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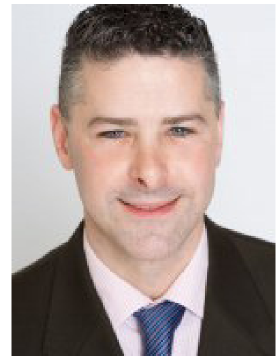


DECEMBER 2015

Market Update

(all values as of 11.30.2015)

Stock Indices:

Dow Jones	17,719
S&P 500	2,080
Nasdaq	5,108

Bond Sector Yields:

2 Yr Treasury	0.94%
10 Yr Treasury	2.21%
10 Yr Municipal	2.05%
High Yield	8.07%

YTD Market Returns:

Dow Jones	-0.58%
S&P 500	1.04%
Nasdaq	7.87%
MSCI-EAFE	-0.74%
MSCI-Europe	-1.50%
MSCI-Pacific	0.50%
MSCI-Emg Mkt	-14.85%
US Agg Bond	.82%
US Corp Bond	0.03%
US Gov't Bond	0.54%

Commodity Prices:

Gold	1,065
Silver	14.16
Oil (WTI)	41.68

Currencies:

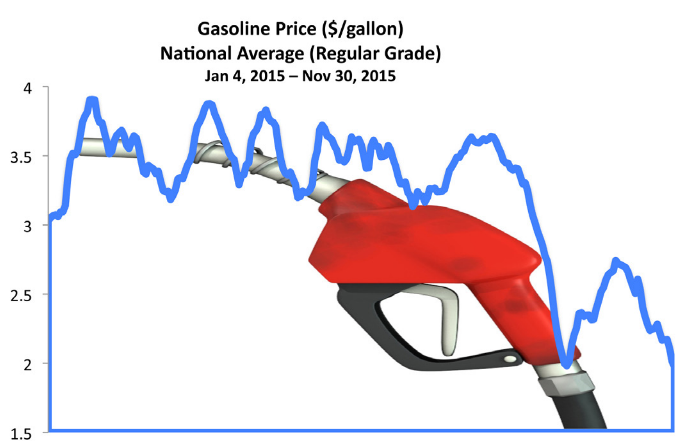
Dollar / Euro	1.05
Dollar / Pound	1.50
Yen / Dollar	122.70
Dollar / Canadian	.74

Current Environment - Macro Overview

Markets responded fastidiously to comments by Federal Reserve members that the U.S. economy was strong enough to start absorbing a gradual rise in rates. Federal Reserve officials also indicated that rates would rise gradually while maintaining extreme sensitivity to employment and other vital economic indicators. The news was embraced as optimistic since a rise in rates would serve as a validation that economic growth is underway.

A concurrent tightening by the Federal Reserve, along with continued easing by the European Central Bank (ECB) in Europe, would continue to strengthen the dollar from its current levels, which has become a depressant for already weak commodity prices worldwide. A strong U.S. dollar tends to make commodities cheaper for U.S. and developed international consumers, but adversely affects emerging market countries that rely on commodity export revenue.

A divergence between U.S. rates and international rates continued throughout November as short-term rates rose in the U.S. concurrently as rates fell in other countries. As rates rise in the U.S., the dollar strengthens.



The combination of a strong dollar and rising rates is having a precarious effect on commodities. Interestingly enough, the simultaneous rise in real and nominal rates reflects the notion that inflation is still contained. Commodities are seeing additional downward pressure since inflation is not enough to warrant buying precious metals to hedge against inflation pressures.

The terrorist attacks in Paris ironically had a positive effect on the domestic and international equity markets. Markets globally demonstrated a resilience to the terrorist activity as it was considered isolated and not of an impact to financial markets. The attack was a validation that isolated incidents such as what occurred in Paris were limited to the immediate economy and for only a short period of time.

The EIA reported that gasoline prices nationwide were the lowest since 2008 heading into the Thanksgiving holiday. Continued low gasoline prices have allowed consumers and travelers more money left over for other purchases.

Sources: Fed, EIA, Reuters, ECB, USDA, U.S. Dept. of Energy

AUTO LOANS OUTSTANDING TOTAL OVER $ 1 TRILLION

U.S. Equity Update - Domestic Stock Market

With the earnings season complete now, equity markets are likely to be driven by macro economic factors through the beginning of 2016.

Equity analysts and economists are shifting their attention to consumer behavior and economic conditions. The Fed's focus on a rate rise has been in response to strengthening economic data.

The financial sector was the best performing sector in November, outperforming all other sectors. Financials rose in anticipation of a rate hike by the Fed, which is expected to widen net interest margins for banks.

