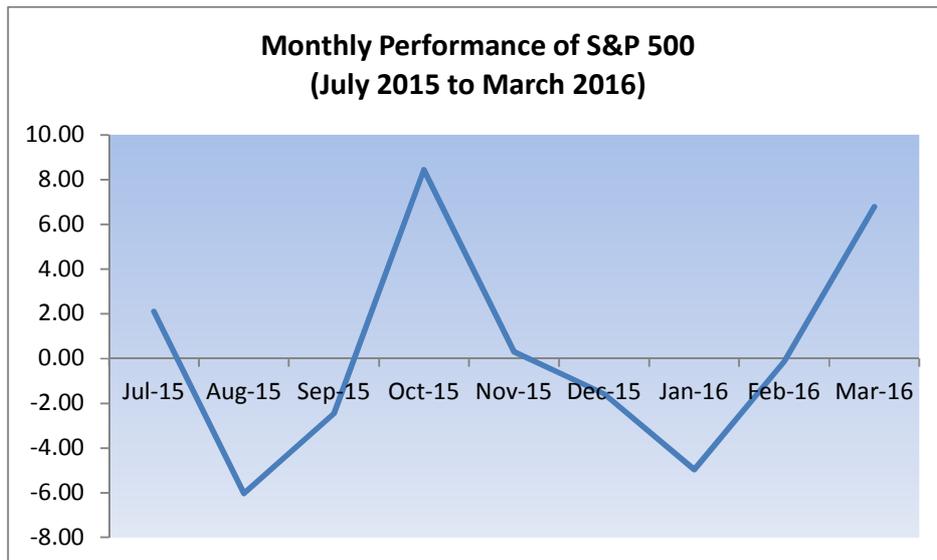


A Tricky Balancing Act

April Market Update from Your Portfolio Management Team—May 9, 2016

Many of us have fond childhood memories of the teeter-totter (some parts of the country use the term see-saw) at the playground. While bouncing up and down was all good and fine, the more adventurous of us might recall straddling the board. It was great fun to see how long we could keep our balance before tumbling to the ground. Some of us might have even learned the tough lesson that the harder and faster our friends on either side pushed, the more difficult it was to maintain that balance.

Over the past year, the stock market has been behaving much like a teeter-totter with all of its bounces and drops. The chart below shows the monthly changes in the S&P 500 index going back to last summer:



As this chart demonstrates, we've seen some pretty significant monthly moves in the stock market over the past year: down 6% in August 2015, up 8% in October 2015, down 5% in January 2016, up almost 7% in March 2016. It used to be, we'd see these kinds of numbers for a full calendar year. When the teeter-totter is moving up and down in such significant swings, the balancing act becomes trying to catch some of the ride while not falling off in the process.

So what does a teeter-totter have to do with how FSA manages portfolios? Well, the up and down movements are what can be referred to as volatility. The closer you stay to the fulcrum, the less movement you're going to feel. In similar fashion, when we're experiencing stock market gyrations, FSA will stay closer to that fulcrum by reigning in our exposure to equities. You might think of our more conservative strategies as sitting closer to the center, while our more equity-oriented strategies might sit farther out.

FSA remains diligent in trying to make the journey through market choppiness a smoother ride so that experiencing thrilling ups and downs is merely a distant childhood memory.

Please remember to let us know about any changes taking place in your lives that could have an impact on your investment objective and if you wish to talk before our next review. We remain your dedicated financial partner.

Mary Ann Drucker
Assistant Portfolio Manager

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