



PRING TURNER

Investment Management

FINANCIAL MARKET OUTLOOK:

WELCOME TO THE CHALLENGES IN 2016



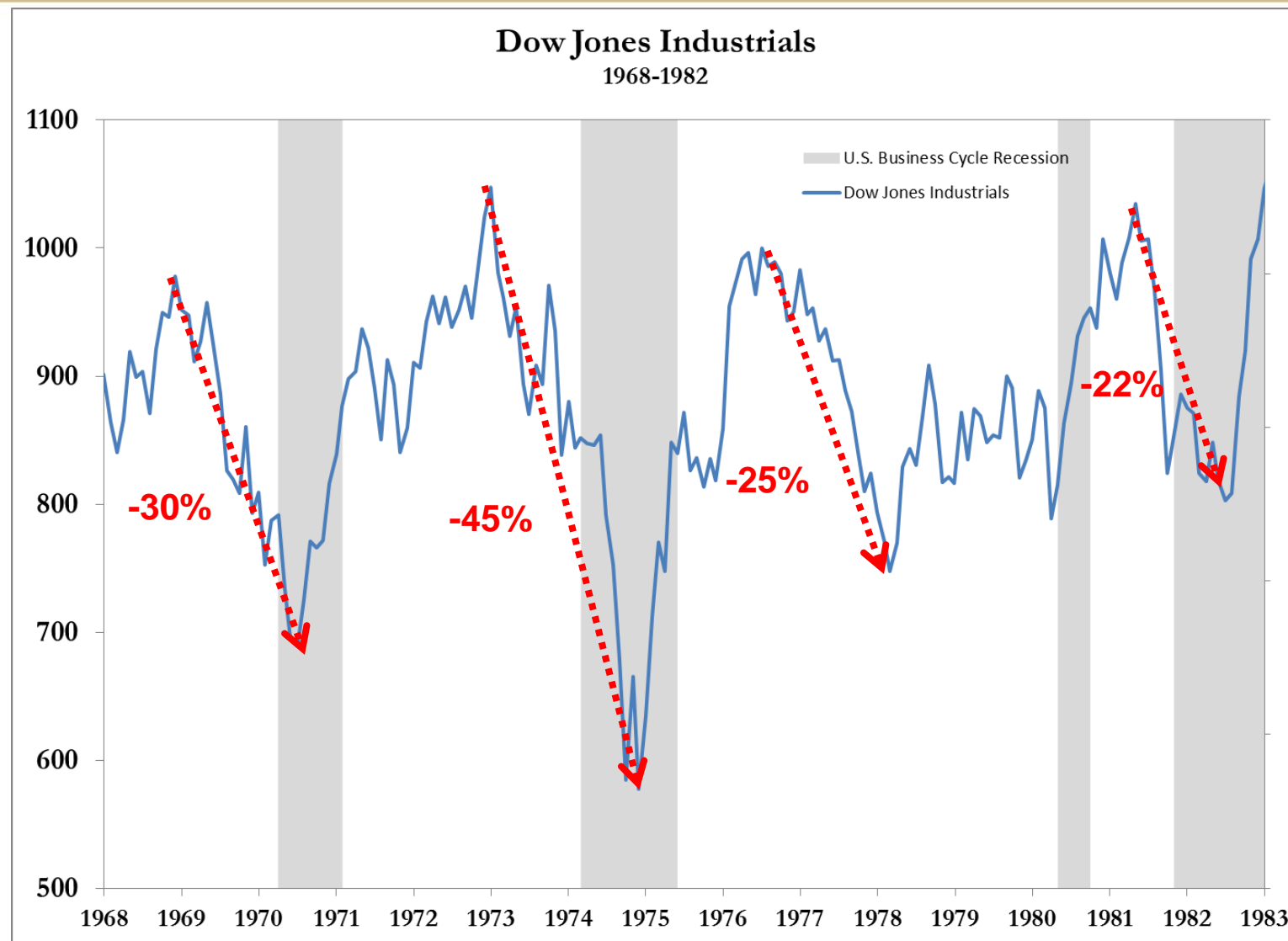
\$ums in Retirement - January 2016 - Presented by: Tom Kopas

