



Fourth Quarter, 2013 Insights

© 2013 Pawleys Investment Advisors, LLC. All rights reserved.

www.PawleysAdvisors.com

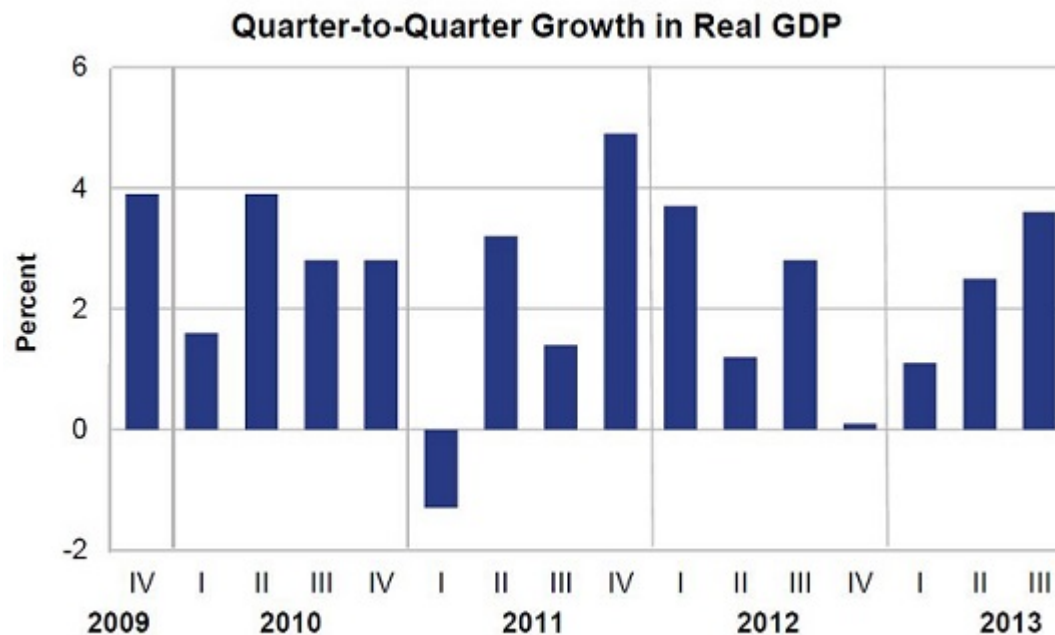
*Kathryn E. Schwartz
Chief Executive Officer
kschwartz@PawleysAdvisors.com
January 9, 2014*

Fourth Quarter, 2013 Insights

- The Economy – GDP Update
- Falling U.S. Unemployment
- Eurozone Leading Economic Indicators
- China Leading Economic Indicators
- 2013 Market Recap
- invest right, live right™

U.S. Gross Domestic Product

With the exception of Q1 2011, we have seen 4 years of expansion within the U.S. economy. The effects of the March 11, 2011 tsunami in Japan temporarily hampered output across the globe.



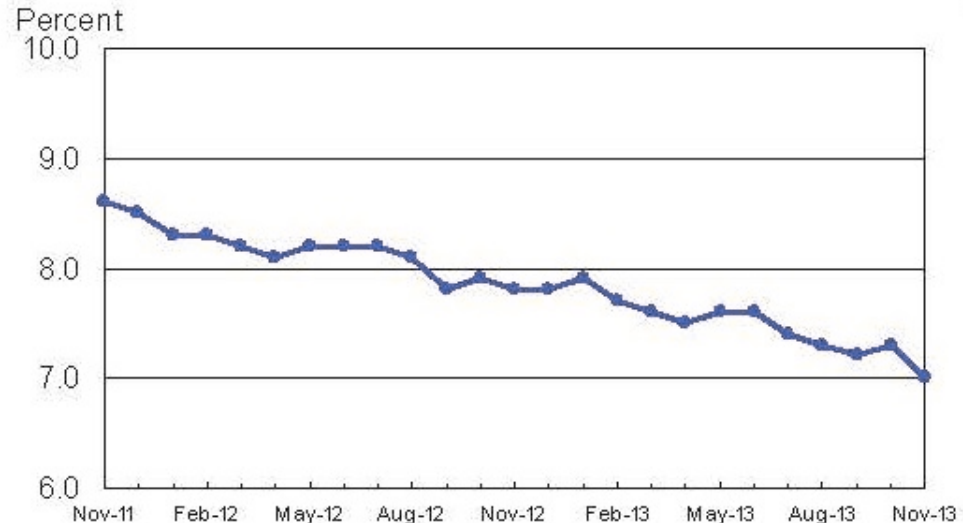
Real GDP growth is measured at seasonally adjusted annual rates

Falling U.S. Unemployment

The unemployment rate, which is slow to improve following a recession, dropped steadily again this year in the U.S.

