

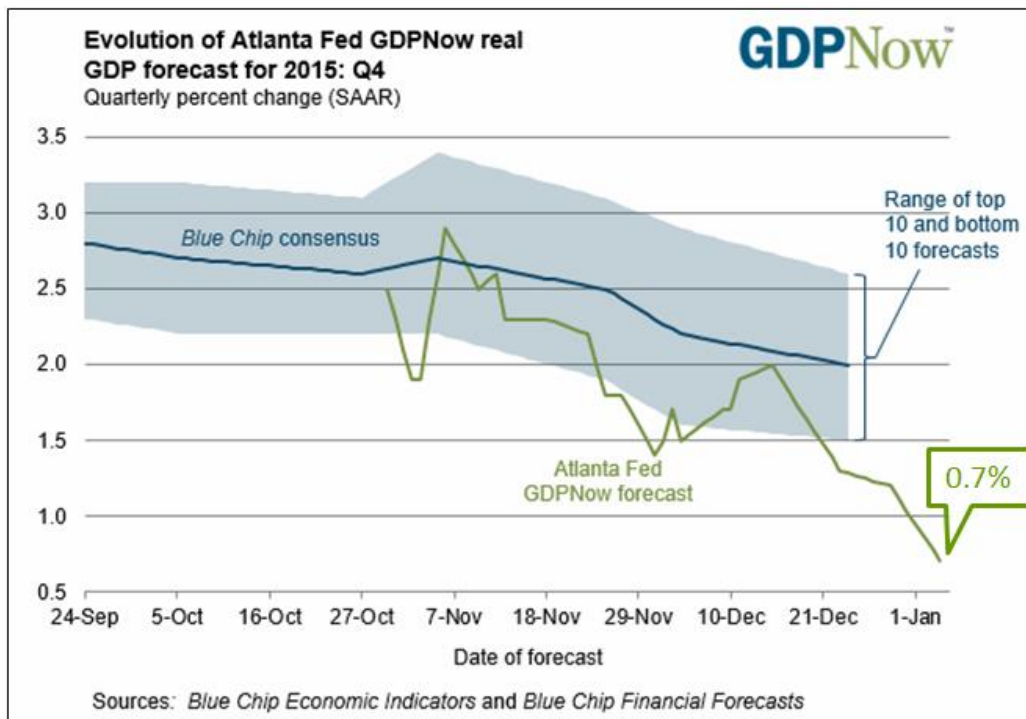


PRING TURNER

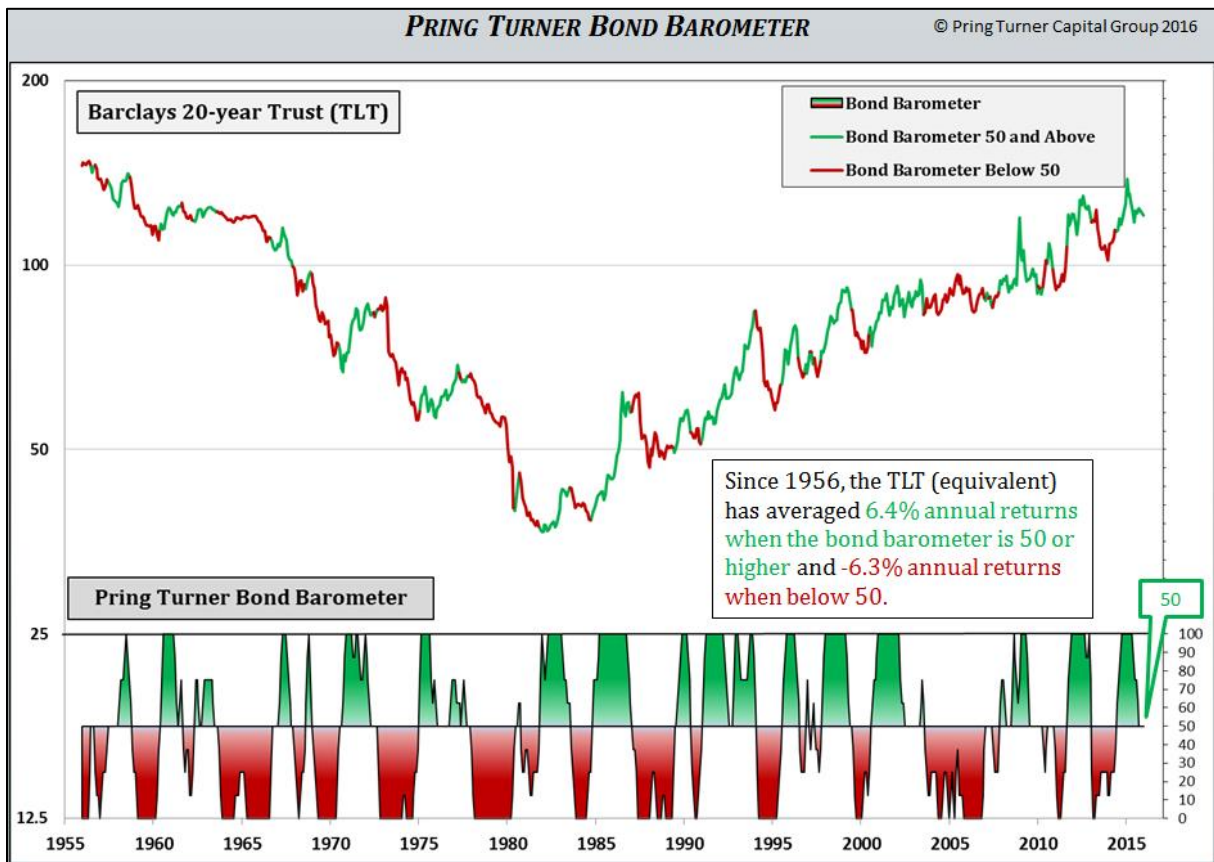
Investment Management

FINANCIAL MARKET OUTLOOK:

