

Dear Clients and Friends,

The Asset Preservation Group, Inc. wishes you and your families a very **Happy, Healthy and Prosperous NEW YEAR!!**

It's that time of the year when we look back on the year just passed and reflect on what happened in our lives and what impact those events might have on our future. We also look ahead to make 2016 a "better" year and one filled with hope and happiness. Remember, laughter and happiness are contagious ... so let's infect as many people as we can!

***"Don't take life too seriously. You'll never get out alive."*** Bugs Bunny

We are happy to put 2015 in our rear view mirror and say "Good Riddance"! There was plenty of news to keep us concerned, worried, skeptical, etc. about today and our future. From the on-going fiscal ineptitude of our Congress to the rising European and Emerging market debt crisis, the growing ISIS attacks here and abroad, to the rhetoric of the campaign trail to the extreme volatility of the stock market, we were bombarded with way too much information!

Aging bull markets are typically a tough environment for investors and this past year was no exception. The market was dominated by a few high flying stocks: Facebook, Amazon, Netflix and Google that helped the S&P 500 have a positive gain. However, the majority of the stocks of the S&P 500 declined in value. In fact, according to Potomac Fund Management, if the S&P 500 was an "equally weighted" index, its return would have been about 3% lower.

Take a look at the following chart (Potomac Fund Management) showing the performance of various sectors as represented by using Rydex funds as a proxy. (*Maximum drawdown means the maximum loss from the very high to the very low throughout the year – in other words 'volatility'*) Even those sectors that had positive returns took you on a wild roller-coaster ride!

<i>TICKER</i>	<i>NAME</i>	<i>15 RETURN</i>	<i>15 MaxDraw</i>
<b>RYOIX</b>	Rydex Biotechnology	8.80%	-28.28%
<b>RYIIX</b>	Rydex Internet	8.74%	-14.20%
<b>RYCIX</b>	Rydex Consumer Products	6.55%	-9.21%
<b>RYHIX</b>	Rydex Health Care	4.16%	-19.67%
<b>RYSIX</b>	Rydex Electronics	2.57%	-24.58%
<b>RYTIX</b>	Rydex Technology	1.25%	-16.29%
<b>RYLIX</b>	Rydex Leisure	0.78%	-12.05%
<b>RYRIX</b>	Rydex Retailing	-1.10%	-12.16%
<b>RYHRX</b>	Rydex Real Estate-H	-3.03%	-16.93%
<b>RYFIX</b>	Rydex Financial Services	-3.74%	-11.89%
<b>RYKIX</b>	Rydex Banking	-4.86%	-15.31%
<b>RYMIX</b>	Rydex Telecom	-6.93%	-15.37%
<b>RYUIX</b>	Rydex Utilities	-7.22%	-17.08%
<b>RYPIX</b>	Rydex Transportation	-13.84%	-19.17%
<b>RYBIX</b>	Rydex Basic Materials	-17.19%	-27.27%
<b>RYEIX</b>	Rydex Energy	-30.17%	-38.41%
<b>RYPMX</b>	Rydex Precious Metals	-30.49%	-44.84%
<b>RYVIX</b>	Rydex Energy Services	-31.77%	-39.03%
<b>RYMBX</b>	Rydex Commodities	-34.58%	-37.45%

According to Kerns Capital Management, U.S. stocks trailed only the dollar in performance. All other asset classes, including bonds, commodities, foreign markets and real estate finished the year flat to bearishly negative.

Hanlon Investment Management published the following chart, which tends to support Kerns Capital Management's assessment.

<b>INDEX</b>	<b>Year-to-Date</b>	
	<b>Net Change</b>	<b>% Change</b>
Dow Jones Global Index	-12.89	-4.02%
Dow Jones Industrial Average	-398.04%	-2.23%
S&P 500 Index	-14.96	-0.73%
Nasdaq Composite Index	271.36	5.73%
S&P MidCap 400 Index	-53.86	-3.71%
Russell 2000 Index	-68.81	-5.71%
MSCI EAFE Index (EFA)	-2.12	-3.48%
MSCI Emerging Markets Index (EEM)	-7.10	-18.07
BAML US High Yield Master II Index	-48.66	-4.64%

Brian Sullivan, Co Anchor of CNBC's "Power Lunch", said "2015 has been one of the hardest years to make money, anywhere, since 1937".

Larry McDonald, New York Times Best Selling Author and Economic Speaker, agreed, calling 2015 an "absolute meat grinder of a year", noting that even "Hall of Fame" investors like Warren Buffet (down -12.48%) and David Einhorn (down -21.00%) had a terrible year.

Therefore, for 2015, diversification didn't work well. Diversifying in global stocks and bonds, precious metals, currencies, emerging market stocks and bonds, high yield bonds, and many other asset classes, as well as different models and strategies to reduce overall risk is one of the most prudent ways to invest to try to protect your retirement security. But occasionally we will have a 2015 where the most prudent strategies don't produce the results we want. However, in most years, it does – so stay the course and leave the worrying to us!

So, just what will 2016 bring us? Besides the campaign rhetoric and lofty promises? We have heard from many economists, money managers and investment professionals and have received the most varied predictions that I can remember! From a possible recession (Cornerstone Financial Services) to the S&P 500 advancing +15.7% (Brian Westbury, Chief Economist for First Trust Advisors) and everything in between! One prediction that all had in common is continued high volatility, so hang on to your seats!

Remember, many predictions made at the beginning of 2015 proved to be wrong! So, don't panic and stay the course. Also, turn off the "talking heads" on TV, avoid listening to all the "noise" they're making and realize the news channels have to fill their "air time" with someone and something – it makes for great entertainment, but of little value to your long-term retirement goals!

***"Worry pulls tomorrow's cloud over today's sunshine"***

Whatever you face in the year ahead, rest assured that we will maintain a close watch on any issues that have the potential to affect you, your investments and your future.

***"Obstacles are what you see when you take your eyes off the goal"***

Again, I wish you all a very **Happy, Healthy and Prosperous NEW YEAR!!**

**Mark S. Henderson, CFP®**

Also remember to contact us if there are any pertinent changes in your lives, such as: changes in emails, your family dynamics, cell phone numbers, beneficiary designations, addresses or changes in your goals or objectives. And, again, thank you for all the friends and neighbors you have referred to us, which is the sincerest compliment you can give.

- Diversification helps you spread risk throughout your portfolio, so investments that do poorly may be balanced by others that do relatively better. Neither diversification nor rebalancing can ensure a profit or protect against a loss.
- Indices are unmanaged measures of market conditions. It is not possible to invest directly into an index. Past performance does not guarantee future results.