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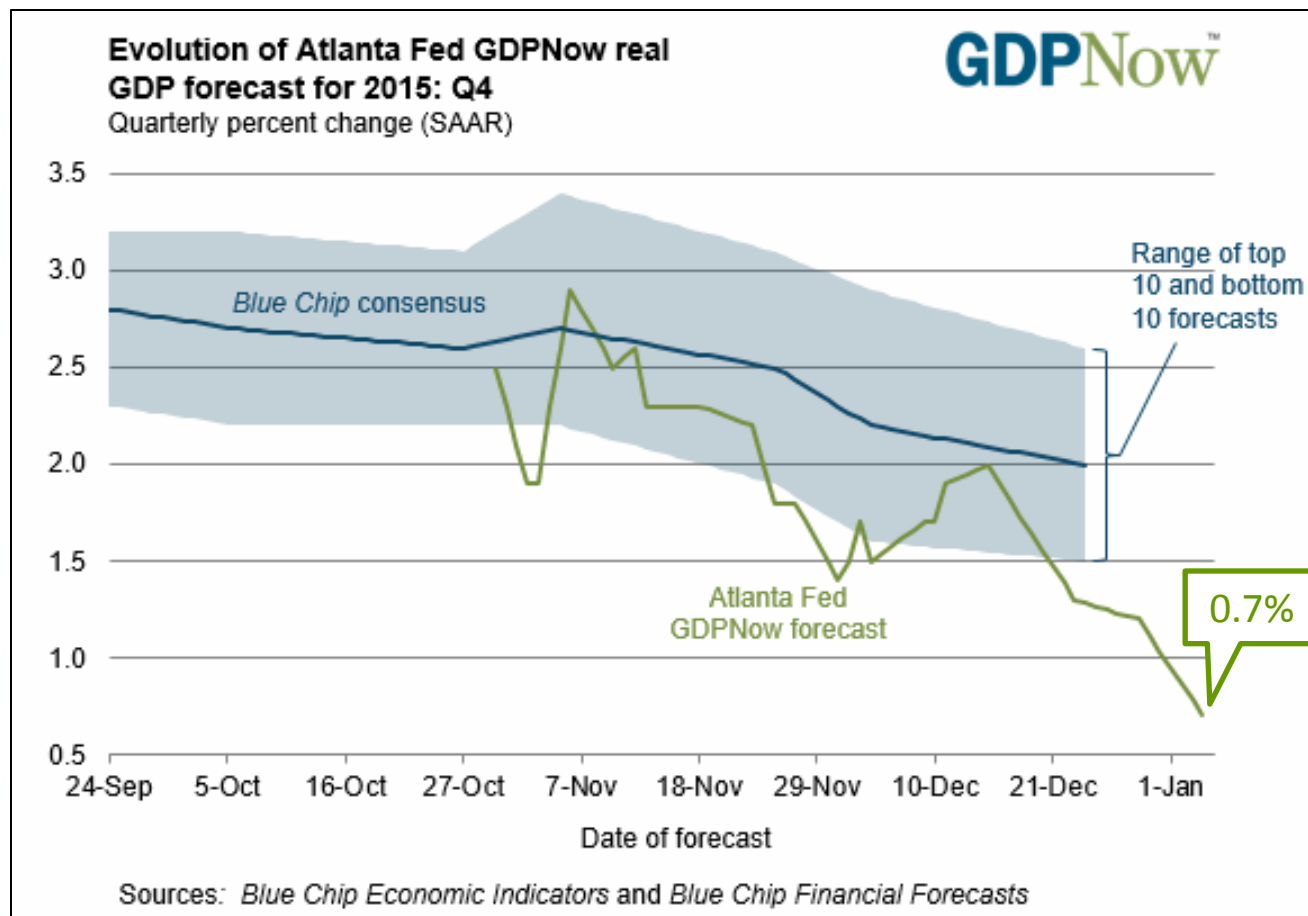
PRING TURNER'S ROOTS DATE BACK TO 1968 AND THE VOLATILE 1970's...



... A STRATEGY WAS DESIGNED WITH KEY OBJECTIVE: NOT LOSING BIG IN MAJOR MARKET DECLINES

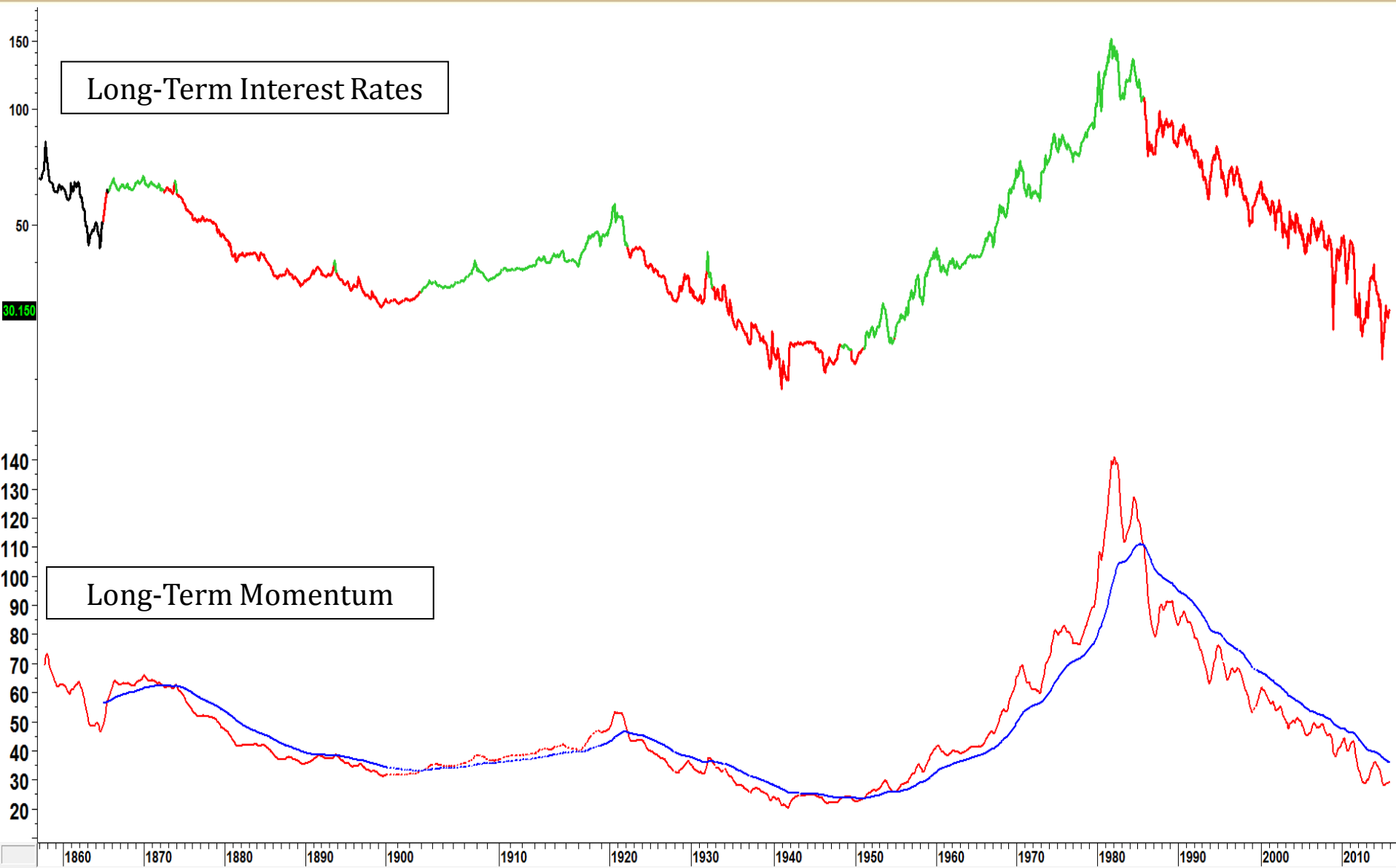
Business Cycle Slowdown?

