if you need any account-related service prior December 31st (withdrawals, retirement plan contributions, etc.). Our offices will not be at full capacity during the last week of the year, so please don't wait to the last day of the year to reach out to us.

Finally, we would like to extend our warmest wishes for a wonderful holiday season for you and your families. We look forward to a healthy and successful year in 2016.

Ronald J. Rough
Director of Portfolio Management