



# First Quarter, 2015 Insights

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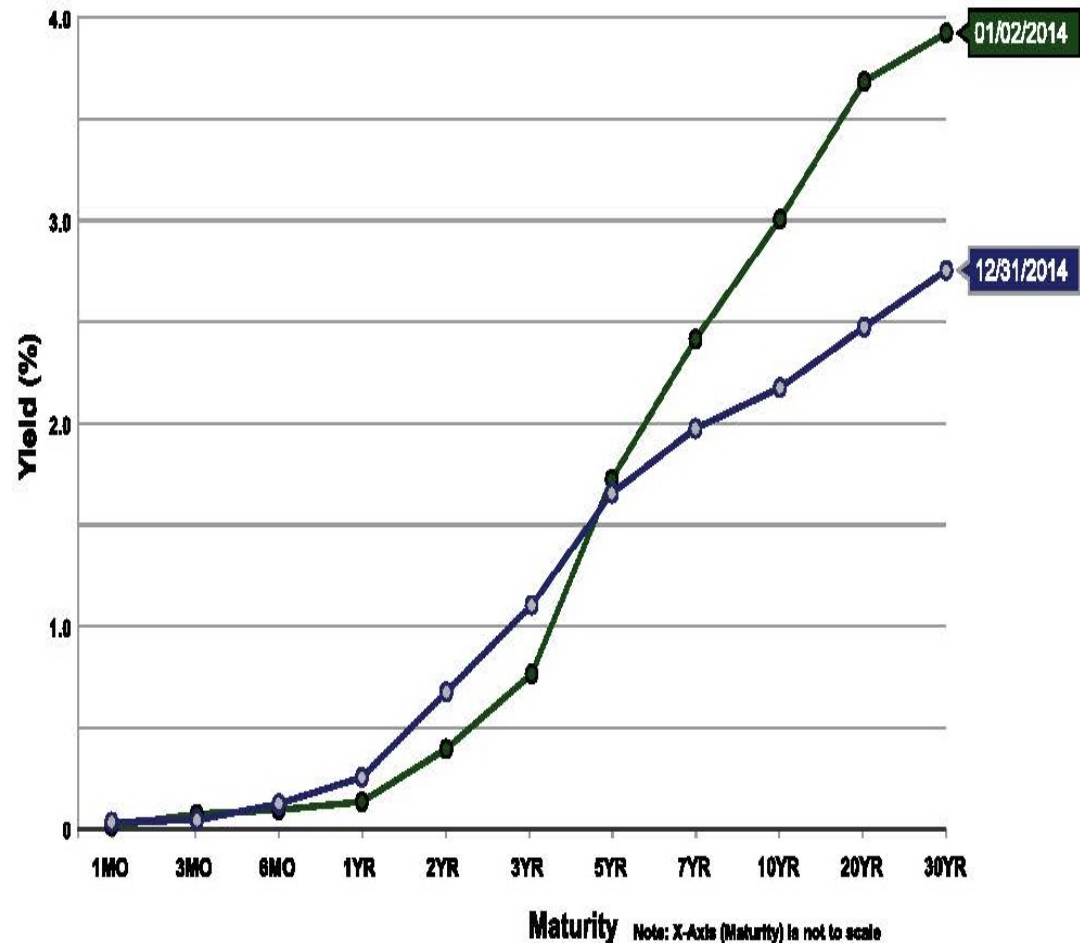
# First Quarter, 2015 Insights

- The Fed
  - 2014 Interest rates
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- The Equity Markets
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- invest right, live right™

# The Fed – 2014 Interest rates

*In 2014, the yield on the 30-year U.S. Treasury Bond fell 1.17%. On January 14<sup>th</sup>, 2015, investors were stunned when the 30-year yield dropped below 2.4%.*