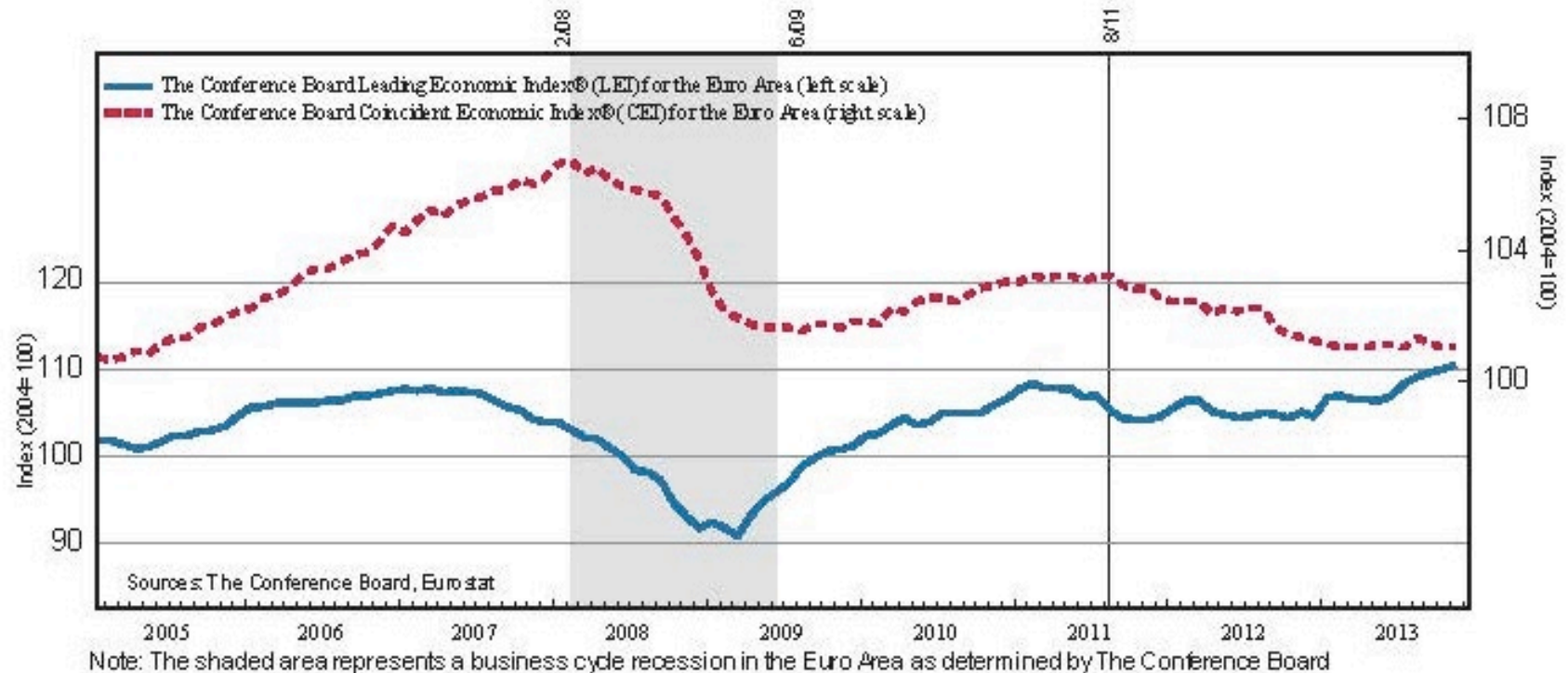
Since employment is a “lagging” indicator, unemployment will likely drop well into the start of our next recession.

Chart 1. Unemployment rate, seasonally adjusted, November 2011 – November 2013



Eurozone Leading Economic Indicators

The Conference Board LEI for the Euro Area Increased in November



Leading indicators continue a slow expansion in Europe.

China Leading Economic Indicators

The Conference Board Leading Economic Index® (LEI) for China rose sharply



Note: The shaded area denotes business cycle recession as determined by the China CEI.

Leading Indicators in China continue to rocket as the country shifts from a producer to consumer-based economy.

2013 Market Recap

- Cash: +0.0%
- Long Term U.S. Bonds -9.92%
- TIPS Bonds -8.52%
- DJ Industrial Average +29.65%
- S&P 500 +32.39%
- MSCI Global +22.77%

Loser for 2013...

- Latin America -15.72%

And the winner is...

- Japan Nikkei +56.72%

These figures are through 12/31/2013 year to date total return figures...you cannot invest directly in an index, and they do not have expenses or taxes deducted so please be aware of this when comparing figures to your actual returns. Also, be sure to compare like holding periods for an accurate evaluation.

*“You only have to do a very few things
right in your life so long as you don’t do
too many things wrong.”*

- Warren Buffett

Pawleys Investment Advisors, LLC

- Website: www.PawleysAdvisors.com

knowledge

- Email: kschwartz@PawleysAdvisors.com

- Follow Us On:

– Facebook



– LinkedIn



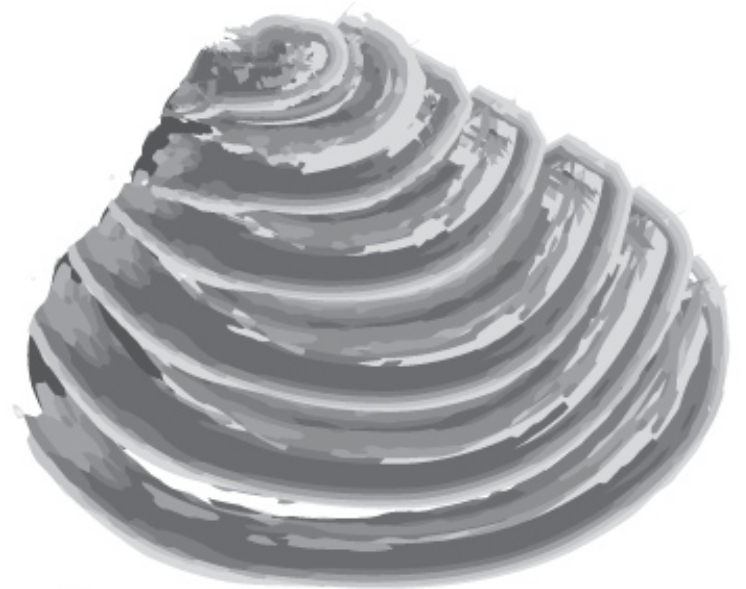
– Twitter



As featured by:



*P*awleys



Investment Advisors

invest right, live right™

*P*awleys



Capital Management

invest right, live right™