

THE Armstrong REPORT

SPRING 2016

**Dedicated to growing
and protecting your wealth**



Reginald A.T. Armstrong, CPWA®
President

QUARTERLY UPDATE

"May you live in interesting times," is supposedly a Chinese curse. Whether that is true or not, boy are we living during interesting times! Between the economy, the markets, and the election we seem to not only be living in interesting times, but frustrating ones as well.

THE ECONOMY

After a "stronger than expected" 1.4% gain in the 4th quarter, Gross Domestic Product seems to be coming to a stall in the 1st Quarter. The Federal Reserve Bank of Atlanta as of March 28th estimates 1Q GDP to be just 0.6%. Combine this with manufacturing being in contraction since October and the service sector slowing significantly (although still growing), pitiful industrial production, and declining corporate profits, you get a murkier picture than we would like. Our current estimate of recession in the next six months is at 40-50%.

THE MARKETS

The US stock market had its worst start of the year decline ever through February 11th. According to wsj.com, while US major indices such as the S&P 500 fell about 11%, 60% of all stocks were down 20% from their peak in 2015. Small caps and the overall global market entered a "bear market" as markets dropped at least 20%. Markets since then have staged a furious rally bringing US stocks into positive territory as we close out the quarter. This has many saying the worst is over. In my opinion, while this may be true and we may be heading for more gains, the overall technical pattern of the market is more reminiscent of a sharp rally in the middle of bear market. As a reminder, the S&P 500 peaked in October 2007 and

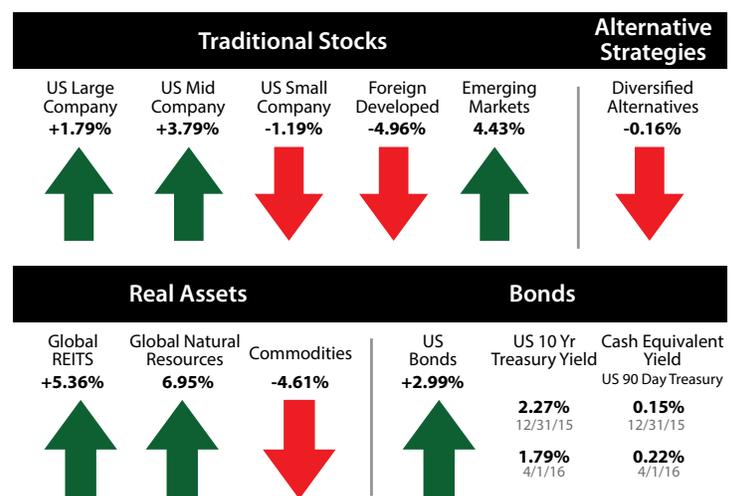
then dropped 19% through March of 2008. The market then staged an 11% rally through May before beginning the steep drops in the Fall (data from wsj.com). While all markets are different, this one seems to be behaving in a very similar fashion.

THE PORTFOLIOS

Our **WealthProtect System*** triggers caused many of our portfolios to enter 2016 in a very conservative position. We continue to believe that relative safety is very important here, but that opportunity may soon arise in several depressed asset classes. This may have many of you praying, "God please grant me patience, and I need it now!" Times of transition can be very frustrating and trying on the nerves. Sometimes we just want to do something—anything—to get some decent returns. Sometimes what we need is patience to allow a strategy to work towards its objectives,

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MARKETS UPDATE: AS OF 3/31/2016



Market segment indexes: US Large Company (Russell 1000), US Mid Company (S&P 400), US Small Company (Russell 2000), Foreign Developed (MSCI EAFE), Emerging Markets (MSCI Emerging Markets), Diversified Alternatives (Morningstar Diversified Alternatives Index), Global REITs (S&P Global REITs), Global Natural Resources (S&P Global Natural Resources), Commodities (S&P GSCI Commodities), US Bonds (Barclays US Aggregate Bond). All performance referenced is historical and is no guarantee of future results. Indices are unmanaged and cannot be invested into directly

REGI NAMED 2016 SMALL BUSINESS PERSON OF THE YEAR

Reginald Armstrong was honored Wednesday, March 16th as the Greater Florence Chamber of Commerce 2016 Small Business Person of the Year.

