

SUMMER LETTER 2015

Dear Client/Friend,

I hope this finds you having a fun summer. Catch it where you can, we say. We're having another super busy but always grateful year, continuing to grow and striving to be the best Wealth Management Firm possible.

We have a very exciting announcement to make that's been a long time coming. After much high level planning and regulatory structuring, we now offer non-US citizens the same professional investment capabilities we offer our US clients through our recently formed International Private Client service. This program focuses on the unique investment needs for offshore clients and emphasizes investments that are not subject to the US tax system and adheres to the same institutional investment management process that we use for our US clients. Our *International Private Client* portfolios are fully diversified and benefit from our uniquely integrated multi-manager, multi-asset class and cost sensitive approach. For those clients with family members overseas, we now have an easier way to include them under their family's financial umbrella. This is a big step and we welcome any questions and, of course, referrals into our new program.

On the investment front, stocks ended the first half of 2015 on a sour note as Greek and Puerto Rican debt concerns ignited a flight to safety. Now China takes center stage as they scramble to corral their spiraling stock market while tending to their slowing economy by devaluing the Yuan. The US has "been there and done that" many times and we know China will figure out a way back to prominence sooner than later. But, don't expect miracles this month. Since 1945, August has a reputation for being one of the weaker months of the year with an average drop of .13%.

However, this bull market, now in its seventh year, still has legs and a number of catalysts could easily send us to higher levels. A Fed rate hike has been baked into these markets for some time, so don't expect much of a market reaction if one comes before year-end. (That's a plus!). Corporate profits should be in position to rebound nicely as currency exposures and commodity prices stabilize. And if early debates are any indication, the political scene could serve up a healthy market rally. In fact, history shows that stock markets perform best in the 3rd and 4th years of the 4-year Presidential Election Cycle delivering returns in excess of 17% and 11%, respectively! That certainly trumps (no pun intended) the "August" effect.

So don't let the media get you down. There will always be negative headlines that will spook markets in the short run, but a prudent investor wins in the long run. Our portfolios adhere to a time-tested investment process built around your needs and the volatile nature of markets. We expect and embrace volatility and use it to your advantage. Just as a watermill uses a powerful river to generate energy, we use volatility to power positive activities in your portfolio like rebalancing between asset classes, harvesting tax losses and uncovering cheap investment opportunities. So bring on the waves, we are counting on them!

Some changes we create and some are created for us, like the recent merger of Sterne Agee, our Broker/Dealer, into Stifel Financial Corp, a well-regarded Midwest firm. We see it as a positive with more resources from which to advise you better. We'll keep you apprised of any changes to come and, as always, try to keep any paperwork headaches to a minimum. So far, it's a "nonevent" to us.

What is an event to us, though, is the creation of our new MG&A app, enabling those of you who like instant access to your portfolios online to be able to log in from anywhere, from any device, in the most secure manner. So stay tuned for a "launch announcement". We're in the final stages of development.

Here's a little tax tip you may want to be aware of. Congress creates juicy tax breaks but often makes them temporary, making planning difficult. One that's "dangling" is the ability for those over 70 ½ to transfer up to \$100,000 of their IRA, including their Required Minimum Distribution, directly to a qualified charity without having to include it as income. This is also known as a Qualified Charitable Distribution. If you're over 70 ½ and charitable, this may be a great tax break for you. Talk to your CPA to see if this benefits you and remember to wait and see what Congress decides before taking out your RMD. It's always a cliffhanger, but worth planning for if you're charitably inclined.

On the home front, we're bragging. Jeremy recently received his Certified Private Wealth Advisor® designation (CPWA), a very prestigious degree. It took months of studying and the course culminated with a week at the University of Chicago and a massive exam, which many failed. So kudos to Jeremy Bailey, CPWA®! It's not easy working hard, living life and studying on top of it all. We appreciate the heavy lifting, enabling our team to be able to always advise in the most current, smartest ways.

Lastly, we would like to congratulate Gigi Wright, Office manager and Executive Assistant, and Sean O'Halloran, Senior Wealth Management Advisor, on reaching their 10th anniversaries with MG&A.! They have each made a huge contribution to our team over the years and to many of our client's lives. A special thanks to you both, our newest shareholders.

With that, we all send our best wishes and certainly hope to see you before long. Enjoy the rest of the summer, stay cool, and we'll surely be speaking soon.

Warmest regards,

Meg Green & Todd Battaglia