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QUARTERLY RETIREMENT REVIEW

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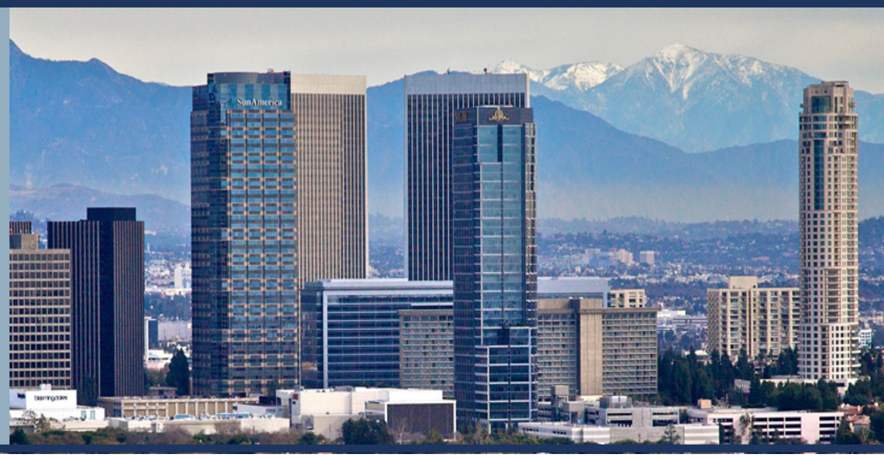
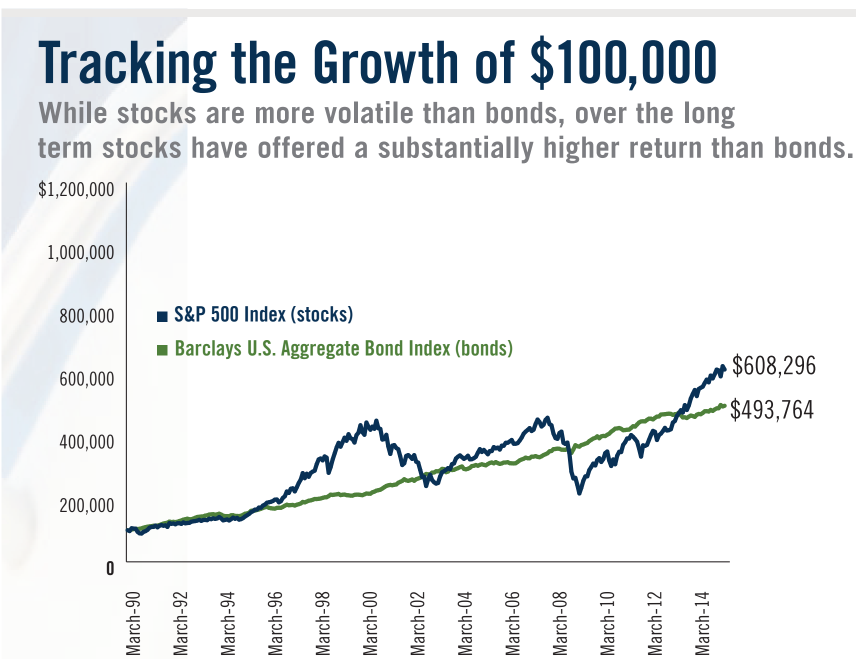


STAYING THE COURSE

While stocks have posted significant gains over the past six years, this has left some investors concerned about how long the market can sustain its rally. To make matters even more challenging, volatility has increased: The S&P 500 Index has posted a gain or loss of 1% or more in a third of the trading days since the start of 2015. At the same time, concerns over when the Federal Reserve will begin to raise short-term interest rates have posed challenges for many bond investors. The chart below suggests that even though stocks are more volatile than bonds, stocks have outperformed bonds significantly over the long term.



This chart shows an investment of $100,000 from 3/31/90 through 3/31/15. Stocks are represented by the S&P 500 Index, and bonds are represented by the Barclays U.S. Aggregate Bond Index. This example is for illustrative purposes only. It is not possible to invest directly in an index. Past performance cannot guarantee future results.

Source: T. Rowe Price

It is true that short-term factors affecting stock prices can be difficult to determine as we have noted that the S&P 500 Index has been down in five of the last 25 years, or 20% of the time. Over the long-term, however, stock investing has provided a way for individuals to share in the growth of the world economy.

Consider the returns of a hypothetical $100,000 investment in the Barclays Capital U.S. Aggregate Bond Index versus the S&P

500 over that same 25-year time frame. If the assets had been invested in an all-bond portfolio, the value would have grown to nearly $500,000. If it had been in all stocks, on the other hand, the account would be worth about $600,000, substantially more than the all-bond portfolio.

It is true that stocks have posted significant gains over the past six years, while interest rates have remained at all-time lows. The extended bull market has some investors concerned about how long the rally can be sustained. This current environment reinforces the importance of investing for the long term.

History of Equities:

1. There have been 79 rolling 10-year periods since 1926. The S&P 500 produced gains in 75 of them and losses in four-meaning the market increased in 95% of the 10-year time frames.
2. Stocks produced positive returns in every 15-year period since 1926.
3. During the 59 30-year periods since 1926, the stock market's weakest performance was an annualized return of 8.5%

These historical returns show that stocks have shown resilience and growth potential over the long term. That said, there also are important reasons to hold bonds.