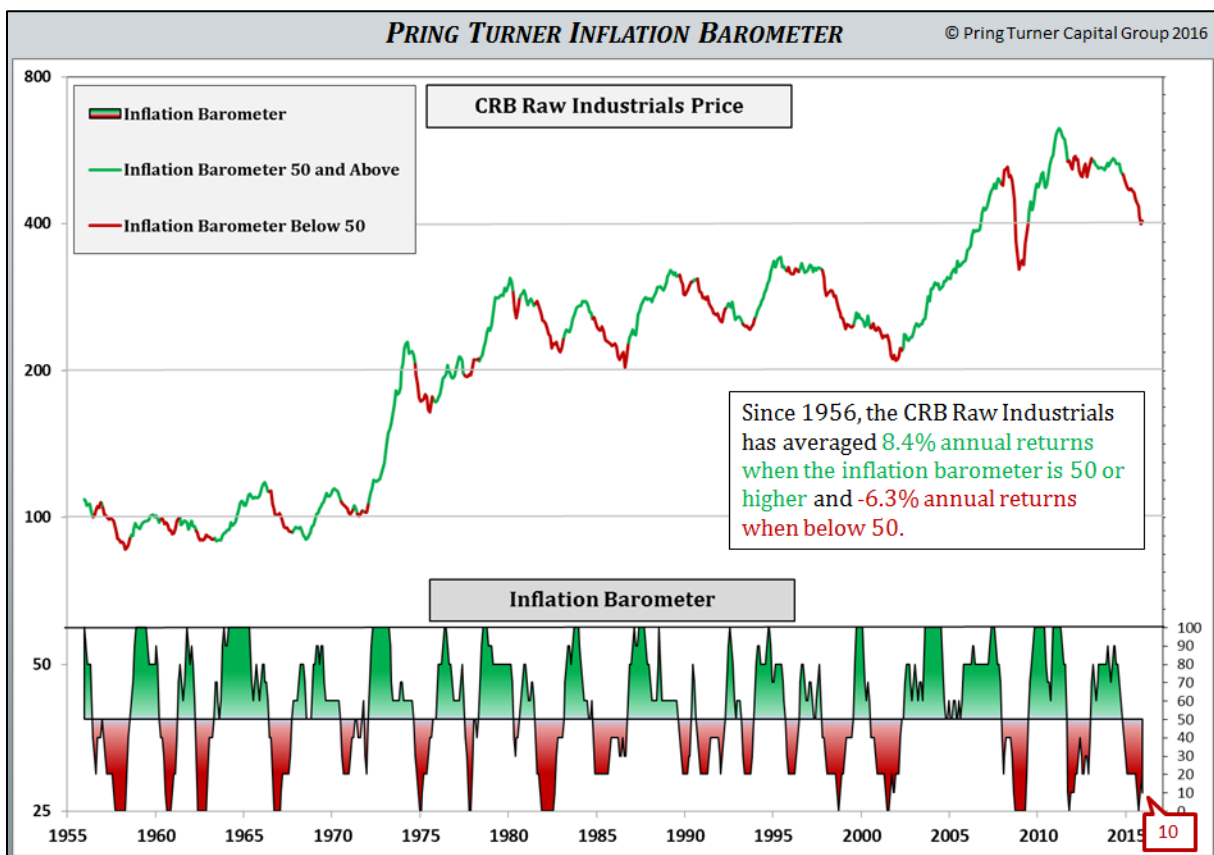
WELCOME TO THE CHALLENGES IN 2016