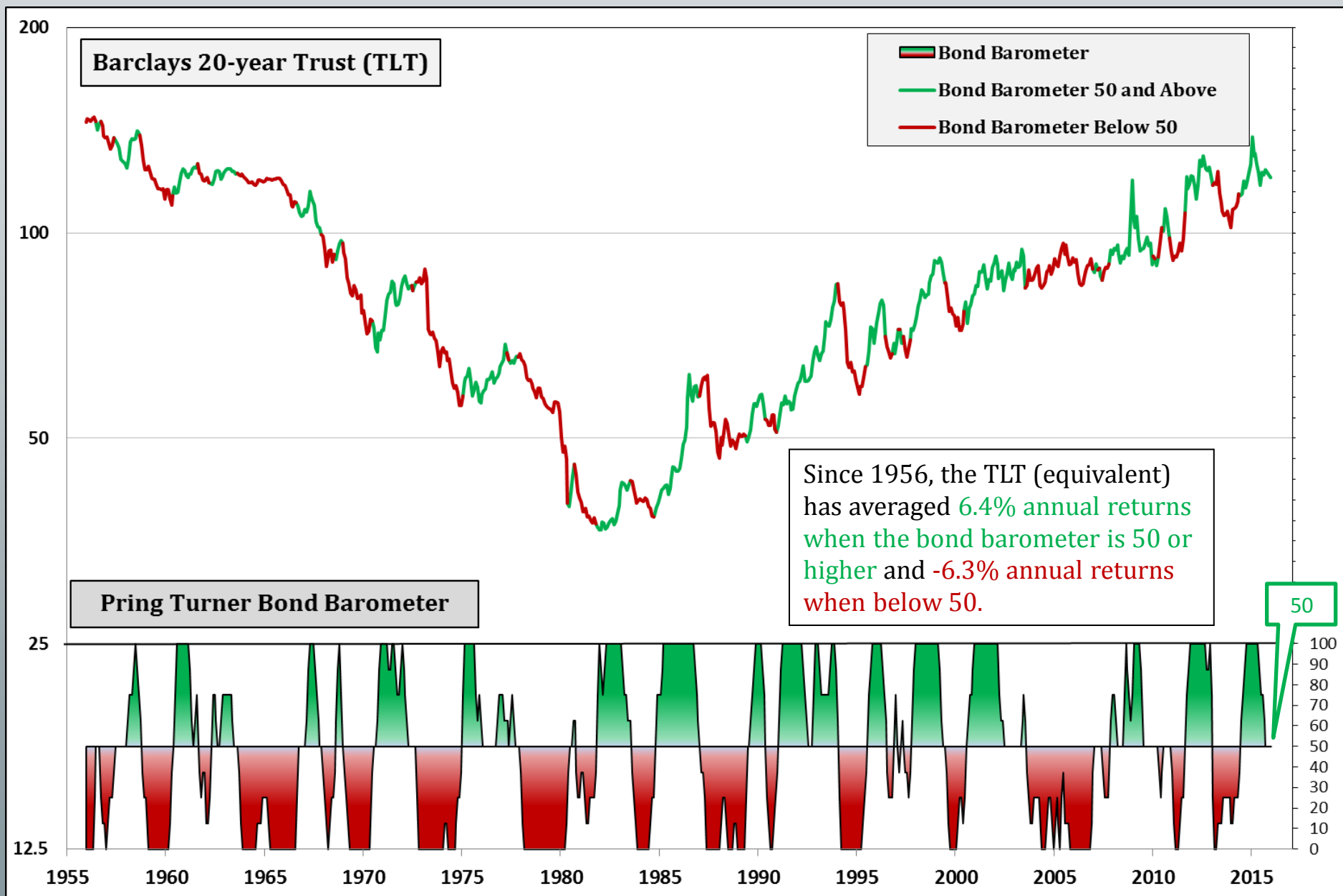
- Revenues/Profits Decline
- Strong U.S. Dollar
- Wages Growing



