

The IPC

The Investment Policy Committee (IPC)—formed by executives at Vorpahl Wing Securities, Inc.—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

Who Will Change Your Light Bulb?

How to Avoid Scams!

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Mortgage Rates



THOUGHTS, THEORIES, AND TRENDS

I love watching the movie *It's a Wonderful Life* starring Jimmy Stewart as the lovable George Bailey. Being in finance, I especially like the scene where there is a run on the bank. "Don't look now but there's something funny going on at the bank, George! I've never really seen one but that's got all the earmarks of being a run!"

Understandably, such "runs" on the markets can be nerve racking, and we at Vorpahl Wing Securities don't take these downturns lightly. We won't patronize our clients with typical financial advisor's responses such as "this is just a knee jerk reaction" or "stocks are on sale," although these responses might have some merit.

Whether the market is gaining ground or heading south, we always use two approaches to uncover investments that we believe will generate better-than-market returns. The first is called the "top down" approach. The Investment Policy Committee (IPC) members look at the economy as a whole and attempt to, based on our experience, forecast where we think the macro environment is headed. For instance, we believe China's GDP will slow from double digit growth to 6.3% in 2016. We also think global GDP will finish the year around 3.3%.

We also think oil prices will stabilize and settle around \$45 per barrel by the end of the year. This is a conservative estimate on the IPC's part. Some analysts are thinking it will settle in the \$60 to \$70 range.

The second approach is known as the "bottom up" approach. We believe the current selloff will come to an end and when it does, we, as always, want to be prepared. And our preparation is this: 1) that the investments we recommend for clients are still fundamentally strong, and 2) because of a selloff, uncover other investments that we believe will generate above average returns.

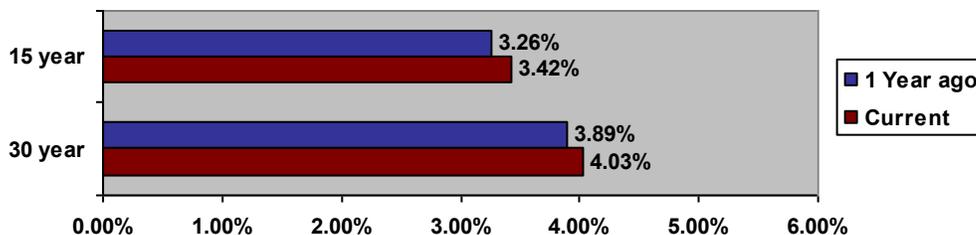
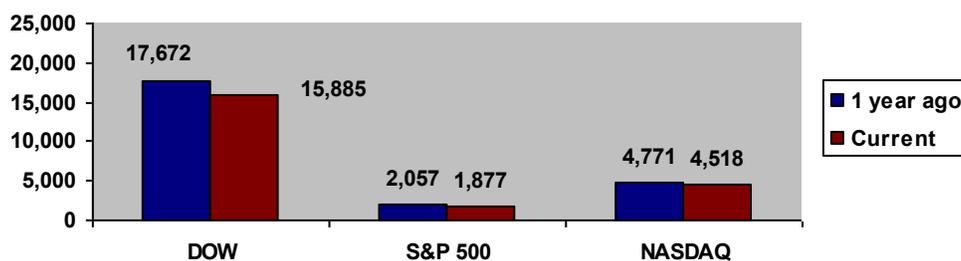
As worried depositors crowd into the Bailey Bros. Building & Loan, George is trying to calm them with a quick lesson on the dangers of selling at the most inopportune time. "Can't you understand what's happening here? Don't you see what's happening? Potter isn't selling; Potter's buying and why? Because we're panicking and he's not."

I wonder if the Oracle of Omaha Warren Buffet watches "*It's a Wonderful Life*" on a regular basis. Regardless, he has said, "We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful."

We believe it's important to listen to the wisdom of George Bailey and Warren Buffet. Take their advice. Don't be like some of the Bailey Bros. Building and Loan depositors—fearful and panicked—selling your shares to Mr. Potter for fifty cents on the dollar.

THE MARKETS AT A GLANCE

Data as of 01/25/2016 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

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