

Dear Client,

June 2016

I remember it was September 10, 1978, just a few days after my 16th birthday. Pulling out of the DMV office with my new driver's license was a moment I recall with great excitement. I realized that small piece of plastic would offer me new freedom and opportunity (and the added responsibility). I was looking forward to having a job and being able to take my girlfriend to the movies without needing to be chauffeured /chaperoned by our parents.

I was fortunate that several months before I turned 16 my parents and a neighbor were brave enough to put the steering wheel in front of me. I was confident that I could figure out the driving but I recall being apprehensive about two things. Since I had always been a passenger I did not pay close attention to how we arrived safely at my relatives in Kent, CT or which exit number to get off to arrive at the Danbury Fair. How would I know which roads to take? Back then Siri did not respond to calls for help! My second concern was the other drivers on the road. How would I know if they were going to stay on their side of the double yellow lines and whether their blinker was accurately telling me they were considering taking a left hand turn ahead? Could I trust them to behave correctly while driving towards me at the helm of a vehicle made of steel and glass that weighed a couple of tons?

My dad helped me focus on my driving priorities- keep proper distance from the car in front of you, drive at a consistent pace, be decisive, use your turn signals and don't drive around with a radio blaring as this could be a distraction. When driving with my neighbor Ken, he asked me why I favored aligning the car more towards the white lines to the right side of my lane vs. the double yellow lines. I told him I was worried about the oncoming cars not staying on their side and thought it was safer to be near the gutter. I suggested this would give me ample time to react to an oncoming disaster. Ken had a different perspective. He shared that it was his experience that the greater risk was the potential problems that would arise from what I could not see. The 'surprise' disasters that required evasive actions would most likely come from my right side. Animals, cyclists, runners, cars pulling out of blind driveways, etc. would all be a challenge to avoid if I was driving inches away from the side of the road. And so I quickly adapted my driving style to favor an alignment closer to the yellow line in my attempt to better anticipate and respond to any surprises.

To summarize my initial driving experience, it was to be fully aware at all times of the potential risks and be prepared to safely navigate any problems. And I was doing this

with minimal distractions around me - ok, I admit driving with my two brothers could be distracting and there were a few times I listened to the AM radio while driving (but don't tell my parents). Fast forward to my driving experience today. I have available over 100 stations to listen to on the radio not including the option to link through Bluetooth to my phone for Pandora or listen to Bloomberg TV live through my car speakers. I am warned by flashing lights on my side mirrors when cars are sitting in my blind spot. If I get too close to the car in front of me (only because the driver in front is travelling way too slowly☺) my car dashboard lights up warning me to slow down. And if I am not quick enough to adjust my speed the car will automatically apply the brakes to slow me down to avoid an accident. This is slightly annoying. I can ask the car to call home, dial the office, find out the score of the Rangers/Penguins game, get the weather forecast, locate the nearest gas station, check my latest Twitter feed, determine the current pressure for each tire, re-calibrate my navigation to avoid a recent traffic tie-up and see my current speed displayed miraculously hanging right in my windshield. And if these distractions are not enough to encourage taking my eyes off the road, I have a smart phone in my pocket begging me to respond to an urgent text (aren't all texts urgent?) or email or Tweet or Instagram post.

Thinking back to my drive down Clapboard Ridge Road in my grandmother's hand-me-down 192 horsepower 1969 Chevy Chevelle with roll up windows, rusty floor boards, AM radio and a steering wheel that required breaking into a sweat whenever parallel parking, I realize I was driving the car while focused on driving the car. I was disconnected from the rest of the world in the safe bubble of my two-door green Chevy. No internet. No anti-lock brakes. No seatbelts. And no distractions.

As investors today we are challenged by all the new technology and global distractions. It is not easy to focus on the simple goal of building and maintaining your financial security over time. Successful investors save a little each month, diversify their investments, hold ample cash reserves and stick to their plan. It is challenging because we have the news begging us to maneuver around potholes like Brexit, Janet Yellen, Clinton/Trump, declining energy prices, rising energy prices, emerging markets, developed markets, the Yen/Euro/Dollar trends and the latest scoop on trending companies, and the evilness of the too-big-to-fail banks.

It is prudent to be aware of the risks and be prepared. We believe we can help to keep you financially aligned properly in your lane, to anticipate unintended consequences and avoid a sudden impact that might be caused by an emotional response to a short-term pothole. Please review the enclosed Client Asset Allocation Summary Report and reach out to us with any questions or concerns.

Sincerely,
Michael Matson