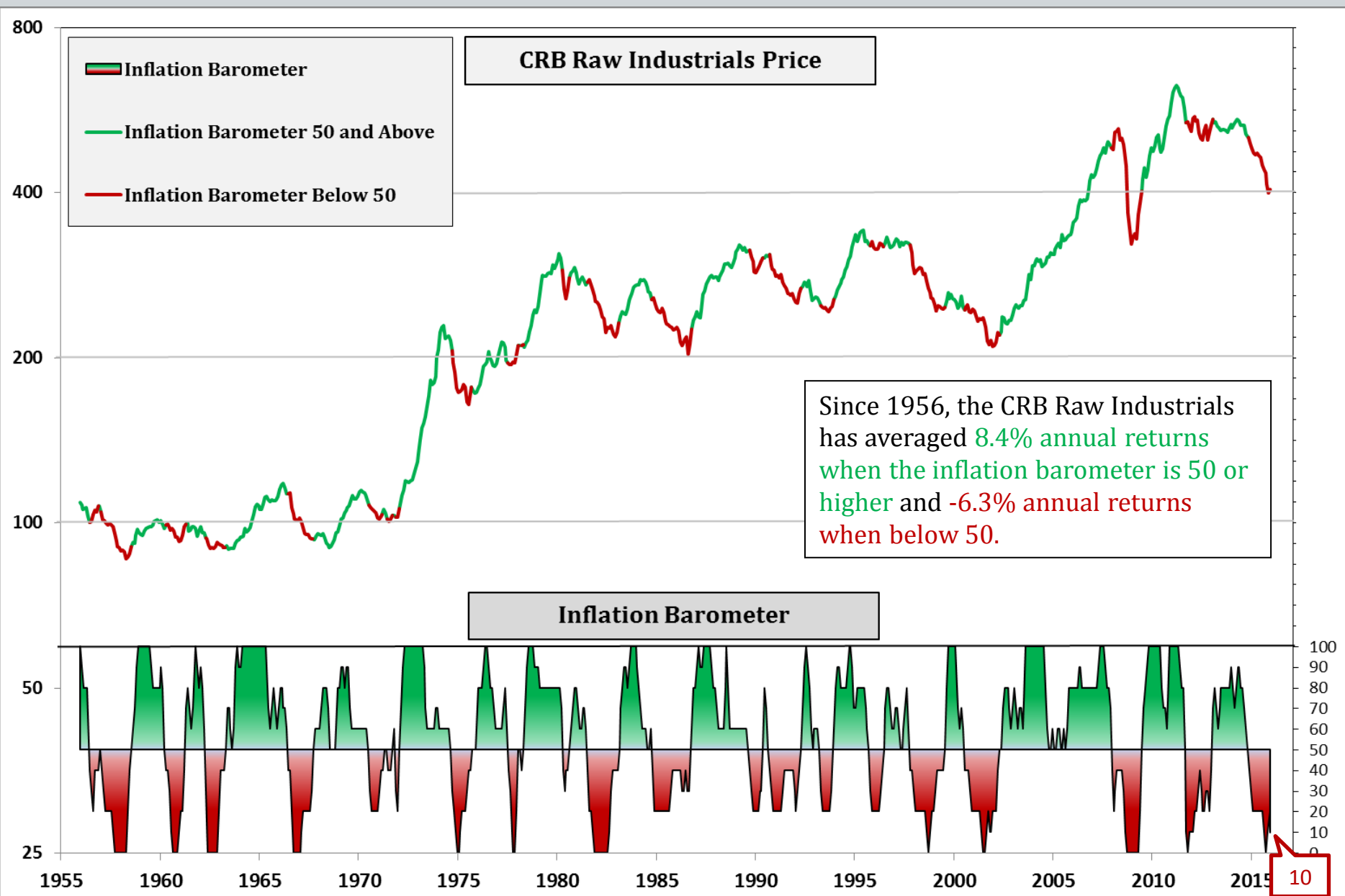
Secular & Cyclical Outlook:

IT IS LATE IN THE SECULAR BOND TREND...





CYCLICAL OUTLOOK: STILL POSITIVE, BUT WEAKENING



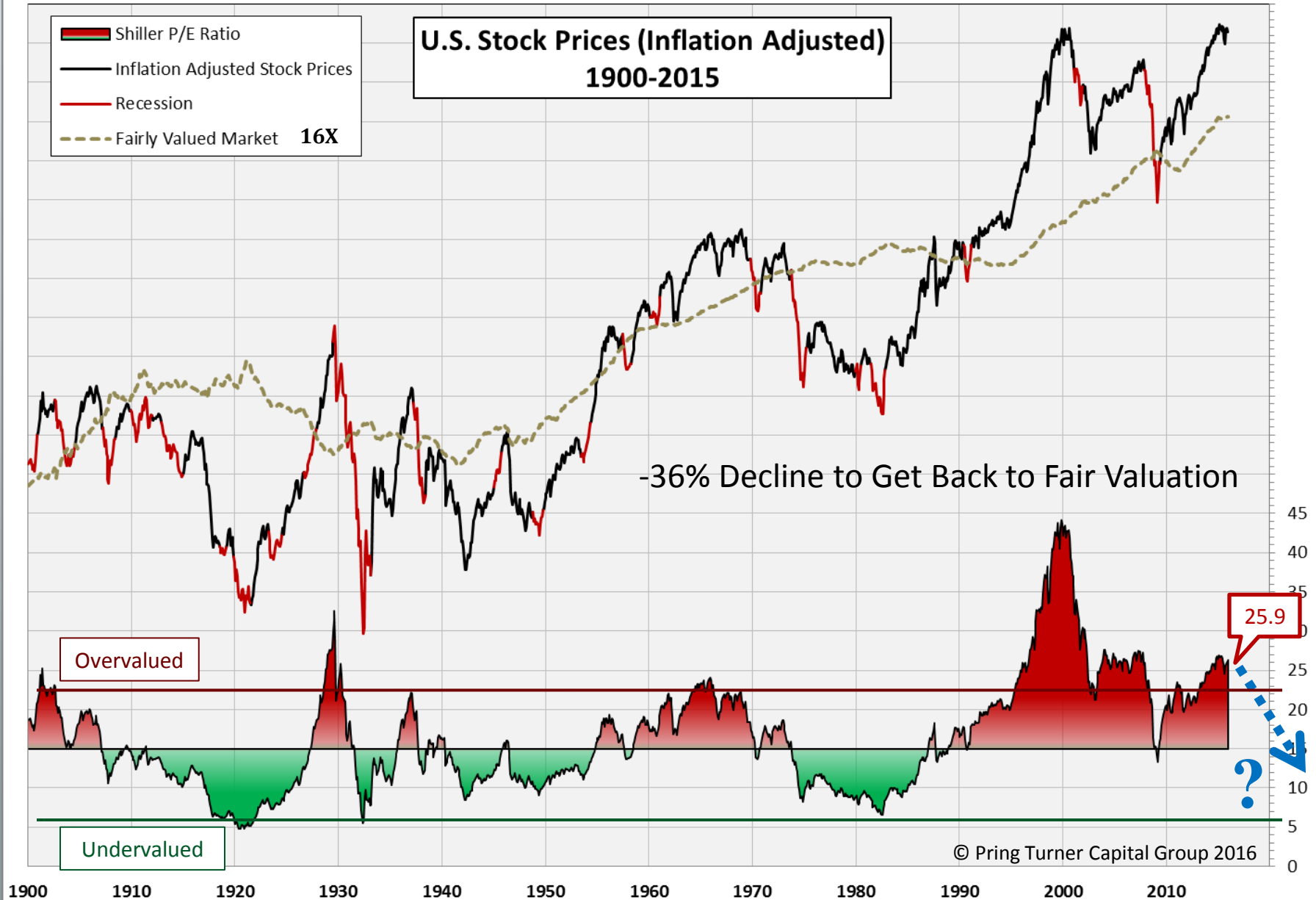
CYCLICAL OUTLOOK: INFLATION TO REMAIN LOW