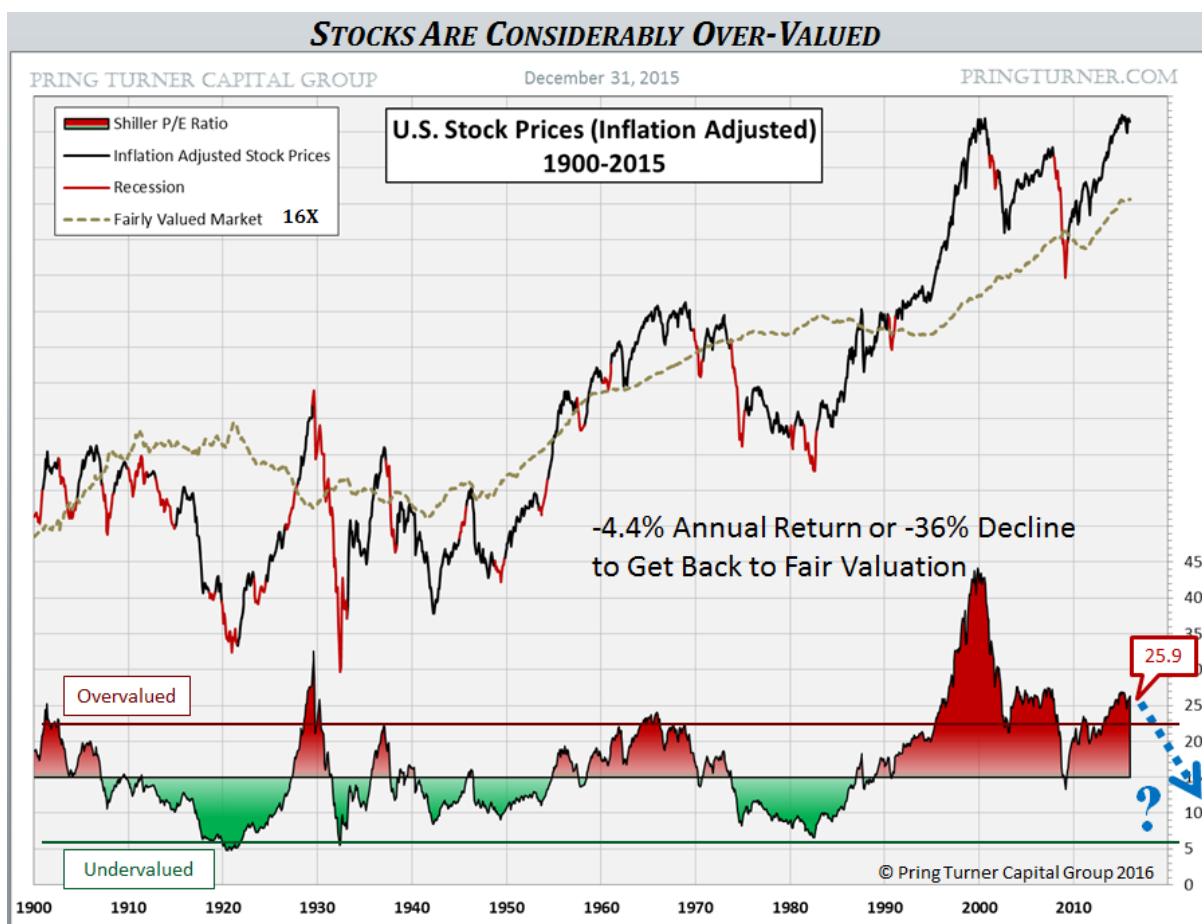
FED GDP Growth Model is Falling...



