



### **Portfolio Shift Commentary: August 24, 2015**

Within the equity side of our portfolios, today we exited our banking sector position. Although we still believe that banks will see expanding net interest margins when rates do lift off, currently we feel that the recent events in August have pushed that out with a flattening of the yield curve. We repositioned the proceeds into US Large Cap with a slight value tilt, as we see that offering the best short term protection.

In fixed income, we exited our high yield allocation given liquidity concerns along with the potential for higher volatility in risk markets. With the proceeds we increased our position in intermediate treasuries as a short term, "flight to quality trade."

We did want to end by reiterating our thoughts from our Friday note. The type of market action we have seen over the past few days, and really for much of August, has not been pretty. That being said, we do feel that we have or are near to putting in a bottom. The question now becomes (i) do we go straight up from here or retest these lows and (ii) most importantly, what do we want to own as we look out to the end of the year. We do believe this bull market is still intact and that we will end the year in a strong fashion!

As always, we thank you all for your continued support and look forward to discussing any or all of our thoughts at your convenience.

Best Regards,

**Richard A. Funk, CFP®**  
Senior Vice President, Investments

**Jennifer G. Davis, CFA®**  
Senior Investment Portfolio Specialist

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