*This chart shows the change from the beginning of 2014 to the end of the year.*



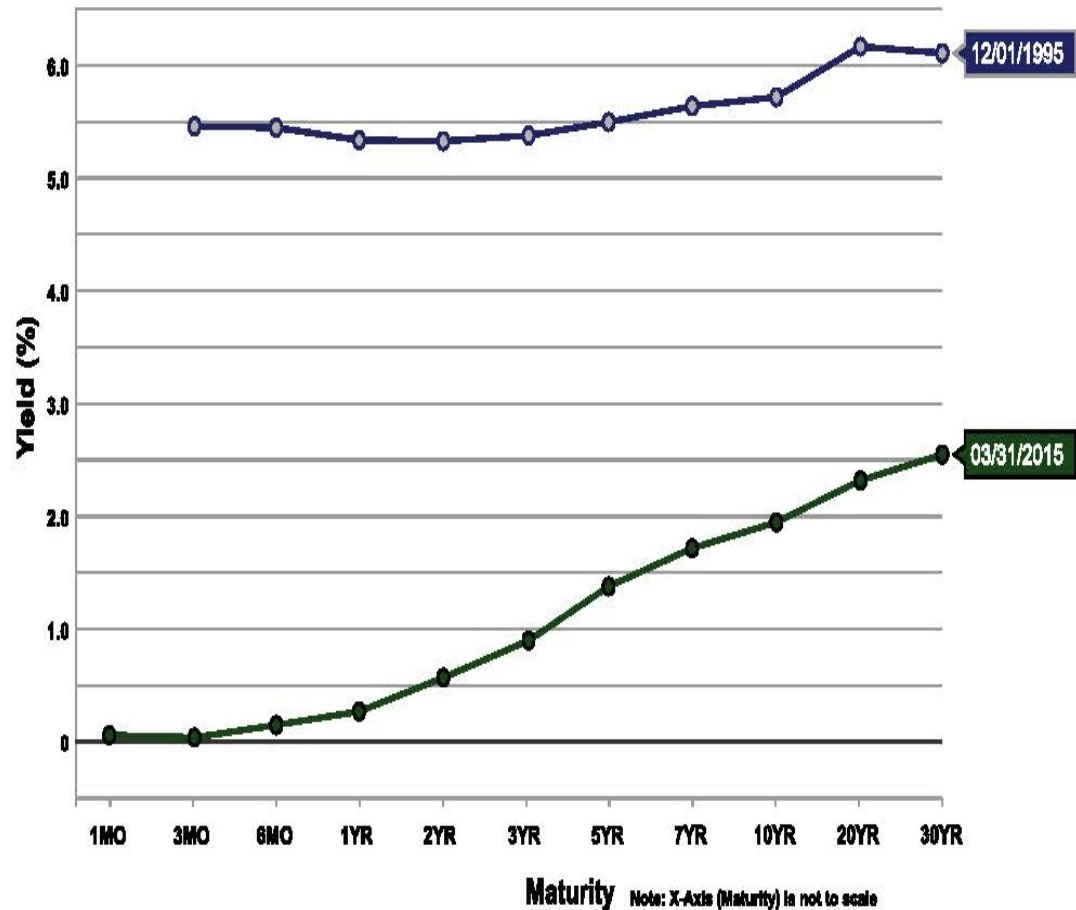
# The Fed – A Recent History, 1993

In 1993, short-term rates remained around 3% for the entire calendar year, while the 30-year treasury yield fell 1%. In 1994, short term rates rose above 5 ½%, and the 30 year rose 1%. It took until the end of 1995 for the curve to flatten. When did the next recession occur? Not until 2001. Investors enjoyed a booming decade of stock market returns during to 1990's, and it took years before the next economic slowdown began after the first Fed action was initiated in 1994.

# The Fed – A Recent History, 1993

*Here is a comparison of the current curve - the green line at the bottom.*

*The blue line at the top is from late 1996 – the flat shape is indicative of a slowing economy. The subsequent recession signaled by the flattening did not start until 2001.*



# 2015 Q1 Markets



*March felt as jerky as the Big Thunder Mountain Railroad at Disney in Orlando – but these are the types of markets I love, because we get rewarded for holding stock of high quality companies with little debt and solid cash flow.*