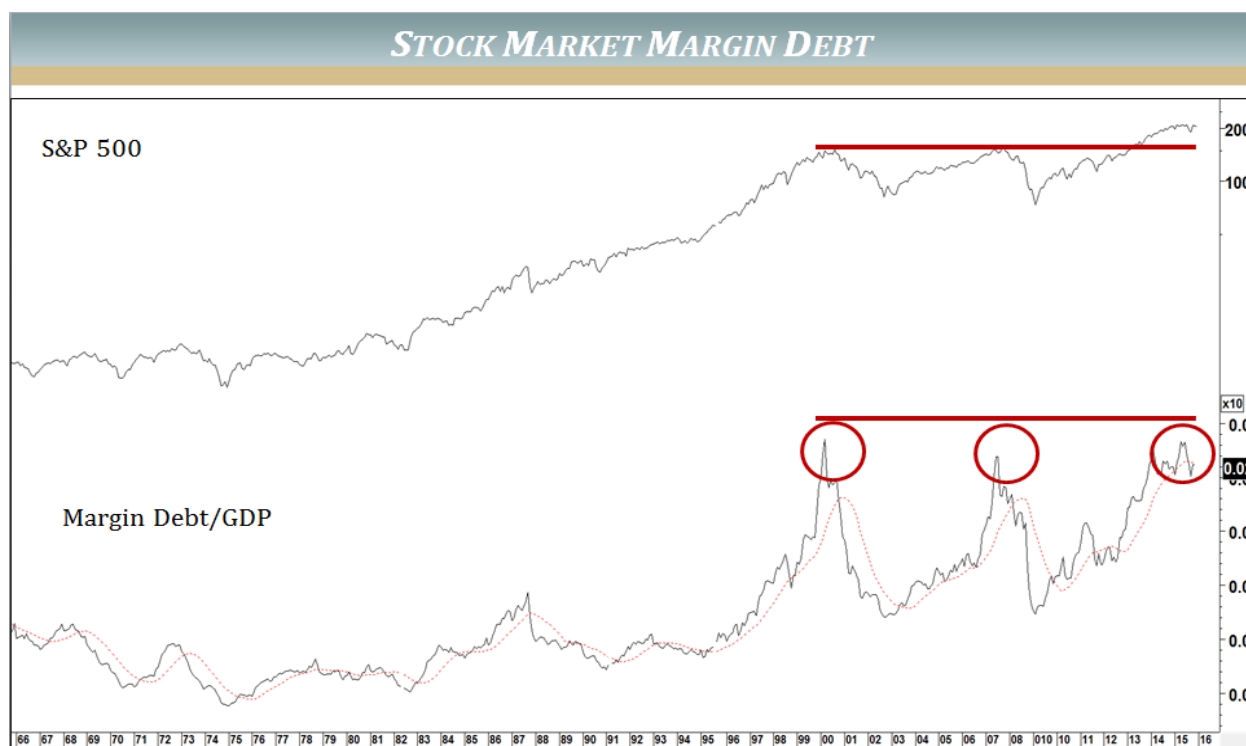
Cyclical Outlook: Still Positive, But Weakening



