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**VIEWS FROM CAMELBACK MOUNTAIN**

*Correction Has Begun*

Stock markets around the world have had a bad week. As we have advised for quite some time, we have had concerns that the U.S. stock market has become vulnerable to a correction, perhaps in the 10% -15% decline range. This week, events in China ranging from weak economic data, changing currency policies and a volatile and declining domestic stock market, have led markets around the world to conclude that global economic growth is in jeopardy. We have been concerned about the Chinese stock market and a slowing growth rate of their economy for quite some time. We also remain concerned about very slow, or perhaps non-existent economic growth in Europe.

The global growth concerns have led investors to conclude that demand for commodities and other raw materials will decline. This has led to dramatic declines in oil prices and most other commodities.

Market corrections are typically defined as a decline of 10% or more from a previous peak. Corrections normally occur approximately every 12-18 months. It has been more than 3.5 years since the U.S. stock market has experienced a correction.

We continue to believe that the U.S. economy is growing, albeit at a moderate pace. Weakness in China, declining commodity prices and possible further weakness in Europe, all have a dampening effect on the U.S. economy, but we remain convinced that the U.S. economy will continue to grow. We think U.S. corporate earnings are doing better than the U.S. economy as a whole, as U.S. companies restructure, merge and reduce expenses. This leaves us comfortable that stocks are roughly fairly valued. This, in turn, gives us comfort that this correction will be relatively mild and short lived (perhaps one or two quarters).

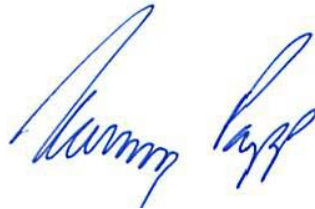
Our Federal Reserve has been very slow to allow interest rates to rise to equilibrium levels. The issues identified above, along with market reaction may cause the Fed to delay raising interest rates in September and to wait until early or mid-2016.

We think this correction probably started a month ago, but so far has been masked by a very strong performance from a few dozen extremely expensive momentum based stocks. This week, that momentum appears to have stalled and some companies, such as Netflix, have been hit hard. We expect this trend to continue until the valuations of these market darlings are more realistic.

It is never fun to experience market declines. This week, the Dow Jones Index was down 1,017 or 5.8%. The Standard & Poor's 500 Index also declined by 5.8%. We have been mindful of the risks discussed above and we have avoided jumping on the China bandwagon. Over the past several years we have tried to control exposure to these issues in our clients' portfolios. At this time, we are not advising clients to consider portfolio changes.

We are carefully monitoring the markets and broader economic conditions. We will let you know if and when we think changes to your portfolio are advisable. Please give any one of us a call if you have any questions or concerns.

Best regards,

A handwritten signature in blue ink, appearing to read "Harry Papp", is written in a cursive style.

Harry Papp  
Managing Partner  
August 21, 2015