STOCKS ARE CONSIDERABLY OVER-VALUED

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December 31, 2015

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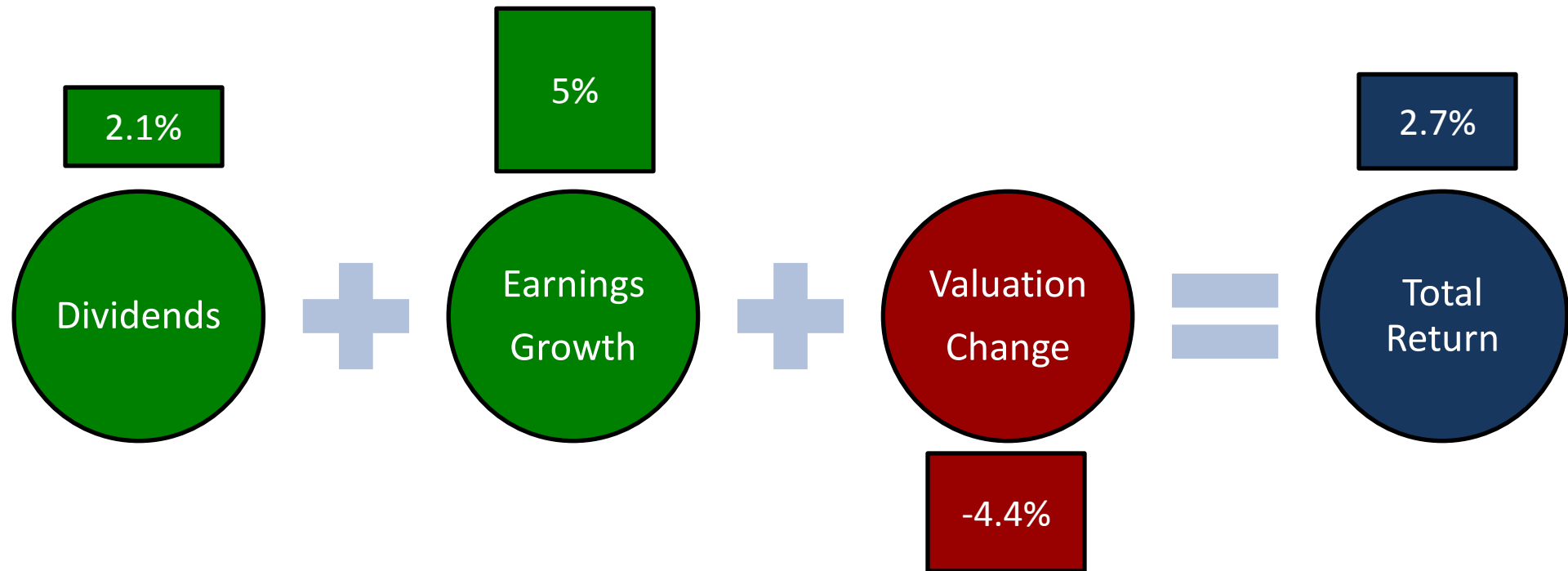


WHAT ARE EXPECTED 10 YEAR RETURNS?