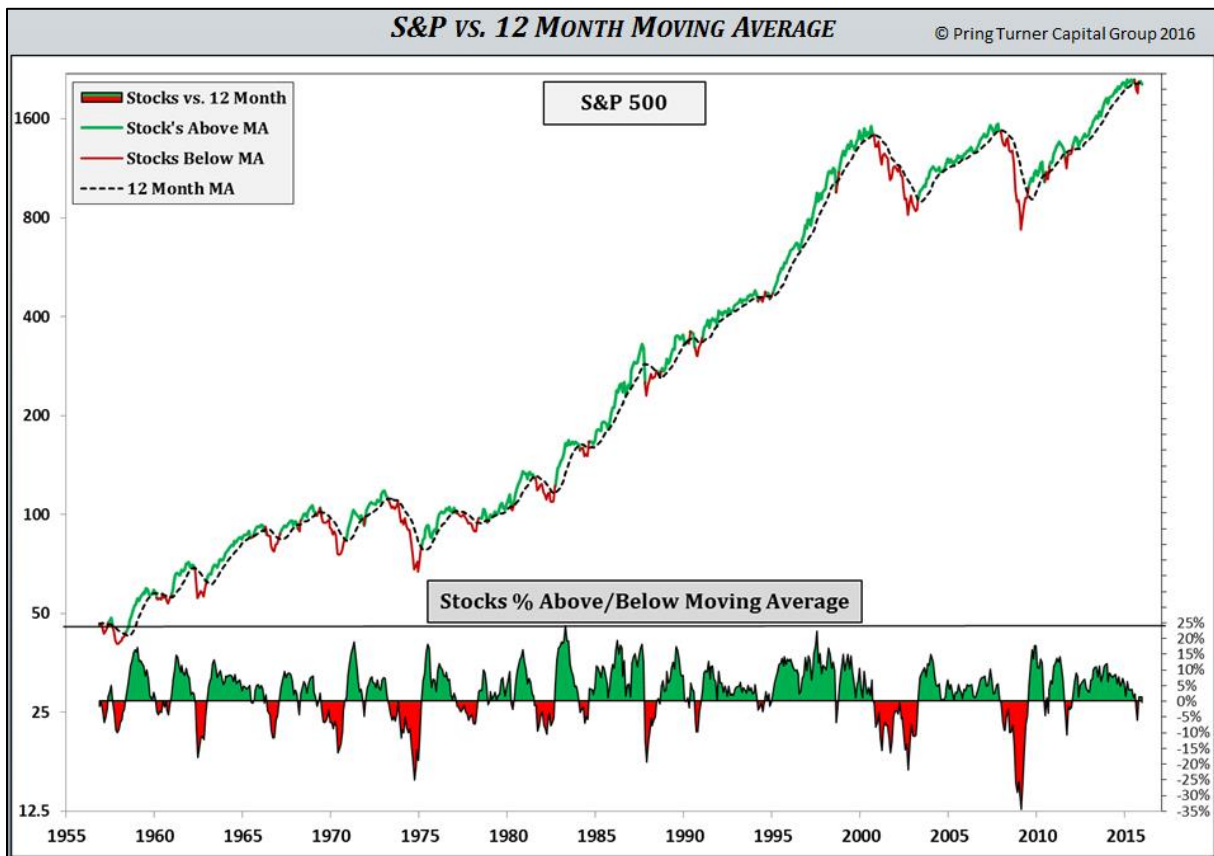
Cyclical Outlook: Inflation to Remain Low



