

Dechert-Hampe & Company Employees' Savings and Profit Sharing Plan
Compensation & Capital's Financial Planning Commentary as of June 30, 2016
"Keeping Your Financial Goals On The Rails in Our Fear-Filled World"

Humans as a species, and each of us as individuals, clearly have our own unique responses to fear. The common thread among all of us is this: Despite humans' sophisticated mental capabilities, human reaction to fear-provoking stimulus always depends on an ever fluctuating combination of associative learning (our primal side) and conscious reasoning (our more mindful side). So, depending upon how much of each input – associative learning or conscious reasoning – we bring to a fear stimulus, fear can paralyze us or it can motivate us. It can facilitate success or failure; even survival or extinction. Suffice to say that to some degree, fear is a component of every decision we face – including the money ones.

So as our world ratchets up the fear quotient across so much of our day-to-day lives, our success with maintaining secure lives for ourselves and our families is increasingly dependent upon our continual search for and reliance upon predetermined ways to constructively handle the burden of those fears.

Clearly random, violent assaults on our physical security loom large. We're certainly not comparing those fears to assaults on our financial security. But there's no doubt that those terror fears feed our primal responses to question even well-constructed, time-tested financial plans.

Events that fuel fears over financial security are not only becoming increasingly more frequent but seemingly more complex and incomprehensible than ever before. That said, fear over financial security continues to be a fear stimulus that's constructively manageable through conscious reasoning. In fact, we can all create an environment that dramatically increases our chances to achieve our financial goals through: 1) Compartmentalization of our money issues into workable problems. 2) Development of appropriate and workable responses that transcend ever-evolving trends and events. 3) And stalwart execution of those appropriate spending, saving and investment plans until changes in our personal (not external) situations merit a substantive change to those plans.

Analyze. Plan. Execute. Monitor. Revise as warranted. It's the recipe we've been preaching, dissecting, empirically supporting, and subjecting to the curve balls of current events for over fifteen years of our *Quarterly Commentary*. It's yet to disappoint. So let's continue that evaluation of our recipe with a sampling of how it's guided us through recent chaos, then move to our Pg2 *Action Points* section to review the processes we've prescribed over all these past quarters.

Inexplicable and Wild Commodity Price Swings: Though most obvious at the gas pump, its global impacts are widespread and retrospectively speaking, have so far been mostly bad for our investment portfolios. That said, consciously reasoned diversification that limits exposure to commodities (and their related companies and economies) to only market-supported levels has historically kept downside risks balanced by future upside potential. That is, provided we don't succumb to fear by evacuating our investment plan by selling out of these investments when the losses rear their fearsome heads. Just stick with your plan.

Surprise Political Upheavals like "Brexit": The knee-jerk markets reaction to the Brexit vote was met with a wave of pundits and media experts predicting global recession and a looming bear market complete with recommendations to sidestep these calamities by altering our exposure to selected investments, regions and markets. Stocks had two of the worst days of the year then rebounded with three of their best days of the year. None of us know any better than others whether the worst of the Brexit fallout is over. Once again, the best response was to stick with your appropriately diversified plan.

Negative Interest Rates: Really? Some governments like Germany and Japan are effectively *charging* – *not PAYING* - interest on their bonds? That said, June's jittery stock markets reminded us why bonds are a vital component of every retirement portfolio: They're a good source of stability in times of fear. Even with bond markets trying to digest these whacky trends, bonds have handily out-performed stocks over almost all of the past 12 months. So, where are you now Mr. Money Expert Talking Head?

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Compensation & Capital's June 30, 2016

Retirement Saving and Investing "Action Points"

Page 1's *Commentary* focused on the difficulties that many of us are having reconciling fears of insecurity with our efforts to build secure financial futures for ourselves and our families. Its measured approach stressed the importance of building a financial plan that is realistically capable of succeeding in the majority of economic conditions. Creating a plan, initiating it, then maintaining it according to pre-determined but realistic goals remains the prudent way to increase your probability of eventually attaining your highest level of financial security. Here are the steps we consider vital to accomplishing that process:

- Build a plan that's simple, realistic, actionable, and flexible for your changing life.
- Focus primarily on saving and spending, then on investing.
- Apply appropriate asset allocations to each goal's portfolio based upon time frame and risk aversion. (*See below for more specifics on setting these appropriate asset allocations.*)
- Choose low-cost, professionally managed investments easily tracked for comparative performance.
- Implement the investing plan gradually and generally without regard for current market conditions.
- Balance your portfolio(s) back to appropriate asset allocations annually.
- Make changes to your plan and goals only as personal situations change and then only gradually.

Setting your appropriate asset allocations is vital to your plan's success. That said, always remember that there are no perfect systems and no perfect answers. Our following general guidelines are drawn from accepted studies of investment risk and will get you pointed in the right direction.

1. Determine what you are saving and investing for (college, a house down payment, retirement) and when this objective will take place. We refer to this holding period as the investment's *time horizon*.
2. Investments for time horizons:
 - *Of less than three years* should be allocated primarily to money market type investments.
 - *From three years to eight years* should be allocated across money markets, bonds and stocks: For shorter periods within this time horizon, primarily to money markets and bonds. For longer periods within this time horizon, split evenly across money markets, bonds and stocks.
 - *Exceeding eight years* should be allocated primarily to stocks with shorter horizons allocating up to half to money markets and bonds, and longer horizons (15+ years) allocating between 20% to 50% to money markets and bonds.
3. Review the investment alternatives available for your particular objective. If you are saving in the DHC/MWC Plan for retirement, the Plan's investment alternatives are detailed on the following pages with lots more information on the Plan's website at www.planspecs.com/dhc >> *Plan Investing*. The Plan's mutual funds are listed in ascending order of historical investment risk. That is, least risky is first with more aggressive ones farther down the list. To select the actual funds and percentage allocations you will employ for your appropriate investment strategy check out the Plans' Website >> *Plan Investing* >> *Vanguard Select Funds* and at the bottom of that page, its Sample Portfolios. Alternatively, the Plan's Website's >> *Vanguard Auto-Balanced Funds* offer an easier all-in-one line-up of funds (also listed on Pg 4 of this memo) to help execute your chosen asset allocation.

