PROCTOR FINANCIAL

RETIRE BETTER®

August 23, 2015

Dear Client:

We are all witnessing the increased volatility in the financial markets and it is natural to wonder how this may impact our wealth. We understand that it is normal to be concerned when the stock market has such a bad week. While Proctor remains vigilant and continues to monitor market developments, we do not see a need for portfolio adjustments at this time. In that regard, we wanted to highlight a few important aspects:

1. There is no free lunch

The reason we expect higher long-term returns on stocks than on cash and bonds is because they have greater volatility. There is no free lunch in the financial markets, and we have to accept volatility in times like this in order to earn the expected higher long-term returns. Proctor takes a strategic, long-term view of asset allocation and your portfolio is invested according to your specific cash flow needs over time. As you'll recall, we calculate the amount of money you need to withdraw from your portfolio over the next 5 years and invest that money outside of the stock market.

2. Market timing does not work

Market timing is the holy grail of investing. If one could do it consistently, the rewards would be great. But investors attempting it usually end up with sub-par performance due to the extreme difficulty of getting the timing right. Despite much attention in the media to being tactical (i.e. market timing), we are not aware of investors who have consistently timed the markets with sustained success. Although this holy grail does not exist, the good news is that one does not need a crystal ball to invest with success. The benefits of a long-term, strategic view are compelling, and the higher returns associated with investing in stocks is dependent on being disciplined through both good and bad times.

3. The importance of diversification

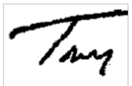
One of the important lessons from the financial crisis is that diversification works. While this may not be the case on a day-to-day basis, a mix of different types of assets provides a smoother and more stable ride for your portfolio. Typically, our portfolios exhibit at least 30% less volatility than the stock market as a whole, and this is due very directly to the diversification in our portfolio designs.

As you know, we also invest in hedges in our clients' portfolios that are designed to protect the portfolios in case of a major financial downturn, while attempting not to be a drain on return when the market is doing well. Though there is no guarantee that they will work as we expect, we do feel confident that should the market continue its downturn, their presence in our clients' portfolios will have a major protective function. As of yesterday, one of these hedges turned "on" and should now start adding protection. Another hedge will turn protective in 2 more days if the market doesn't improve. If the market does improve on Monday, then perhaps the hedges won't be necessary. But having them in place should provide some comfort as we experience increased market volatility.

As your financial fiduciaries, we care deeply about your financial wellbeing, and it is in times like these that it is important to stay calm and refrain from making decisions that may be detrimental to your wealth. In the meantime, we will continue to monitor the situation for rebalancing opportunities that may add value to your portfolio or provide tax savings opportunities. We invest portfolios for long-term goals, and we will continue focusing on those goals going forward.

As always, please do not hesitate to contact us if you have any questions or concerns. I will be out of the office for the next few days, but will still be in contact with my staff if necessary. Thank you for being a client, and for trusting us with your financial future.

My best regards,



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