The 2016 Small Business Person of the Year recognizes a small business owner who exemplifies professionalism, strives to enhance the Florence community, and has made a positive impact on the local economy.

To watch Regi accept his award on video please go to our blog at armstrongwealth.com.



Pictured: (Above) Regi and his wife, Hsin Yi. (Right) Regi accepting his award.



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and to avoid big mistakes. I struggle with patience too; so believe me I understand.

THE FIRM

Emily is to be congratulated for passing the very difficult Series 7 and 66 exams allowing her to become a registered administrative assistant. This will further improve our capabilities to serve you.

In addition to Lighthouse Ministries as our major charitable cause, we have become the title sponsor for the Pacing for the Pieces Race for Autism Research and Support. The race was on March 12th this year and the turnout was great. Both Lee Carter and I have children with autism and appreciate the Pennington family for spearheading this organization.

Thank you for your continued trust.

The opinions in this material are for general information only and are not intended to provide specific advice or recommendation for any individual. All performance referenced is historical and is no guarantee of future results. Security registrations are held through LPL Financial.

**The WealthProtect System is an investment risk control system designed (but not guaranteed) to limit significant losses in major bear markets (excess of 30% loss from market peak to market trough). It is NOT designed to prevent normal market losses (under 20%). No strategy can assure a profit or protect from a loss. Occasional false signals can reduce returns.*

CLIENT BUSINESS CORNER Woodworking by John Knight

Pictured: Spalted ambrosia maple, ambrosia maple and curly maple. Spalted means that wood is starting to decay and gives it the different colors and dark contrasting lines and streaks. If the wood has been rescued from the spalting at the right time, the lumber is still sound and usable, with little to no soft spots or rotten wood.



What is it that you do?

Simply put, I make things out of wood. I make furniture, tables, chairs, and now bowls, cups, pedestal cups, saucers, and plates. I never make any two things that are alike. I have made several-hundred pieces over the years. I love to get a particular piece of wood, visualize something in my mind, then watch it come to fruition. I really love working with wood.

What is your business name?

It's not really an official business, just a hobby that got out of hand. I do it when I can and I love to give pieces as gifts to family and friends. I don't really make a lot of money compared to the time it takes to make something.

What motivated you to start doing this?

I have been making things out of wood since I was 5-years-old. It started with birdhouses and has developed into a little bit of everything.

How much does a piece made by you cost?

Depending on the type of wood, time invested, size, etc. prices range from \$50 - \$250. It typically takes up to 40 hours of work to finish the larger and more intricate bowls; this includes cutting, sizing, sanding, etc.

How can customers reach you?

They can call me (John Knight) at 1-843-616-3178

Workingworking by John Knight is not affiliated with LPL Financial.



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ARMSTRONG WEALTH ASSOCIATES Leslie Moore, Lee Carter, Emily Ridenhour, and Regi Armstrong help serve BBQ plates at the **LIGHTHOUSE MINISTRIES ANNUAL FUNDRAISER** on Wednesday, March 9th, 2016.

ON A SAD NOTE

Stephen Boylan, Eileen Tanner, and Janice Estridge passed away. Please keep their families in your prayers.

COMMUNITY INVOLVEMENT

McLeod Park Baseball

\$400

Pacing for Pieces

\$5,000

ARE YOU GOING TO

SHREK
THE MUSICAL

at the Florence Little Theatre

ON FRIDAY, APRIL 29TH, 2016?

Join us for pre-show refreshments in the Rehearsal Hall starting at 6:45PM

OUR TREAT!

Show tickets are *not* provided.

Contact us to RSVP at 843.292.9997



Armstrong Wealth was a title sponsor for

PACING FOR PIECES

A Race For Autism Research and Support on Saturday, March 12th, 2016.

Pictured: Leslie, Emily, and Matt before the 5k.





Armstrong Wealth

MANAGEMENT GROUP

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