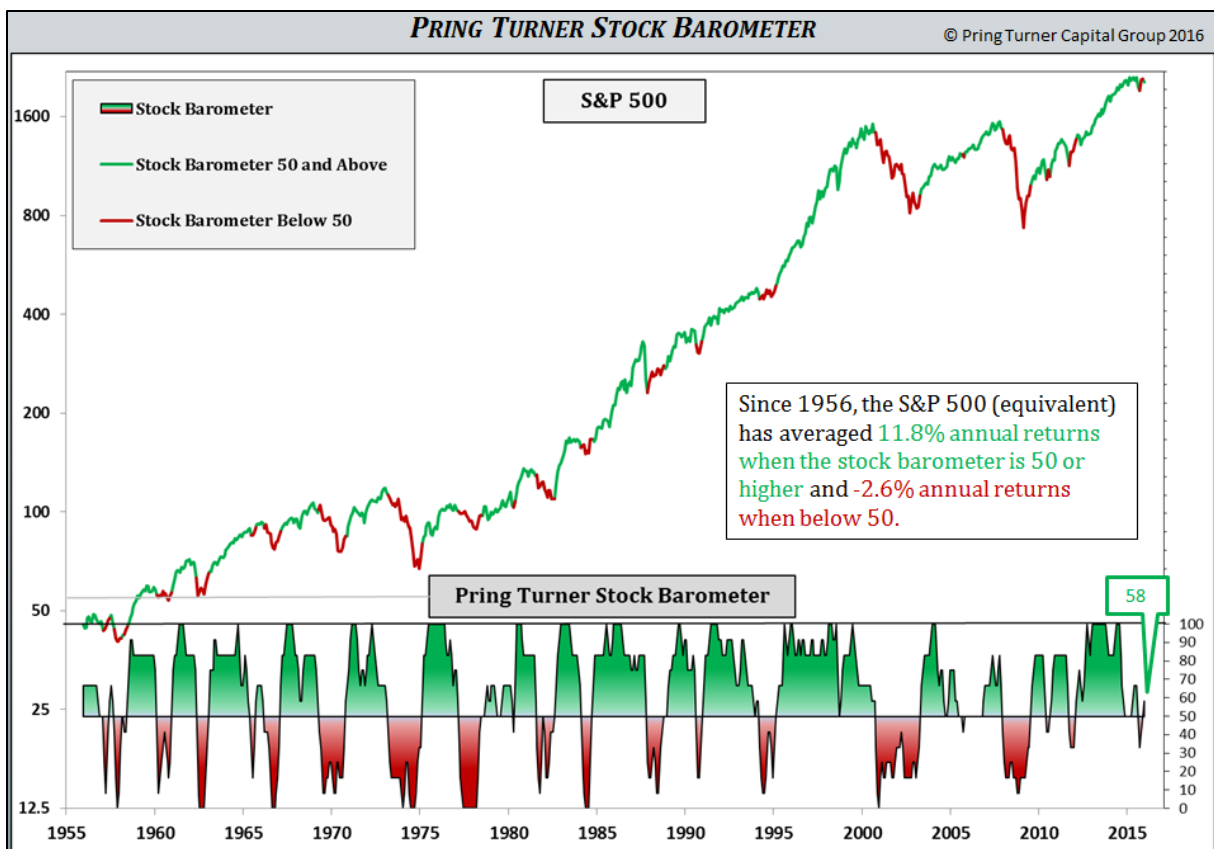
U.S. Stocks CAPE at 25.9, a 36% Decline is Needed to Reach Fairly Valued Level



The Stock Market is Over-Believed ... a Cyclical Concern



One Stock Barometer Component Flashing Warning of Cyclical Top



Precariously Positioned, Could Move Below 50 in the Months Ahead

HOW TO MANAGE RISK

What Are Driving Conditions?

High Quality /
Dividend Achievers

Quality

Lower Quality /
Higher Beta

Defensive / Stable

Sector Emphasis

Offensive / Growth

Core

Stock Allocation %

Tactical




How Fast Do I Want to Drive Today?


Develop A Defensive Game plan

- Reduce Equity Exposure
 - Sell Low Quality, High Beta, Low Yield
 - Hold High Quality, Low Beta, Dividend Growers
 - Trim Oversized Positions
 - Cull Portfolio Laggards
- Increase Cash/Bond Allocation
 - Reduce Portfolio Volatility
 - Build Reserves for Future Buying Opportunities
 - Increase Quality

Considerations for Protecting and Growing Your Wealth			
Asset Class	Secular Trend	Cyclical Trend	Observations
Stocks	Bear	Early Bear?	Overvalued Over-believed Passive Approach = Sub-par returns Lower Future Return Expectation Develop a Defensive Playbook
Bonds	Late Bull	Bull	Inflation/Deflation Battle Continues Lengthy "Normalization" Period Develop Trading Range Tactics
Inflation Sensitive Assets	Bear?	Bear	Slower Global Growth Ongoing Deleveraging Process U.S. \$ = Wildcard

THANK YOU FOR LISTENING






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