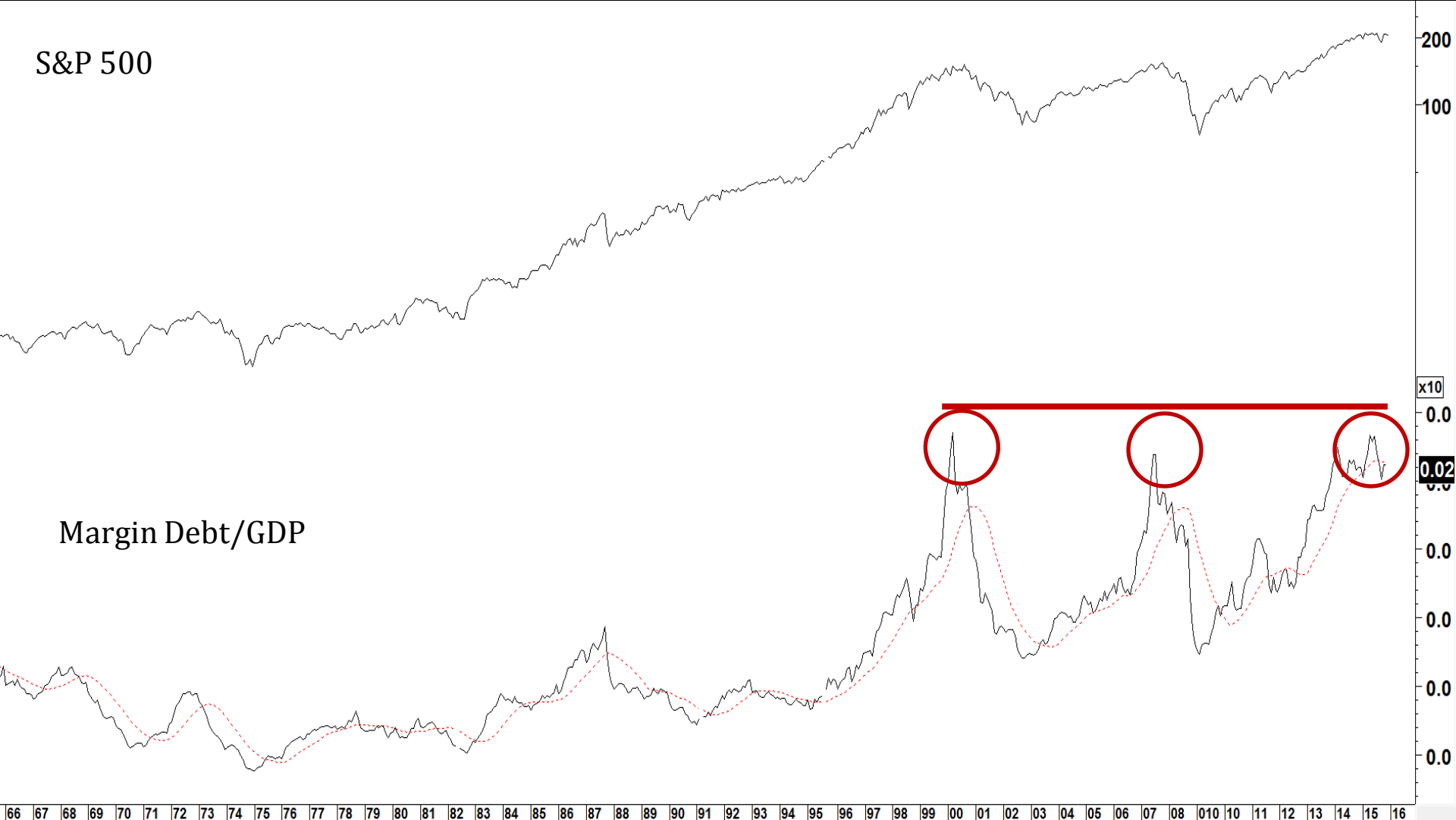
What are Realistic Rates of Return I Can Expect?

