



Fourth Quarter, 2015 Insights

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Fourth Quarter, 2015 Insights

- Review of Conditions in China & Eurozone
- U.S. Workforce Demographics & the Economy
- 2015 Market Recap
- Pawleys 2015 Stock Performance
- *invest right, live right™*

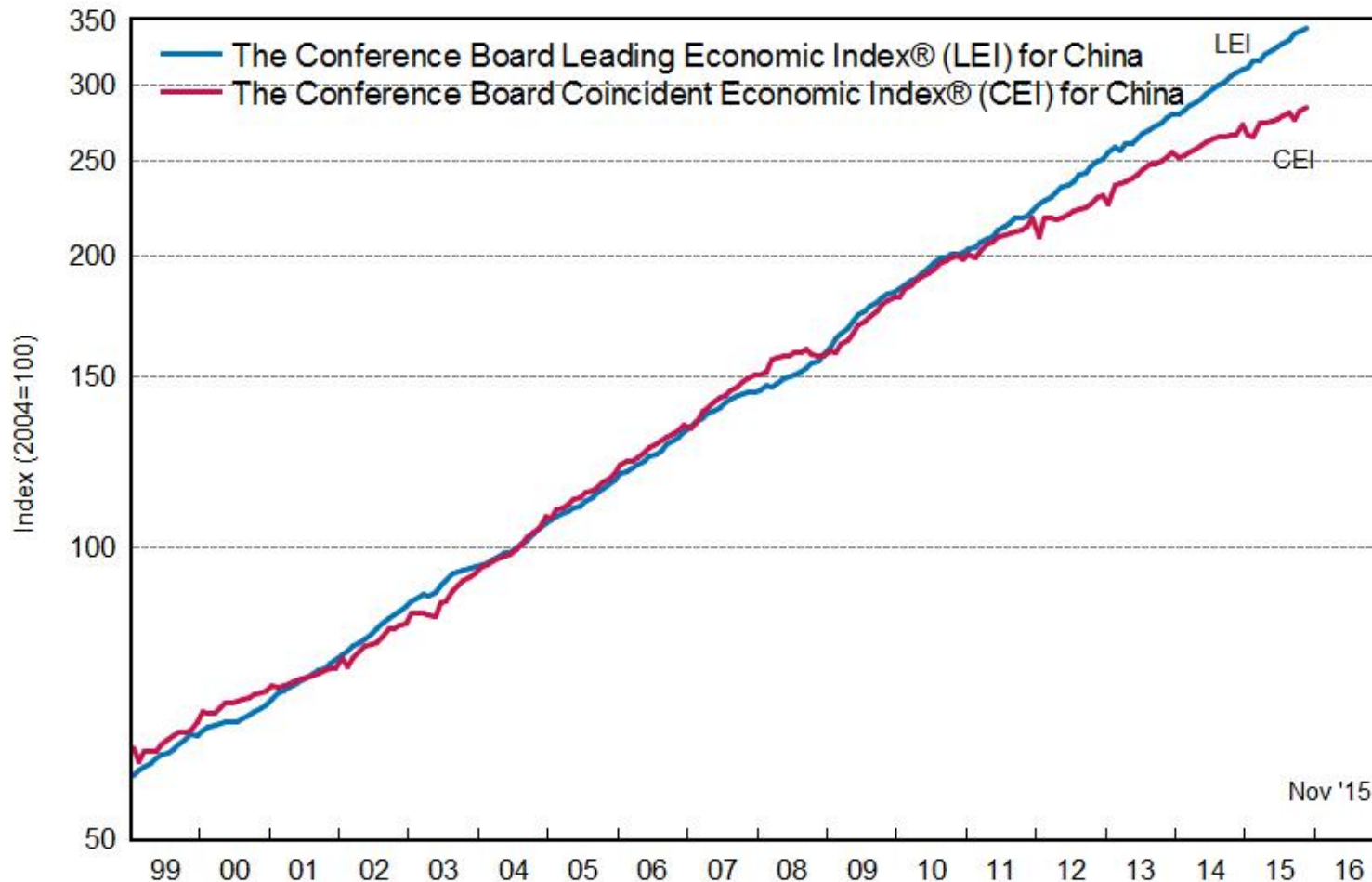


The Economy in China

- New at being “capitalists “ – yet has taken just 20-30 years to build middle-class base
- Undergoing huge shift from industrial (rail, freight, manufacturing) to service based economy (consumer products, air travel, luxury goods)
- Normal for growth rates of an emerging economy to slow during this type of shift
- Recent stock market volatility should not be confused with the soundness of their underlying economy
- Government is new at measuring economic growth and regulating their stock market, so expect “noisiness” in the economic numbers and volatility in their stock market



