Financial Services Advisory
GROW WISER®

Stocks Stumble

Interim Market Update From Your Portfolio Management Team—January 21, 2016

As we begin this New Year and the east coast braces for its first big storm of the winter, we wanted to give you a brief update on the markets and the portfolio allocations since our year-end newsletter. We have witnessed a historical start to the year—in a bad way. The 8% decline in the S&P 500 index over the first two weeks of the year was the worst start for that index—ever.

As we discussed in the recent year-end newsletter, we had the portfolios in a reasonably defensive position given the choppiness from November/December. The table below shows the cash/bond allocation among our four strategies. Why not 100% money market? The reason is, the funds we continue to hold have held up well and not yet hit their exit points (the FSA Safety Nets®). We continue to follow our disciplined approach to investing and protecting your assets and stand ready to exit the remaining stock positions.

Strategy	Cash/Bonds **12/31/15**	Cash/Bonds **01/20/16**
Tactical Growth	40%	70%
Core Equity	40%	65%
Conservative Growth	65%	75%
Income & Growth	70%	70%

Note: Your actual portfolio allocations may differ from these averages as the FSA portfolios are individually managed.

We have been long overdue for a strong correction, which ultimately creates buying opportunities after things settle down. While we have responded to this volatility and uncertainty by moving closer to shore (building cash and bonds), we wait for the opportunity for calmer seas.

In closing, just know that the Investment Management team is following the markets on a daily basis and adjusting the portfolios as necessary. Our primary goal is to protect your portfolios from significant declines. Experience has shown that by protecting portfolios from significant loss, it is easier to recoup those smaller losses and move on to new highs when markets turn around.

If you have any questions about your specific portfolios, please call or email us.

FSA Investment Team

One Church Street, Suite 901 | Rockville, MD 20850 | 301.949.7300 | 800.235.4567
5237 Summerlin Commons Blvd. | Fort Myers, FL 33907 | 239.489.3346
FSAinvest.com