

7457 Franklin Road, Suite 222 • Bloomfield Hills, MI 48301

January 8, 2016

Most participants in the financial markets were eager to see 2015 come to a close. After such a volatile and unproductive year, 2016 will have to be better. So far, that is not the case, but one week does not predict the year. Traders were not happy with 2015 or the start of this year, but investors know there are tremendous long term opportunities in weak and fearful markets.

Many people identify having money in stocks as having the money “invested”. As we all know, there is a significant difference between “trading” and “investing”. Traders look at buying shares in companies as an opportunity to make a short-term profit, not to own a living, breathing, entity along with its future cash flows. An investment is quite different. Much like everything else in life, making an investment is not always comfortable and does not always feel like it is working. Being “invested” means staying the course even when the outlook is uncertain.

Terrorism, oil prices, Middle East tension, China, North Korea, the presidential election and rising interest rates are just a handful of the items creating a lack of confidence in the global economy. These issues are “Macro” in nature and impact all economies. None of these issues are company specific. Granted, an oil company can have specific troubles as a result of the collapse in oil prices, but oil has been priced here before and companies made handsome profits then as well.

The companies we invest in are managing all of these risks on a daily basis and doing their best to be able to thrive in whatever environment they are forced to face. Right sizing will occur over time and profit margins will return. Keep in mind that there are many factors that will change the apparent course of the above listed items that no one knows even exist right now.

The importance of your financial plan is what comes through in times of uncertainty. That is why we start each relationship with a plan. Your financial plan assists you with staying the course, regardless of what the future brings. If you are feeling fearful and uncertain, let’s update your plan and review it. Knowing what your margin of safety is can go a long way to restoring confidence in the midst of what can seem like chaos and uncertainty. As we usher in 2016 we cannot adequately express how grateful we are to be of service to you. Happy New Year.



David J. Sculati
President



Nathan Hawrot
Certified Financial Planner™

IMPORTANT TAX INFORMATION:

If your taxable account generated capital gains or losses in 2015, your realized gain and loss summary is included in your reports. Please provide that report as well as the 1099 you will receive from Schwab to your tax preparer. Please be aware that Schwab has until February 28th to send out all 1099 forms.