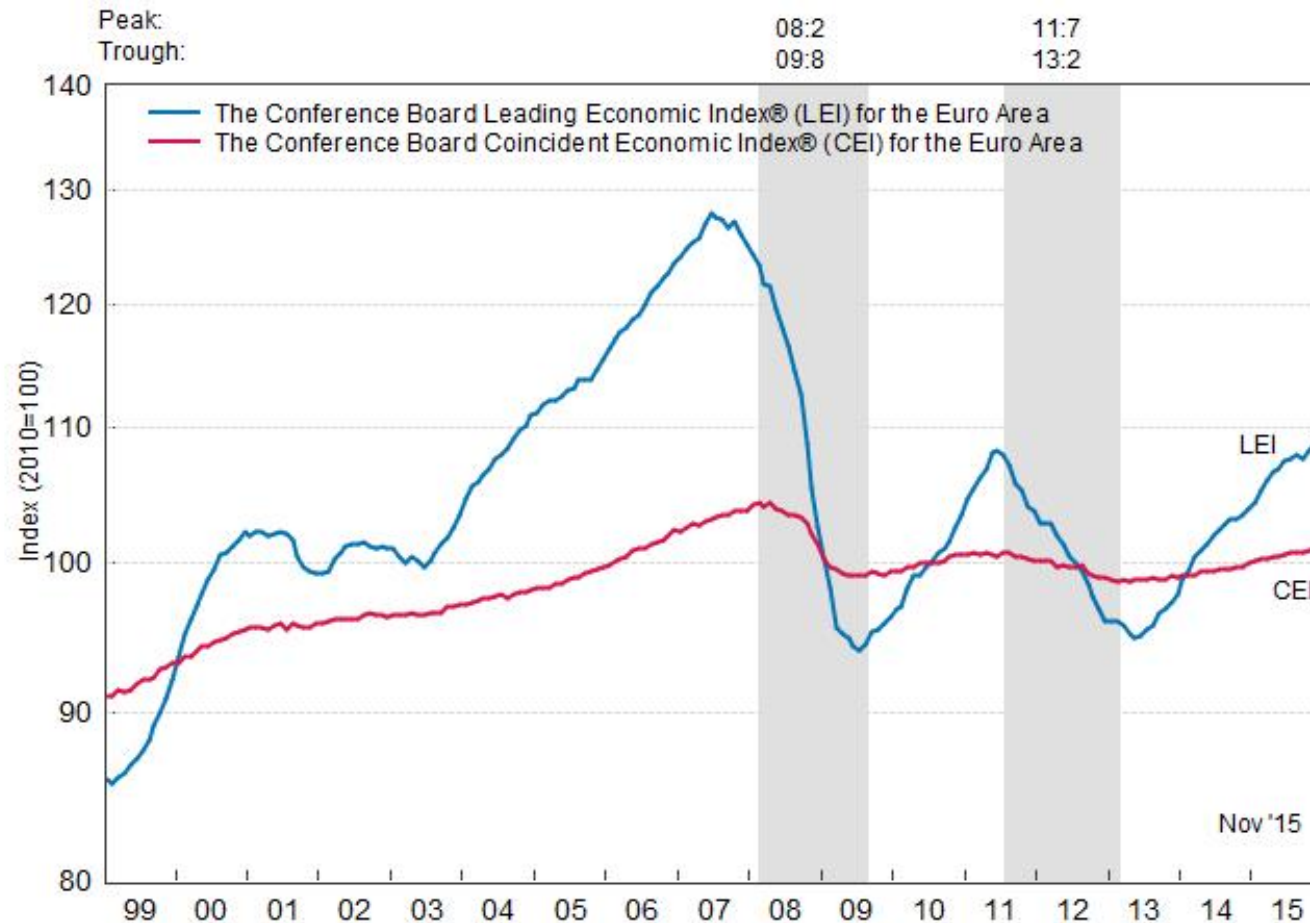
China Leading Economic Indicators



Source: The Conference Board



Eurozone Leading Economic Indicators



The shaded areas represent business cycle recessions. The peaks and troughs are designated by The Conference Board based on the coincident index and real GDP.
Source: The Conference Board



U.S. Workforce Demographics

As baby boomers retire, the workforce in the U.S shrinks, which makes overall economy less productive, and results in a drag on economy.

During an expanding business cycle, wage growth will drag on corporate profits, but workers have more money in their pockets to spend, driving the economy.



2015 Market Recap

- Cash 0.0%
- U.S. Bonds -1.55%
- Barclays Municipal Index +3.3%
- DJIA +0.21%
- S&P 500 +1.38%
- Russell 2000 -4.41%
- MSCI Global -3.04%
- Loser for 2015...
Latin America -32.92%
- And the winner is...
Brussels +12.63%

These figures are total returns for the year...you cannot invest directly in an index, and they do not have expenses or taxes deducted so please be aware when comparing figures to your actual returns. Also, be sure to compare like holding periods for an accurate evaluation.



