



## Making Sense of Markets Q1 2016

by Matthew Carvalho

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### U.S. Stock Market Performance — January 1, 2016 to March 31, 2016



Source: Morningstar Direct 2016. US Stock Market represented by: S&P 500 Index. Indexes are unmanaged baskets of securities that are not available for direct investment by investors. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. All investments involve risk, including loss of principal. <http://www.cnbc.com/2016/01/07/soros-its-the-2008-crisis-all-over-again.html>, <http://www.cnbc.com/2016/01/15/prepare-for-stocks-to-fall-another-10-larry-fink.html>, <http://www.cnbc.com/2016/02/05/citi-world-economy-trapped-in-death-spiral.html>, <http://www.telegraph.co.uk/business/2016/02/11/rbs-cries-sell-everything-as-deflationary-crisis-nears/>, <http://www.cnbc.com/2016/03/31/tom-lee-when-and-why-i-expect-new-stock-records.html>, <http://www.cnbc.com/2016/01/01/expect-less-and-buy-antacid-2016-investment-forecasts.html>

Every quarter has its fair share of alarmist media headlines. Yet Q1 2016 may have taken the cake with a pronouncement from the Royal Bank of Scotland on February 11 urging investors to “Sell Everything!” It also happens that February 11 was the low point for the quarter and the market has rallied by double digits since that day.

The stock market experience was similar around the globe, with many markets falling by more than 10%. Yet, we’ve historically experienced a 10% decline at some point during every calendar year. So this 10% decline on the S&P was notable only because it came so rapidly at the start of the year. Once it recovered, sentiment followed, and by the end of the quarter we had pundits predicting all time market highs were right around the corner.

Q1 2016 was a textbook example of how NOT to make money in investing. Short-term predictions about the stock market are often worth

less than the paper they’re printed on.

One prediction that was spot on came on January 1 from the Associated Press: Expect less and buy antacid. Looking backward, that was apt advice for daily market spectators; however, if you took a 3-month vacation and didn’t check your balance, you’d return thinking the first quarter was normal — no antacid needed.

In this 12-minute *Making Sense of Markets Q1* presentation, Loring Ward’s Portfolio Strategy Team discusses what happened last quarter, shares timely and timeless insights on markets and reminds us of the importance of a long-term perspective.

Visit <https://youtu.be/DgAwqZyxRqM> to watch *Making Sense of Markets Q1 2016*

*All investments involve risk, including the loss of principal and cannot be guaranteed against loss by a bank, custodian, or any other financial institution.*

## Top Steaks to Start Your Summer Grilling Off Right

By bonappetite.com

### Dry-Aged Rib Eye

**How to Cook It:** Sear over medium-high, direct heat until charred, 3 to 4 minutes per side for a 2-lb. rib eye. Move to medium-low, indirect heat and continue grilling, flipping once, 3 to 4 minutes per side. Use tongs to lift the steak and sear the edges (the bone side and the fat-cap side) for 1 to 2 minutes per side. Grill until an instant-read thermometer registers 120° for rare (steak will carry over to 125°, or medium-rare, as it rests.) Let rest 10 minutes before slicing.

**Pro Tip:** Let your meat come up to room temperature about an hour before grilling. This ensures the meat cooks evenly and helps to avoid that dreaded gray, overcooked layer under the crust of your \$50 steak.

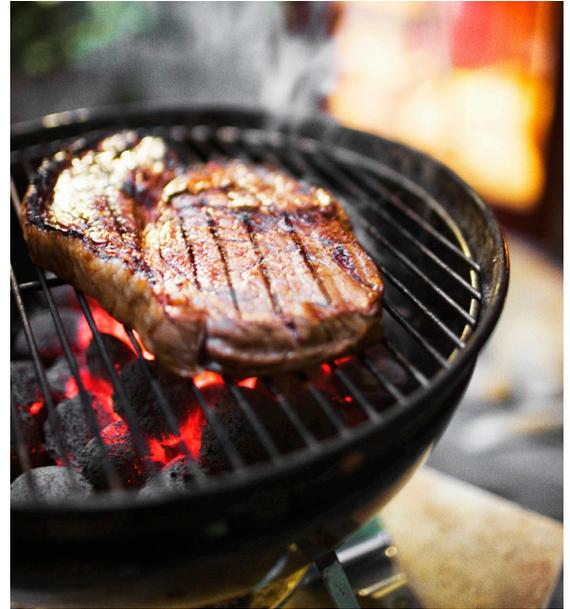
### Denver Steak

**How to Cook It:** Grill over medium, direct heat for 6 to 7 minutes per side.

**Pro Tip:** Denver steak is a cut that's relatively new to the market, so if you have trouble finding it, ask your butcher.

### Porterhouse

**How to Cook It:** In a two-zone fire, sear over medium-high, direct heat, turning often, until desired brownness. Move steak to indirect heat, positioning so tenderloin is farthest away from the hot side of the grill, and cook until medium-rare and an instant-read thermometer registers 120°.



**Pro Tip:** Look for porterhouses that are at least 1½" thick (2" and above is even better). This ensures you'll have enough time to develop a nice, crusty exterior without overcooking the smaller tenderloin.

### Whole Tenderloin

**How to Cook It:** In a two-zone fire, sear all four sides of the tenderloin over medium-high, direct heat, about 2 minutes per side. Move tenderloin to indirect heat, cover grill, and cook until an instant-read thermometer registers 125°.

**Pro Tip:** Tenderloin is going to be one of the most tender options for grilling. If you like your meat to have a little more chew, consider a strip steak.