*Q1 2015 Total Returns – Dow +0.33% S&P 500 +0.95%*



# 2015 Q1 Pawleys Growth Fund™

Pawleys Growth Fund			\$ 100,000.00		3/31/2015											
Company	Symbol	Weight	Cost Basis	1/02/2015 px	shares	dividends	splits		current price	current mkt value	Total Return		ytd TR			
Michael Kors Holdings Inc.	KORS	4.5%	\$ 4,500.00	\$ 75.52	60	\$ -			\$ 65.75	\$ 3,917.84	\$ 3,917.84		-13%			
iRobot Corp.	IRBT	4.5%	\$ 4,500.00	\$ 34.84	129	\$ -			\$ 32.63	\$ 4,214.55	\$ 4,214.55		-6%			
Whole Foods Market, Inc.	WFM	4.5%	\$ 4,500.00	\$ 50.52	89	\$ 11.58			\$ 52.09	\$ 4,639.85	\$ 4,651.43		3%			
Green Mountain Coffee Roasters, Inc.	GMCR	4.5%	\$ 4,500.00	\$ 132.81	34	\$ 19.45			\$ 111.73	\$ 3,785.75	\$ 3,805.20		-15%			
Exxon Mobil Corp.	XOM	5.5%	\$ 5,500.00	\$ 92.25	60	\$ 41.14			\$ 85.00	\$ 5,067.75	\$ 5,108.89		-7%			
Forum Energy Technologies Inc.	FET	5.5%	\$ 5,500.00	\$ 20.60	267	\$ -			\$ 19.60	\$ 5,233.01	\$ 5,233.01		-5%			
MasterCard Inc.	MA	6.0%	\$ 6,000.00	\$ 86.68	69	\$ 11.08			\$ 86.39	\$ 5,979.93	\$ 5,991.00		0%			
Access National Corp.	ANCX	6.0%	\$ 6,000.00	\$ 16.89	355	\$ 49.73			\$ 18.74	\$ 6,657.19	\$ 6,706.93		12%			
PartnerRe Ltd.	PRE	6.0%	\$ 6,000.00	\$ 114.36	52	\$ 36.73			\$ 114.33	\$ 5,998.43	\$ 6,035.15		1%			
Shire PLC	SHPG	4.0%	\$ 4,000.00	\$ 210.62	19	\$ 10.88			\$ 239.29	\$ 4,544.49	\$ 4,555.37		14%			
Globus Medical Inc.	GMED	4.0%	\$ 4,000.00	\$ 23.84	168	\$ -			\$ 25.24	\$ 4,234.90	\$ 4,234.90		6%			
Analogic Corp.	ALOG	4.0%	\$ 4,000.00	\$ 84.94	47	\$ 4.71			\$ 90.90	\$ 4,280.67	\$ 4,285.38		7%			
FedEx Corp.	FDX	5.5%	\$ 5,500.00	\$ 173.78	32	\$ 6.33			\$ 165.45	\$ 5,236.36	\$ 5,242.69		-5%			
Lydall Inc.	LDL	5.5%	\$ 5,500.00	\$ 32.77	168	\$ -			\$ 31.72	\$ 5,323.77	\$ 5,323.77		-3%			
Yahoo! Inc.	YHOO	5.5%	\$ 5,500.00	\$ 50.59	109	\$ -			\$ 44.44	\$ 4,831.39	\$ 4,831.39		-12%			
Cirrus Logic	CRUS	5.5%	\$ 5,500.00	\$ 23.59	233	\$ -			\$ 33.26	\$ 7,754.56	\$ 7,754.56		41%			
Alliance Fiber Optic Products Inc.	AFOP	5.5%	\$ 5,500.00	\$ 14.63	376	\$ -			\$ 17.42	\$ 6,548.87	\$ 6,548.87		19%			
Hexcel Corp.	HXL	3.0%	\$ 3,000.00	\$ 41.58	72	\$ 7.22			\$ 51.42	\$ 3,709.96	\$ 3,717.17		24%			
Brocade Communications Systems, In	BRCD	3.5%	\$ 3,500.00	\$ 11.89	294	\$ 10.30			\$ 11.87	\$ 3,494.11	\$ 3,504.42		0%			
Southwest Gas Corp.	SWX	3.5%	\$ 3,500.00	\$ 61.96	56	\$ 20.62			\$ 58.17	\$ 3,285.91	\$ 3,306.53		-6%			
	cash	3.5%	\$ 3,500.00	\$ 1.00	3500	\$ -			\$ 1.00	\$ 3,500.00	\$ 3,500.00		0%			
		100.0%	\$ 100,000.00			\$ 229.76				\$ 102,239.27	\$ 102,469.03					

Please check with Pawleys to see if these ideas fit within your existing portfolio.

No adjustments have been made to portfolio or benchmark for fees and taxes.

Past performance does not indicate future results.

Datasource: YAHOO! Finance, verified on Bigcharts.

