DANDA TROUVÉ INVESTMENT MANAGEMENT

Money Managers You Can Trust

January 2015 Thoughts and Insights

We thought we would start the first letter of 2015 by sharing our mission statement with you, our trusted clients. This mission is on our minds at every moment we engage with you and your investments:

At Danda Trouvé Investment Management our mission is to serve our clients with financial guidance that goes beyond investment results.

We use a "total return" investment approach to maximize returns with minimal risk.

- *We manage a balanced portfolio that we customize for each client.*
- *We are attuned to what's moving in the market and how it affects our positions.*
- *We don't take unnecessary risks, so our clients' money is there when they need it.*

We create a comfortable, uniquely personal atmosphere.

- *Our advice is honest and unbiased, based solely on what's best for our clients.*
- *Every client, independent of account size, receives close individual attention.*

We are more than an advisor.

Our goal is to take life's complicated financial matters and make them simple for our clients. That's how we become their confidant, and it's how we will continue to earn our unique spot in a highly competitive industry.

What differentiates one investment manager from the next is their approach to how investments relate to investors. Some firms focus only on the investments, regardless of who their client may be. At DTIM, we have always considered you, our investor, first. Based on your personal goals and objectives we select the appropriate investments to achieve those goals. We so enjoy the personal aspect of what we do, and the opportunity to share our investment knowledge with you.

Turning our attention now to your investments, U.S. equities and bonds performed better than most predicted in 2014. The job market is recovering, consumer and business confidence improved and corporations finally put cash to work. Equities ended the year with strong returns, but also endured periods of setbacks, including for the first time in three years a 10% decline in October. The biggest surprises of 2014 included a further drop in interest rates, a sharp decline in the price of oil and a significantly stronger U.S. dollar.

Economies outside of the US did not fare so well. Europe continues to struggle in part due to a tentative central bank and the impact of Russian sanctions. Emerging markets suffered from falling commodity prices and slower global trade.

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2015 should result in another decent year for U.S. equities as we experience U.S. economic growth/GDP near 3%, low inflation, and increased consumer spending boosted by low commodity prices and interest rates. The consumer sector should strengthen due to jobs growth, some improvement in real wage gains and a noticeable pickup in confidence. Investment spending is also likely to rise. In early December we added positions in consumer staples and industrials, so we are positioned to take advantage of these opportunities.

The lack of economic recovery in Europe and the emerging markets will impact U.S. export growth but keep commodity and interest costs low. Deflation threats in Europe and Japan should start to ease, while China's economic growth is likely to slow. In Q4 we sold our positions in Europe and emerging markets; however we plan to hold our investments in China. Even with slower growth, China is still the number two market in the world.

The benefits from the decline in oil prices should outweigh the negatives, although the swiftness of the price decline could cause dislocations. We did exit our oil and gas service providers but will continue to hold our positions in MLP's. The midstream pipeline businesses we own are not affected by the price of oil because their function is to transport the oil from the refineries, like a toll road. Their prices did go down as the entire sector was hit, but their +6.5% dividends will continue and their prices will revert back to normal levels.

The Fed may raise rates this year and if so the market will undergo a transition period of higher short-term rates and a flatter yield curve since the longer maturities will not rise, but this will not lead to a recession. In previous periods of a rising rate environment, the next bear markets were 2-6 years away. We will hope to capture some profits during these intermittent market declines.

As always, we remain dedicated to you, your money and your investments. We welcome phone calls and visits to talk further about any of our thoughts, ideas, and strategies, as well as any questions or comments you might have.

Michelle

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