February 17, 2014

**Mid-Quarter Report***John Ferguson, President*

The world’s securities markets during the first half of the first quarter were as wild and exciting as a Mardi Gras parade - full of unexpected twists and turns.

The markets bounced to the rhythms of Chinese production slowing, Chinese economy growing, snow, a new Federal Reserve Chairwomen, improved productivity, snow, improved consumer spending, unimproved employment numbers, and slowing retail sales mostly because of… Snow.

February 3rd, when the market was down over 300 points (and at the lows for the period), there was an article posted online predicting 1,000-point single day declines; enough voodoo I thought.

What happened next was a surge in the markets heralding calls from the same doomsayers, less than a week later, proclaiming that the “correction” was over and that markets had a sunny outlook. Since the beginning of the year, all of this has amounted to US and International markets sitting basically flat.

What can we expect the rest of the quarter? Perhaps more of the same; we don’t know, no one knows. But, the 200 year long market uptrend is still our guiding force. Yes, we will have 5, 10 and 15% declines, and more along the way but these are blips in the long term markets journey.

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Our clients in general would be labeled affluent. Our concerns are not one of food, clothing and a roof over our heads. This is not the case for thousands of homeless or near homeless families. We are personally involved in helping others get back on their feet. If you have the opportunity to take a tour of a homeless shelter or family center please do so. It brings a lump in my throat to see the plight of men, women and their children as they struggle to get back on their feet. These are not alcoholic or drug addicted freeloaders but many are folks who made some poor financial judgments.

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Dimensional Funds (DFA) track record is on the following page. We utilize DFA as core holdings because of their performance, low internal fees, and asset class integrity. We are not wedded to DFA for any reason other than the benefit they provide for you.

This is our first commentary being sent to you via e-mail rather than snail mail. Our goal is to send you reports and commentaries in a timely manner and with greater frequency. We hope this approach is satisfactory for you and welcome your feedback on this.

We wish you a beautiful day.

John, Derek, Jon, & Christina