If you have short-or intermediate-term goals, you can help address the risk of near-term stock market losses by having bonds in your portfolio. Bonds typically offer greater return potential than cash and greater stability than stocks, which is important for investors with nearer-term financial goals. The bond market declined during only nine of the past 89 calendar years, or less than 11% of the time, and produced gains during every period of three years or longer since 1926.

Time: An Investor's Great Resource

The chart below is an example of four investors who might have started investing at different ages, and they each set aside a total of $250,000 in tax-deferred accounts over the course of their careers. The potential for greater compounding over time means Investor 1 could contribute only a third of what investor 4 does every month and yet, potentially, have four times as much in savings by age 67. The difference is the consistency of the investments over time.

With consistency, even modest investments can grow significantly over time.

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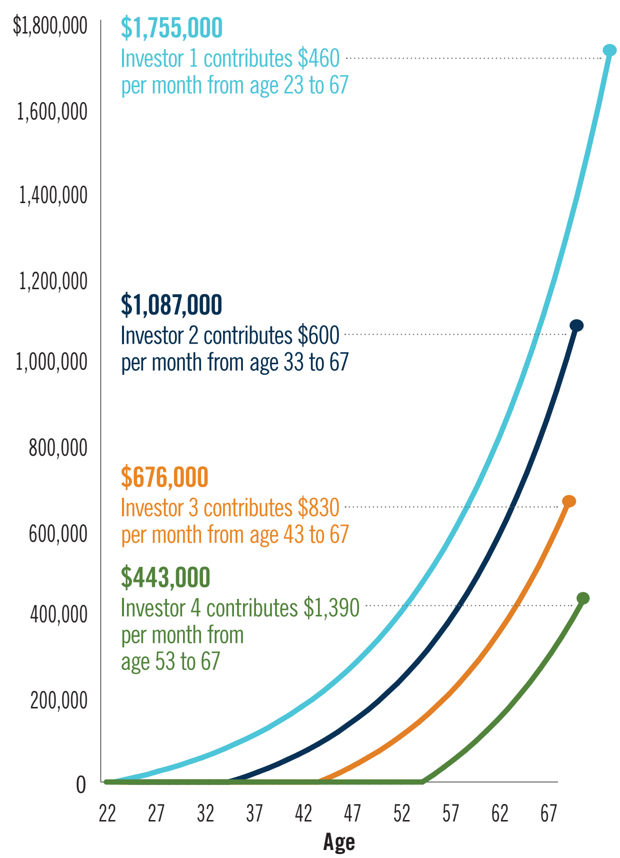

Assumes 7% annual return in a tax-deferred account. This chart is for illustrative purposes only and does not represent the performance of any specific security.

Source: T. Rowe Price

INVESTMENT TIME HORIZON

Your stock/bond allocations should reflect your investment time horizon as determined by the time remaining until you begin to withdraw the money and the amount of time it will take to spend it. Another factor to consider is your tolerance for risk. The appropriate allocation for your portfolio can help maximize your growth potential without exposing you to inappropriate levels of market risk for your time horizon. In general, the longer your time horizon, the more you should hold in stock funds or other growth-oriented investments. An investor who plans to start drawing on his or her investments within 10 years might consider a portfolio of 60% stocks, 30% bonds, and 10% short-term investments (such as cash or money market investment).

Whether you are developing your first investment plan or reviewing an existing one, avoid the temptation to time the market. History shows that attempting to do so can undermine an otherwise sound investment strategy. Research firm Dalbar, Inc. has found that equity fund investors' average returns consistently lag the market by wide margins, largely because investors tend to enter and exit the market at the wrong times. It's very difficult to time the market, because the market's behavior is far too complex for anyone to anticipate.

Stock market rallies also can happen quickly. In the rebounds from the last 15 bear markets (declines of roughly 20% or more), the S&P 500, on average, recouped nearly one-third of its losses in less than two months. If you choose to sell equity holdings following a decline, you risk missing out on the potential for a powerful initial surge. Moreover, if you pull out of the market and happen to miss some of its best days, you may miss out on the recovery altogether. For example, a continuous investment in the S&P 500 for the 10-year period ended December 31, 2014, would have an annualized return of 11.38%. But investors who had missed the 10 best days during that time would have fared significantly worse, with a 5.91% annualized return.

Stick To Your Plan:

Some investors question whether stocks and bonds will be as resilient as they have been in past decades. Their assumption that the market has now fundamentally changed is the same that other investors have made during past periods of considerable volatility and recession. In each instance, however, the market maintained its general upward trend. Many advisors would encourage investors to look beyond the volatility of the moment and focus instead on adhering to your strategy. In addition, investors are often advised to continue to save and invest, and maintain an investment mix that is appropriate for your time horizon. These are the variables you can control and they are the most likely to determine whether you succeed at reaching your investment goals.

NOTES

HAS ANYTHING CHANGED?

S.L. Reed & Company can help:

401(k) Rollover from
Previous Employer

Rollover IRA out of a
Retirement Plan

Traditional or ROTH IRA

Taxable Accounts

Annuities

Insurance

Additionally, we can work with you on:

Managed Accounts

For Assistance call:
Ken Kilpo (310) 893-3016

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