U.S. STOCKS TOTAL RETURN COMPONENTS

1. Dividends
2. Earnings Growth
3. Valuation Change



Active Management Around Business Cycle Swings Is Our Solution

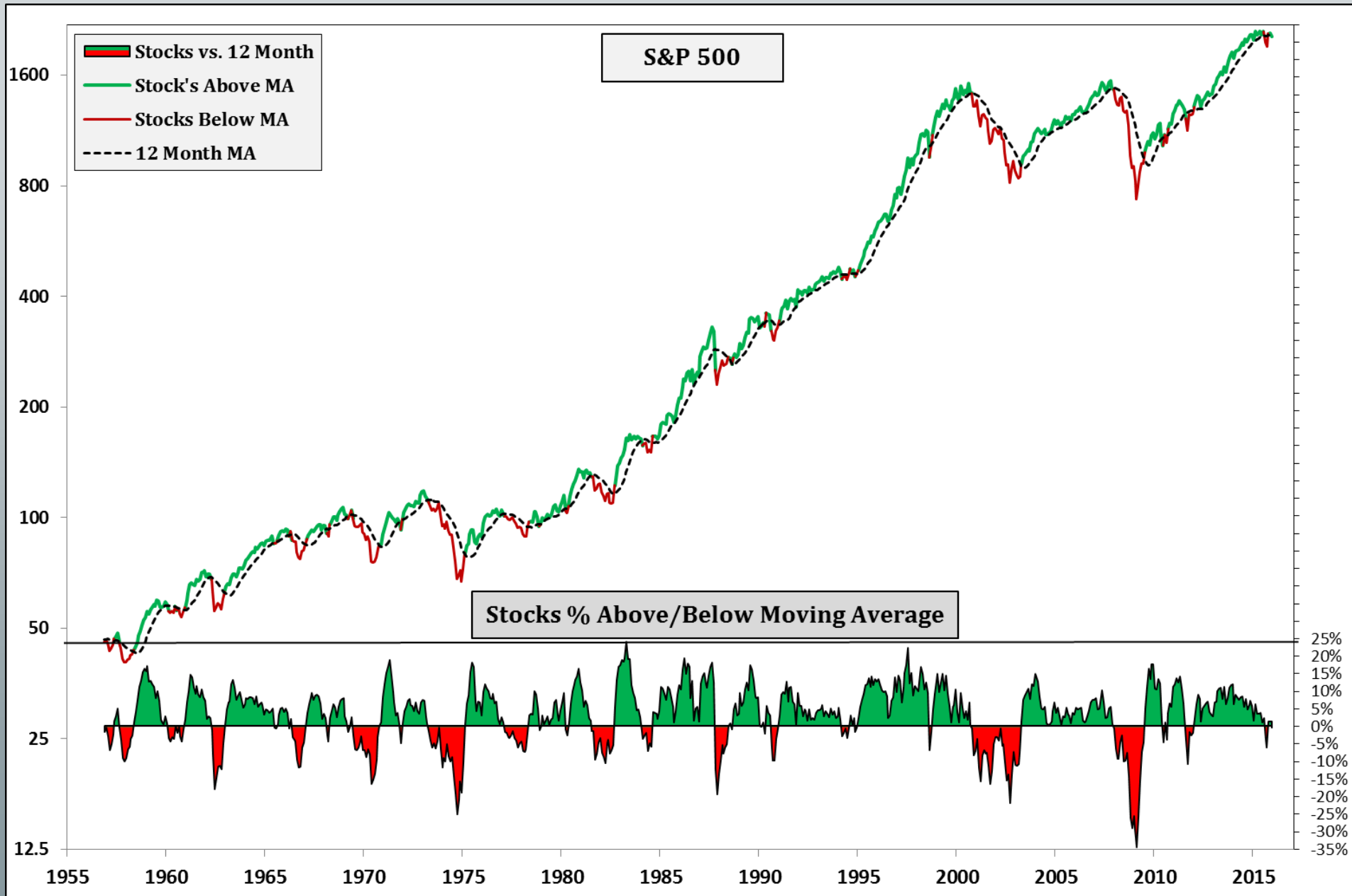


STOCK MARKET IS OVER-BELIEVED... A CYCLICAL CONCERN.



S&P vs. 12 MONTH MOVING AVERAGE

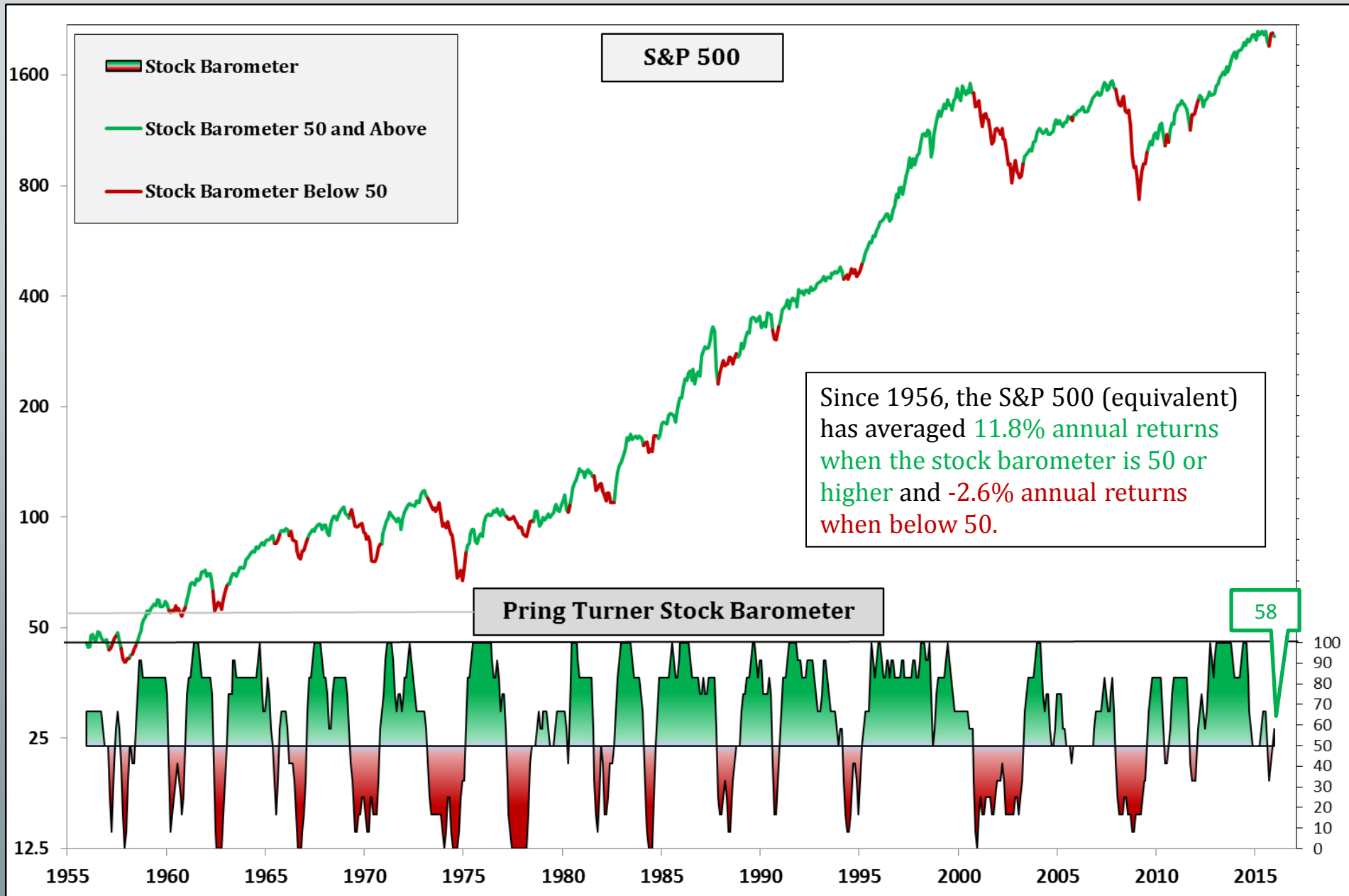
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ONE STOCK BAROMETER COMPONENT FLASHING WARNING OF CYCLICAL TOP