2015 Market Recap – U.S. Sectors

■ Consumer Discretionary	+6.29%
■ Consumer Staples	+5.57%
■ Energy	-22.69%
■ Financials	-0.26%
■ Health Care	+7.13%
■ Industrials	-2.78%
■ Information Technology	+4.01%
■ Materials	-8.97%
■ Telecommunication	+5.68%
■ Utilities	-4.62%

These figures are total returns for the year...you cannot invest directly in an index, and they do not have expenses or taxes deducted so please be aware when comparing figures to your actual returns. Also, be sure to compare like holding periods for an accurate evaluation.



Pawleys Dividend Stocks

Pawleys Dividend Fund		\$ 100,000.00							12/31/2015			
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	\$ 201.98			\$ 132.25	\$ 11,318.47	\$ 11,520.45	28%
Williams-Sonoma	WSM	9.0%	\$ 9,000.00	\$ 76.06	118	\$ 163.29			\$ 58.41	\$ 6,911.52	\$ 7,074.81	-21%
Chevron Corp	CVX	10.0%	\$ 10,000.00	\$ 111.69	90	\$ 383.20			\$ 89.96	\$ 8,054.44	\$ 8,437.64	-16%
JPMorgan Chase & Co	JPM	9.0%	\$ 9,000.00	\$ 62.62	144	\$ 241.46			\$ 66.03	\$ 9,490.10	\$ 9,731.56	8%
Wells Fargo & Co	WFC	9.0%	\$ 9,000.00	\$ 55.11	163	\$ 240.88			\$ 54.36	\$ 8,877.52	\$ 9,118.40	1%
Novo Nordisk	NVO	10.0%	\$ 10,000.00	\$ 42.55	235	\$ 178.61			\$ 58.08	\$ 13,649.82	\$ 13,828.44	38%
Northrop Grumman Corp	NOC	10.0%	\$ 10,000.00	\$ 148.29	67	\$ 209.05			\$ 188.81	\$ 12,732.48	\$ 12,941.53	29%
Apple, Inc	AAPL	8.0%	\$ 8,000.00	\$ 111.41	72	\$ 145.77			\$ 105.26	\$ 7,558.39	\$ 7,704.16	-4%
Visa	V	8.0%	\$ 8,000.00	\$ 263.44	30	\$ 60.18	90		\$ 77.55	\$ 9,334.50	\$ 9,394.68	17%
MeadWestvaco Corp	MWV	5.0%	\$ 5,000.00	\$ 44.55	112	\$ 56.12			\$ -	\$ -	\$ 56.12	
MeadWestvaco Corp - WestRock	WRK				87	\$ 65.52			\$ 45.62	\$ 3,985.36	\$ 4,050.88	-19%
Verizon Communications Inc	VZ	5.0%	\$ 5,000.00	\$ 47.03	106	\$ 235.49			\$ 46.22	\$ 4,913.88	\$ 5,149.37	3%
PG&E Corp	PCG	5.0%	\$ 5,000.00	\$ 53.48	93	\$ 170.16			\$ 53.19	\$ 4,972.89	\$ 5,143.04	3%
	cash	3.0%	\$ 3,000.00	\$ 1.00	3000				\$ 1.00	\$ 3,000.00	\$ 3,000.00	0%
		100.0%	\$ 100,000.00			\$ 2,351.71			\$	104,799.36	\$ 107,151.07	

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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7.15%

0.21%

DJIA

Pawleys +/- Index:

