

The IPC

The Investment Policy Committee (IPC)—formed by executives at Vorpahl Wing Securities Financial Resources Group (FRG)—meets once a month to discuss the economy and investments that may be used to construct portfolios fitting for FRG clients. Its members also sifts through the glut of information available to investors on the internet, on television, and in financial publications. We then filter out the "noise" and use only what, we believe, is relevant information that may be used to formulate strategic and tactical approaches to asset allocation.

UPCOMING EVENTS

Social Security Seminar
Lewiston, ID
Wednesday, March 26th
Stay tuned for more details

Visit our Website at
www.vorpahlwing.com

Mortgage Rates



THOUGHTS, THEORIES, AND TRENDS

It was good news. The DOW's amazing run in 2013 rewarded investors with a 26.50% return. While we were not surprised by the positive gain (our forecast for 2013 was a jump of around 15%), we *were* surprised by the size of that gain. Considering the return, it doesn't feel bad to have underestimated our forecast.

But experience has taught us that a fast run up can often bring with it a quick correction. This year is no different. At the time of this writing (February 5, 2014), the DOW has dropped almost 7% since the beginning of the year, and we believe it could drop even more. History supports this. Since March of 2009, the DOW has had 19 corrections with an average drop of 8%.

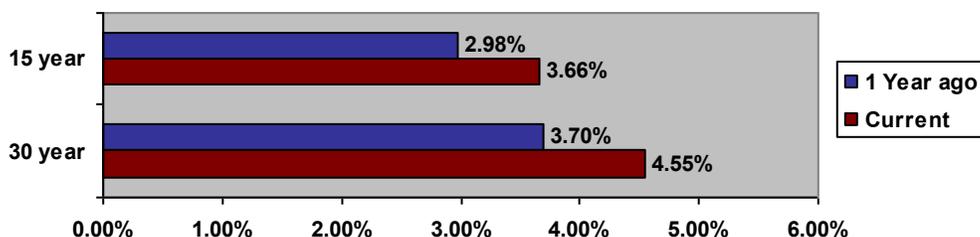
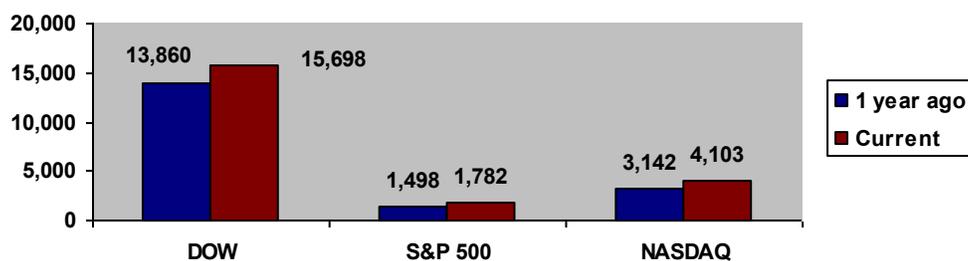
Although a continuing correction wouldn't surprise us, we think the DOW will end in positive territory with the consensus of the Vorpahl Wing Securities Financial Resources Group forecasting the DOW will finish the year at 17,650. Our reasoning is based on continuing growth in the manufacturing sector; continuing improvement in the housing market (although at a much slower pace of improvement than the beginning of 2013); and continuing low inflation. We believe it could be a good time to 1) move some cash into equities and/or 2) reallocate some lower yielding assets into equities.

Emerging markets continue to be in the news. Last year the MSCI Emerging Markets Index had a negative return of 2.60%. We don't see much improvement this year, but according to Oppenheimer analysts, there are some bright spots. They believe Mexico, Poland, South Korea, and Peru could reward investors with positive returns.

Janet Yellen is now the Chair of the Federal Reserve—the first woman to hold that position. She does not want to be called "Chairwoman" but "Chair", so we will honor her request. We expect a smooth changing-of-the-guard and for her to continue with Ben Bernanke's philosophy of the slowly winding down of Quantitative Easing (QE). We don't see any major changes to monetary policy at least for now. But we do believe she will build her own "Chair," not afraid to show who she is and asserting what she believes. As the Washington Post said, "Janet Yellen, now one of the most powerful people in the world, is notoriously private—but clearly a badass." Being a badass could make some enemies. But in the words of Sir Winston Churchill, "You have enemies? Good. That means you stood up for something in your life."

THE MARKETS AT A GLANCE

Data as of 01/31/2014 from Morningstar



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THE VORPAHL WING SECURITIES, INC. IPC MEMBERS AND STAFF



President and Chief Executive Officer, Tim started Vorpahl Wing Securities with a Vision: To be the *Premiere Independent Broker Dealer in the Northwest*. He started his career in 1985 after achieving his BA degree in Business with an emphasis in economics. His first position was as financial planner for Investor's Diversified Services (IDS) a nationally recognized Financial Planning firm, owned and operated by American Express. From there he moved on to Murphey Favre—a regional Broker Dealer firm Owned by Washington Mutual Bank.

After almost 10 years with Murphey Favre, Tim started his own investment company, Spokane Investment Services, in 1996. Three years later, he started Vorpahl Wing Securities. Also in 1999, Vorpahl Wing Securities joined the National Association of Securities Dealers (NASD), now FINRA, along with other regulatory agencies.

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