ACCESS | WEALTH MANAGEMENT

April 2016

1st Quarter 2016 Summary

To say the least, it has been an exciting and very busy last 5 months at AWM! Our transition is starting to wind down and we can see the light at the end of the tunnel! Thank you very much for your patience throughout this process! In early 2015, we began the process of exploring our options of expanding our team and moving into the RIA (Registered Investment Advisor) space to better serve you. It was something that truly needed to be done. As an autonomous firm, we're not in the business of selling you anything. We simply want to provide our clients with unbiased, high quality information and advice. The complete independence we now enjoy frees us from the narrow niche of products at corporate institutions and we are able to provide you a fully open architecture platform. Our passion is seeing you succeed, and that is what drives us day in and day out. Although it's been a lot of work for everyone, we couldn't be more pleased or proud to be in the space we are now! Now let's get on to some observations of the markets...

Whew! Beaten down areas of the market have staged a nice turnaround. Stocks have moved well off the lows and the S&P 500 is now around the flat-line for the year. Neutral, but not boring!

After all there are two ways to get to a neutral color: 1) just pick the boring beige that we're all familiar with, or 2) mix a bunch of wild colors together and end up with an altogether bland sort of color—vastly different inputs but relatively the same result. Recently, stocks have resembled the latter scenario as stock indexes have moved out of correction territory but have remained quite volatile, with triple-digit Dow moves more common than not. Uncertainty remains elevated and trying to chase, or even interpret, every move in the stock market seems to us to be a losing game.

Our view on the market's activity is akin to dating vs. marrying. A lot of the action recently has been from folks that are simply "dating" stocks—no long-term commitment, trying different things out, never settling on a set path—exciting at times but ultimately mostly exhausting and unsatisfying. We suggest investors take an approach more like marriage—a long-term, stable commitment, sticking with the plan through ups and downs, knowing there will be good times and bad, but hopefully ultimately fulfilling in the long term.

Stocks continue to be heavily influenced by oil, and not in the traditional way. When oil has risen, so have stocks. So, the price of oil having stabilized and moving higher has helped stocks to do the same. We believe a bottom for oil is in, and it's a space we like moving forward for our patient, longer term investors. There is no accurate way to directly invest in the "price of oil". We believe that our clients interested in oil should look at adding:

- XLE—an ETF that seeks to deliver the results of the energy sector of the S&P 500 Index, both price and yield.
- USO—an ETF that attempts to track the price of West Texas Intermediate Sweet Crude Oil

Remember the basic rule of economics—the cure for low prices is low prices, as it eventually cuts supply and increases demand. And don't forget that historically a reduction in the price of oil has been a boost to the economy with about a year lag. We believe we will see that boost to a greater extent as we go through the year.

So what does all of this mean? We've seen a nice rebound in stocks off the lows but we don't believe the market can sustain the pace of gains seen over the past month. We've learned in our careers that making "short term calls" on the market is just a guess – an educated guess, but still a guess. Economic growth remains sluggish, earnings growth has been weak, and monetary, political and regulatory uncertainty is elevated. We think U.S. stocks continue to experience bouts of volatility but that a growing economy and a healthy U.S. consumer will contribute to equities ultimately moving higher over the long term. Overseas central banks seem to have corrected some of their mistakes from earlier meetings, fostering a rebound in global equities. Risks still remain of course, but there are glimmers of improvement, and we believe our investors should remain globally diversified.

As always, we thank you for the trust and confidence you have placed in us! We remain committed to eliminating the emotions that pervade our financial markets by utilizing our expertise to guide your financial future. This is a responsibility and privilege that we never take for granted!

Respectfully,

Anthony L. Christensen
President