6.94%

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Pawleys Growth Stocks

Pawleys Growth Fund			\$ 100,000.00					12/31/2015				
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	\$ -		\$ 40.06	\$ 2,387.05	\$ 2,387.05		-47%
iRobot Corp.	IRBT	4.5%	\$ 4,500.00	\$ 34.84	129	\$ -		\$ 35.40	\$ 4,572.33	\$ 4,572.33		2%
Whole Foods Market, Inc.	WFM	4.5%	\$ 4,500.00	\$ 50.52	89	\$ 46.32		\$ 33.50	\$ 2,983.97	\$ 3,030.29		-33%
Green Mountain Coffee Roasters, Inc.	GMCR	4.5%	\$ 4,500.00	\$ 132.81	34	\$ 38.97		\$ 89.98	\$ 3,048.79	\$ 3,087.76		-31%
Exxon Mobil Corp.	XOM	5.5%	\$ 5,500.00	\$ 92.25	60	\$ 171.71		\$ 77.95	\$ 4,647.43	\$ 4,819.13		-12%
Forum Energy Technologies Inc.	FET	5.5%	\$ 5,500.00	\$ 20.60	267	\$ -		\$ 12.46	\$ 3,326.70	\$ 3,326.70		-40%
MasterCard Inc.	MA	6.0%	\$ 6,000.00	\$ 86.68	69	\$ 44.30		\$ 97.36	\$ 6,739.27	\$ 6,783.57		13%
Access National Corp.	ANCX	6.0%	\$ 6,000.00	\$ 16.89	355	\$ 209.59		\$ 20.46	\$ 7,268.21	\$ 7,477.80		25%
PartnerRe Ltd.	PRE	6.0%	\$ 6,000.00	\$ 114.36	52	\$ 146.90		\$ 139.72	\$ 7,330.54	\$ 7,477.44		25%
Shire PLC	SHPG	4.0%	\$ 4,000.00	\$ 210.62	19	\$ 13.28		\$ 205.00	\$ 3,893.27	\$ 3,906.54		-2%
Globus Medical Inc.	GMED	4.0%	\$ 4,000.00	\$ 23.84	168	\$ -		\$ 27.82	\$ 4,667.79	\$ 4,667.79		17%
Analogic Corp.	ALOG	4.0%	\$ 4,000.00	\$ 84.94	47	\$ 18.84		\$ 82.60	\$ 3,889.80	\$ 3,908.64		-2%
FedEx Corp.	FDX	5.5%	\$ 5,500.00	\$ 173.78	32	\$ 30.07		\$ 148.99	\$ 4,715.42	\$ 4,745.48		-14%
Lydall Inc.	LDL	5.5%	\$ 5,500.00	\$ 32.77	168	\$ -		\$ 35.48	\$ 5,954.84	\$ 5,954.84		8%
Yahoo! Inc.	YHOO	5.5%	\$ 5,500.00	\$ 50.59	109	\$ -		\$ 33.26	\$ 3,615.93	\$ 3,615.93		-34%
Cirrus Logic	CRUS	5.5%	\$ 5,500.00	\$ 23.59	233	\$ -		\$ 29.53	\$ 6,884.91	\$ 6,884.91		25%
Alliance Fiber Optic Products Inc.	AFOP	5.5%	\$ 5,500.00	\$ 14.63	376	\$ -		\$ 15.16	\$ 5,699.25	\$ 5,699.25		4%
Hexcel Corp.	HXL	3.0%	\$ 3,000.00	\$ 41.58	72	\$ 28.86		\$ 46.45	\$ 3,351.37	\$ 3,380.23		13%
Brocade Communications Systems, Inc.	BRCD	3.5%	\$ 3,500.00	\$ 11.89	294	\$ 50.04		\$ 9.18	\$ 2,702.27	\$ 2,752.31		-21%
Southwest Gas Corp.	SWX	3.5%	\$ 3,500.00	\$ 61.96	56	\$ 89.25		\$ 55.16	\$ 3,115.88	\$ 3,205.13		-8%
	cash	3.5%	\$ 3,500.00	\$ 1.00	3500	\$ -		\$ 1.00	\$ 3,500.00	\$ 3,500.00		0%
		100.0%	\$ 100,000.00			\$ 888.12			\$ 94,295.00	\$ 95,183.12		

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-4.82%

1.38%
S&P 500

Pawleys +/- Index:
-6.20%

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*“The essence of strategy is
choosing what not to do.”*

- Michael Porter



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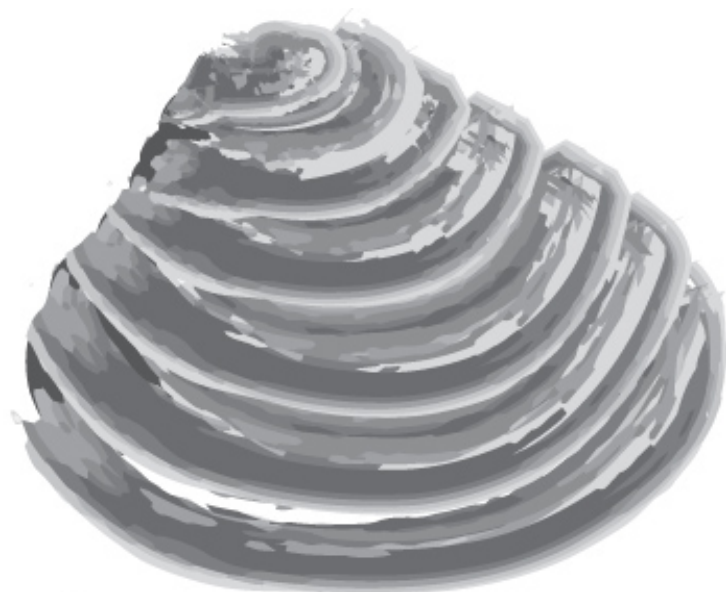
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