PRING TURNER STOCK BAROMETER

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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



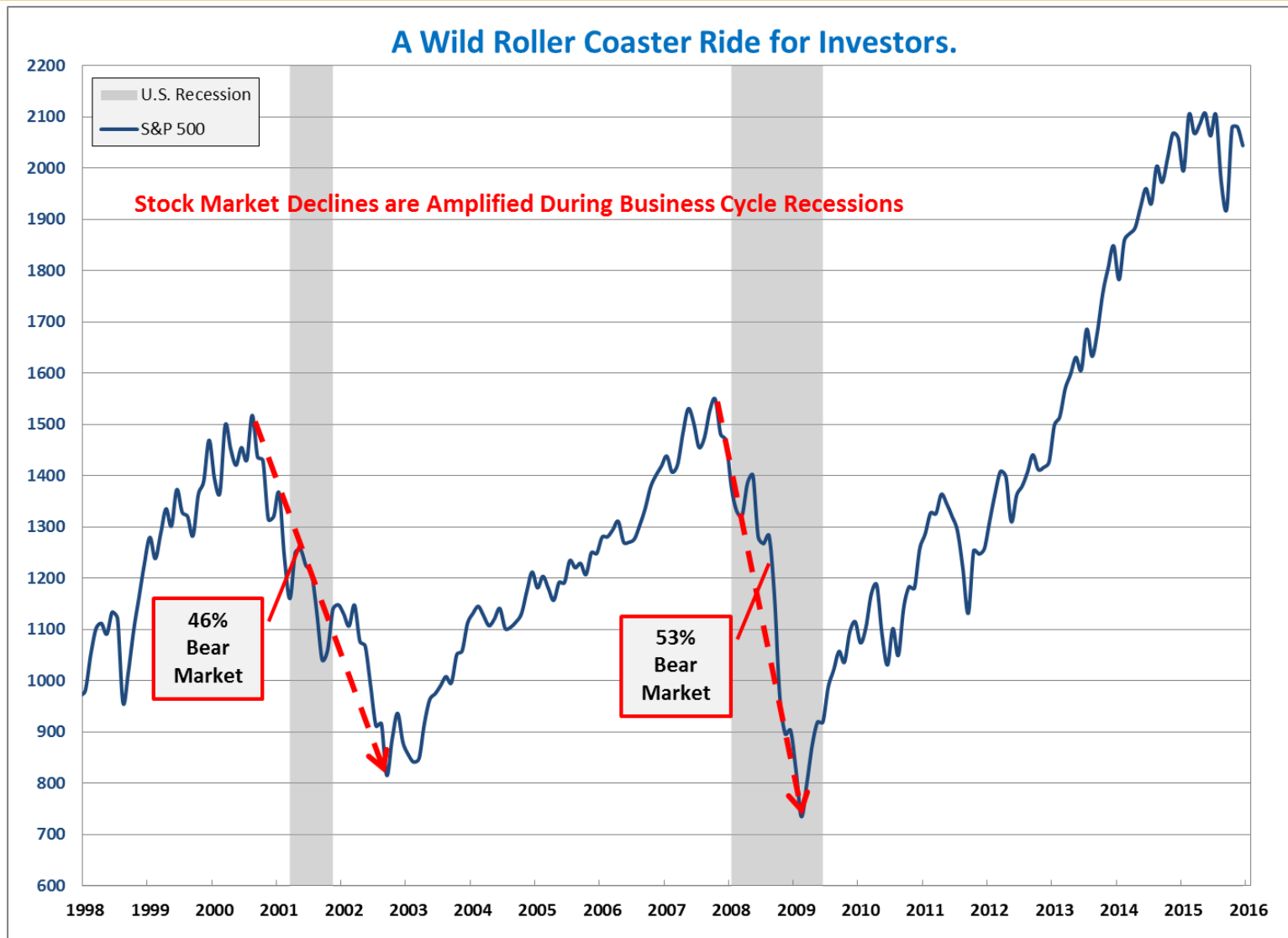
Develop A Defensive Game Plan

- 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

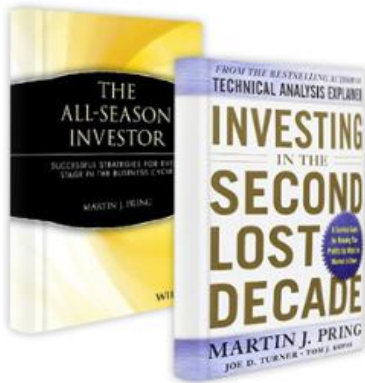
Asset Class	Secular Trend	Cyclical Trend	Observations
Stocks	Bear	Early Bear?	Overvalued Over-believed Passive Approach = Sub-par returns Lower Future Return Expectation Develop a Defensive Playbook
Bonds	Late Bull	Bull	Inflation/Deflation Battle Continues Lengthy "Normalization" Period Rates Could Stay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

A KEY TO SUCCESS THROUGH A SECULAR BEAR MARKET...



... CAREFUL RISK MANAGEMENT – ESPECIALLY AROUND BUSINESS CYCLE SLOWDOWNS

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Young Business Professionals



Sub-Advising

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