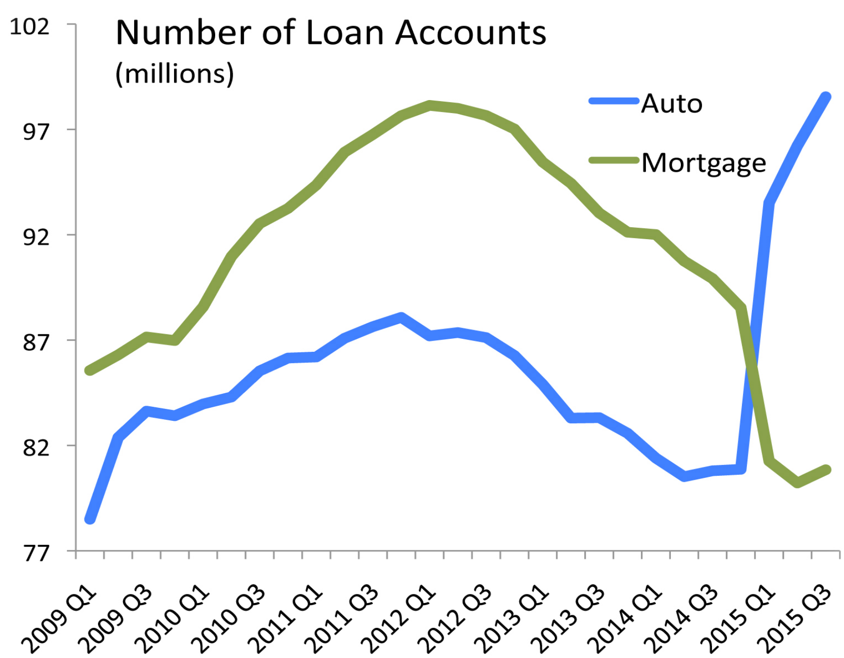
Volatility throughout the year has led to a sideways direction for the equity markets, creating a difficult environment for long-term growth investors. Short-term traders have taken advantage of the volatility and market dislocations.

Sources: S&P, Moody's, Bloomberg

Consumers Getting More Car Loans, Not Home Loans - Auto Industry Overview

Rather than struggling to get approved for a new home loan or refinance, Americans are instead financing cars, where getting a loan approval is easier. The ability of fresh loans available to car buyers is also helping to elevate auto sales dramatically throughout the country.

This past quarter, auto loans outstanding reached $1 trillion for the first time ever.



The amount of total auto loans is rising faster than the amount of mortgage loans. The average car loan is approximately $21,700, with the average monthly payment at $400. The average purchase price stands at about $32,529.

As expensive as some automobiles have become for some people, an auto loan is the only method of actually affording the pricey cars of today. Over the years, several automobile companies have established their own financing thus allowing buyers to buy and borrow directly from them.

Economists have always placed a value on home mortgages, an indicator of economic growth, since homeowners must eventually furnish and maintain their valuable purchase. But now, the amount of auto loans being made is tracked by economists as yet another indication of consumer spending ability. An improving job market and stable wages have allowed consumers the ability of obtaining larger loans on more expensive cars.

Source: Federal Reserve

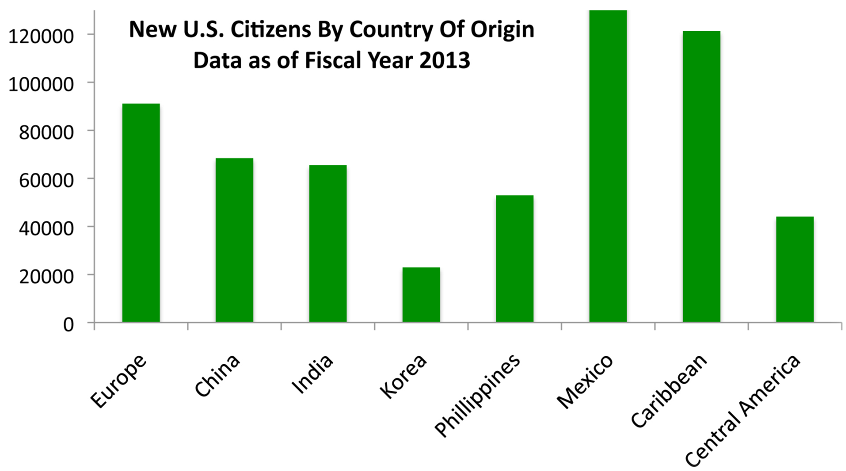
Over 94% Of All Consumer Loans Are Being Paid On Time

Where Immigrants To The U.S. Are Coming From - Demographics

America's diversity continues to evolve as people flock to America.

For decades, the United States has been a destination for immigrants worldwide, attracting people from various cultures and distant countries. The U.S has been a safe haven for those fleeing political and religious persecution in their home countries.

Jobs and security are what draw immigrants to the U.S., with intentions to support and provide for their families. Yet with recent events, it has come under question as to what the actual intentions might be for certain immigrants.



The most recent data available from the Department of Homeland Security identified nearly 800,000 immigrants that became American citizens in the fiscal year 2013, the most recent data made available.

