VAN LEEUWEN & COMPANY, LLC

VOLUME1, ISSUE 1, MARCH 31, 2016

QUARTERLY NEWSLETTER

The markets for the first quarter were unpredictable, much like the "spring" weather.
With stocks plunging at unprecedented rates, falling 10-16% and then beginning February 12th taking a complete turn making this a tale of two halves for the global financial markets.

The rally continued in March, on the back of better economic news in the U.S. and the Federal Reserve's decision not to raise rates and to lower its projection for the number of rate hikes for the remainder of the year. Looking ahead, with inflation expectations rising, markets and oil prices rebounding, as well as the U.S. dollar no longer appreciating, the Fed may return to a more cautious approach by raising interest rates.

The extreme market turmoil we experienced in the first quarter illustrates why Van Leeuwen & Company continues to embrace an investment strategy for long-term investors working toward their financial goals. Below is our recap of the first quarter and a look at the year ahead for the global markets and what opportunities we continue to seek on your behalf and take advantage of.

MARKETS AT A GLANCE

The start of 2016 was stormy - to say the least. Because stocks got off to one of their worst starts ever in January there were concerns over what effects falling oil prices would have to the broader economy. While low oil prices continue to benefit consumers at the pump, they are creating uncertain environments for businesses and its effects to other sectors of the economy.

In February the U.S. stock market continued to decline as a result of low oil prices. These were highly correlated; as one fell so did the other and vice versa. However, on a positive note, nearly 345,000[1] jobs were being created in January and February, a strong indicator that fears of a recession are unlikely. The Fed did not hike interest rates as initially feared, showing that monetary policy support remains in place.

While the European Central Bank (ECB) and Japan's central bank continued their efforts to stimulate their economies by maintaining a lower interest rate, allowing businesses and
consumers to borrow money. Oil staged a dramatic rally since hitting a low of $26 per barrel on February 11th and then proceeded to rebound over 40%. Stocks made a comeback too.

During the first six weeks of the year, we saw heightened volatility in the market. Our core bond exposure helped in mitigating some of that volatility. In early January, our international stock exposure was reduced slightly in order to raise cash and to manage the portfolio on the downside. We invested some of that cash in a strategy known as *Managed Futures*. The primary role of *Managed Futures* is to diversify portfolios by providing a source of return independent from traditional stock and bond markets. This allows diversification in the portfolio as well as managing risk.

[1] Bureau of Labor Statistics; www.bls.gov

Conclusion

Given the recent first quarter volatility, we continue to believe that our long-term, fundamental value driven investment strategy is a disciplined approach that will allow Van Leeuwen & Company to be well positioned to continue to take advantage of opportunities over a 5-year time horizon.

Even if the recent positive market trends turn out to be short-term or reverse course, we remain confident that our process, when consistently implemented over time, will benefit your portfolio throughout the investment cycle.

We understand you have worked very hard to accumulate your wealth and we take the responsibility of managing that wealth very seriously. Going forward, we will continue to update you on the markets. As always, we are available to address any questions or concerns you may have. We remain strongly committed to focusing everything we do on rewarding you for your continued confidence.