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**2.47%**

0.96%

S&P 500

Pawleys +/- Index:

**1.51%**

# 2015 Q1 Pawleys Dividend Fund™

Pawleys Dividend Fund		\$ 100,000.00						3/31/2015			
Company	Symbol	Weight	Cost Basis	1/02/2015 px	shares	dividends	splits	current price	current mkt value	Total Return	ytd TR
Home Depot Inc	HD	9.0%	\$ 9,000.00	\$ 105.16	86	\$ 50.49		\$ 113.61	\$ 9,723.18	\$ 9,773.68	9%
Williams-Sonoma	WSM	9.0%	\$ 9,000.00	\$ 76.06	118	\$ 39.05		\$ 79.71	\$ 9,431.90	\$ 9,470.94	5%
Chevron Corp	CVX	10.0%	\$ 10,000.00	\$ 111.69	90	\$ 95.80		\$ 104.98	\$ 9,399.23	\$ 9,495.03	-5%
JPMorgan Chase & Co	JPM	9.0%	\$ 9,000.00	\$ 62.62	144	\$ 57.49		\$ 60.58	\$ 8,706.80	\$ 8,764.29	-3%
Wells Fargo & Co	WFC	9.0%	\$ 9,000.00	\$ 55.11	163	\$ 57.16		\$ 54.40	\$ 8,884.05	\$ 8,941.21	-1%
Novo Nordisk	NVO	10.0%	\$ 10,000.00	\$ 42.55	235	\$ 178.61		\$ 53.39	\$ 12,547.59	\$ 12,726.20	27%
Northrop Grumman Corp	NOC	10.0%	\$ 10,000.00	\$ 148.29	67	\$ 47.20		\$ 160.96	\$ 10,854.41	\$ 10,901.61	9%
Apple, Inc	AAPL	8.0%	\$ 8,000.00	\$ 111.41	72	\$ 33.75		\$ 124.43	\$ 8,934.93	\$ 8,968.67	12%
Visa	V	8.0%	\$ 8,000.00	\$ 263.44	30	\$ 14.58	90	\$ 65.41	\$ 7,873.23	\$ 7,887.81	-1%
MeadWestvaco Corp	MWV	5.0%	\$ 5,000.00	\$ 44.55	112	\$ 28.06		\$ 49.87	\$ 5,597.08	\$ 5,625.14	13%
Verizon Communications Inc	VZ	5.0%	\$ 5,000.00	\$ 47.03	106	\$ 58.47		\$ 48.63	\$ 5,170.10	\$ 5,228.58	5%
PG&E Corp	PCG	5.0%	\$ 5,000.00	\$ 53.48	93	\$ 42.54		\$ 53.07	\$ 4,961.67	\$ 5,004.21	0%
	cash	3.0%	\$ 3,000.00	\$ 1.00	3000			\$ 1.00	\$ 3,000.00	\$ 3,000.00	0%
		100.0%	\$ 100,000.00			\$ 703.21			\$ 105,084.17	\$ 105,787.38	

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**5.79%**

0.33%

DJIA

Pawleys +/- Index:

**5.46%**

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*“Volatility is a symptom that people have  
no idea of the underlying value.”*

*- Jeremy Grantham*

# Pawleys Investment Advisors, LLC

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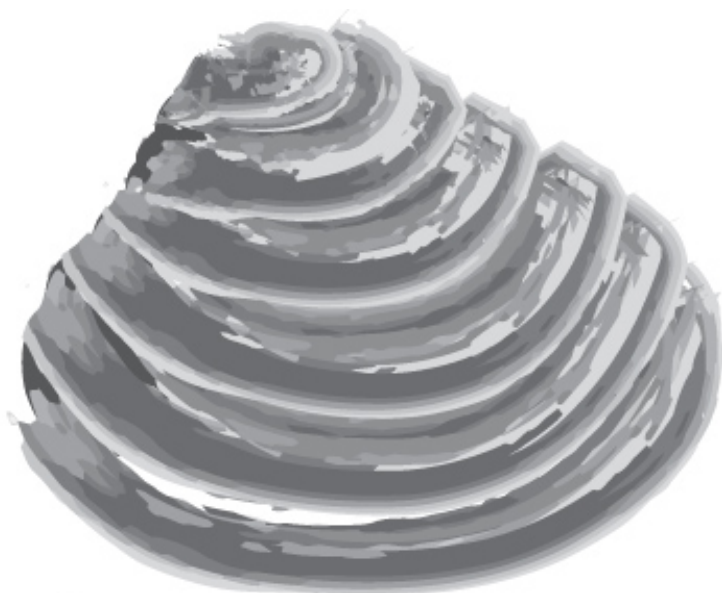


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