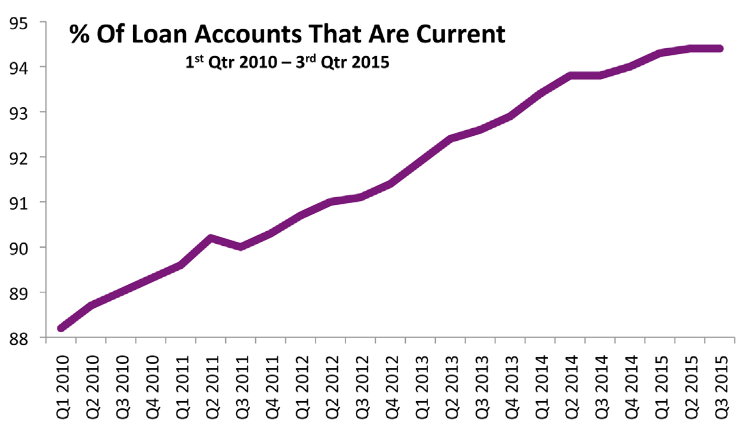
Source: Department of Homeland Security

Americans Improving On Paying Debt Off On Time - Consumer Finance

Following the financial crisis of 2008-2009, bank loans and financing became very challenging for U.S. consumers. As the job market has improved over the past few years, more Americans are working, thus allowing them the ability to pay down left over debt from the crisis.

Demographically, most loans are taken out by younger consumers with growing families in the prime of their spending and borrowing years. Improving debt, characteristics of younger consumers, may also lend to better saving and investing behaviors as finances are managed better.

Delinquencies are a gauge of how well borrowers across the credit spectrum are able to repay their loans on a timely basis. Should delinquencies rise, it is an indicator of various factors, including weakening job market, lower wages, increased household expenses, and overextended consumers.



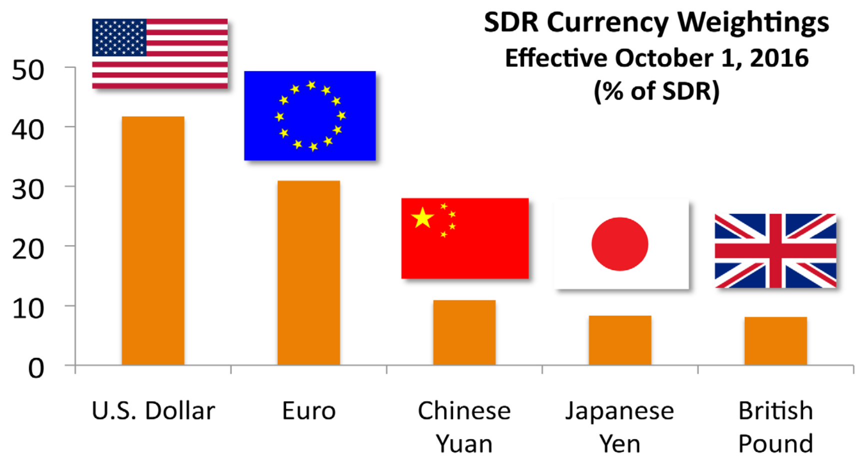
Over the past several months, delinquencies have dropped with an increased number of consumers paying their debt off on time. Such a pattern is an encouraging indication of improving consumer dynamics.

Source: Federal Reserve

China’s Currency Will Become Part Of The IMF’s SDR On October 1, 2016

China’s Currency Makes It To SDR Status - Currency Update

When smaller, less developed countries from around the world need to exchange their currencies into a more utilized and liquid currency, they utilize SDRs (Special Drawing Rights), essentially a basket of currencies. Created by the IMF in 1969 to supplement a shortfall of preferred foreign exchange reserve assets, SDRs have evolved to over $200 billion in value. There are currently 188 member nations that belong to the IMF and vote on the make up of SDRs.



The IMF voted on November 30th to have the Chinese currency, the yuan and also known as the renminbi, included in the IMF’s basket of currencies known as SDRs. China had been lobbying for years to have its currency included in the basket, arguing that world trade and economies were at risk of having too much reliance on the U.S. dollar.

The IMF reviews the composition of the SDR basket every five years. It did reject the inclusion of the Chinese yuan during its last review in 2010 for the reason that it did not meet the necessary currency criteria.

The IMF stated that the yuan’s inclusion will support the growth and stability of China and the global economy. The yuan’s inclusion will take effect October 1, 2016, with a starting allocation of 10.92 percent.

The revised allocation of currencies in the SDRs will have a minimal effect on the dollar’s position, which will shift from a 41.9% weight to a 41.73% weight. The British pound will have the biggest difference of the currencies, dropping from a 11.3% weight to a 8.09% weight.

Source: IMF

Fixed Income - Global Bond Market Overview

The U.S. Treasury yield curve flattened in November, meaning that the difference between short-term and long-term bonds contracted. A flattening yield curve is indicative of consistent long-term rates in the future, rather than an anticipation of higher rates. Short-term bonds are the most susceptible to any increase in rates by the Federal Reserve, since the Fed directly affects short-term rates while long-term rates are dictated by the markets. The shorter-term, 2-year Treasury increased in November to yield 0.94% at month end, while the longer-term, 30-year Treasury was little changed at 2.21%.

Unique dynamics in the fixed income markets occurred in November as longer-term bonds performed better than shorter-term bonds in anticipation of a Federal Reserve rate hike. The weakness continues to be in the speculative grade corporate and municipal bond sectors.

Sources: U.S. Treasury, Federal Reserve