Finally, once you determine the investment strategy appropriate for your DHC/MWC Plan savings, how you implement it can be as important as the investment mix itself. On the one hand, it's easy to get going if you are just starting to save for a particular objective. In that case, your regularly contributed savings should be invested in accordance with the determined strategy each time you make a deposit. However, if you are applying a significantly different asset allocation to a relatively large existing account, best to make that change in quarterly segments over a relatively long period of time – say, at least a year or two.

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

(All for periods ended June 30, 2016)

(1) A fund with a 20th Ranking outperformed 80% of its peers.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

NAME OF VANGUARD SELECT VENUE FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		3 Years	10 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
PRIME MONEY MARKET - VMMXX	Money Market	20th	16th	0.16%	0.1%	0.3%	0.1%	0.1%	1.1%	1.5%
<i>Taxable Money Market Funds >></i>		<i>Category Average >></i>		0.51%	0.0%	0.0%	0.0%	0.0%	0.9%	1.2%
TOTAL BOND MARKET INDEX ADMIRAL - VBTIX	Bonds	27th	41st	0.06%	2.4%	6.1%	4.0%	3.7%	5.1%	4.9%
<i>Intermediate Bond Funds >></i>		<i>Category Average >></i>		0.81%	2.4%	4.6%	3.6%	3.6%	4.8%	4.8%
INFLATION PROTECTED SECURITIES ADM - VAIPX	Bonds	8th	7th	0.10%	1.8%	4.6%	2.4%	2.7%	4.6%	5.4%
<i>Inflation-Protected Bond Funds >></i>		<i>Category Average >></i>		0.76%	0.7%	0.7%	9.8%	9.0%	6.4%	7.8%
WELLINGTON ADMIRAL - VWENX	Bonds & Stocks	6th	3rd	0.18%	3.1%	4.8%	8.4%	9.1%	7.5%	7.4%
<i>Allocation – 50% to 70% Equity Funds >></i>		<i>Category Average >></i>		1.20%	2.2%	-0.1%	5.9%	6.1%	5.2%	5.1%
WINDSOR II ADMIRAL - VWNAX	Stocks	49th	35th	0.26%	2.9%	-1.0%	8.2%	10.3%	6.1%	6.2%
<i>Large-Cap U.S. Value Stock Funds >></i>		<i>Category Average >></i>		1.09%	2.7%	-0.1%	8.0%	9.4%	5.5%	5.6%
500 INDEX ADMIRAL - VFIAX	Stocks	9th	18th	0.05%	2.5%	4.0%	11.6%	12.1%	7.4%	5.7%
<i>Large-Cap U.S. Blend Stock Funds >></i>		<i>Category Average >></i>		1.04%	1.8%	-0.0%	9.4%	10.1%	6.4%	5.2%
SELECTED VALUE - VASVX	Stocks	64th	20th	0.39%	-0.0%	-5.0%	7.7%	9.8%	7.6%	8.5%
<i>Mid-Cap U.S. Value Stock Funds >></i>		<i>Category Average >></i>		1.22%	2.4%	-2.2%	7.9%	8.8%	6.5%	7.8%
MORGAN GROWTH ADMIRAL – VMRAX	Stocks	28th	42nd	0.27%	0.2%	-0.9%	12.0%	10.7%	7.5%	5.9%
<i>Large-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.17%	0.5%	-2.3%	10.6%	10.0%	7.2%	4.9%
MID-CAP GROWTH INVESTOR - VMGRX	Stocks	58th	28th	0.43%	-1.3%	-9.7%	7.8%	8.5%	7.8%	5.8%
<i>Mid-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.27%	2.0%	-6.4%	8.2%	7.9%	6.8%	6.1%
EXPLORER ADMIRAL - VEXRX	Stocks	36th	51st	0.35%	2.7%	-8.7%	7.4%	8.6%	6.7%	6.7%
<i>Small-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.33%	3.8%	-9.9%	6.5%	7.3%	6.6%	6.3%
INTERNATIONAL GROWTH ADMIRAL - VWILX	Foreign Stocks	26th	29th	0.34%	0.5%	-8.2%	4.1%	2.4%	3.7%	5.6%
<i>Foreign Large Growth Stock Funds >></i>		<i>Category Average >></i>		1.29%	-0.5%	-7.5%	3.2%	2.5%	2.9%	4.9%
EMERGING MARKETS INDEX ADMIRAL - VEMAX	Foreign Stocks	38th	42nd	0.15%	2.4%	-12.1%	-0.8%	-3.5%	3.5%	8.9%
<i>Diversified Emerging Markets Stock Funds >></i>		<i>Category Average >></i>		1.52%	2.3%	-9.9%	-1.3%	-3.2%	3.2%	8.6%
ENERGY ADMIRAL - VGELX	Energy Stocks	1st	13th	0.31%	12.4%	-2.3%	-2.2%	-2.4%	2.1%	9.3%
<i>Energy Sector Stock Funds >></i>		<i>Category Average >></i>		1.50%	11.4%	-15.6%	-8.7%	-6.1%	-0.7%	5.7%

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

(1) A fund with a 7th Ranking outperformed 93% of its peers.

(All for periods ended June 30, 2016)

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

VANGUARD INDEXED AUTO-BALANCED FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		1 Year	10 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TARGET RETIREMENT INCOME - VTINX	Target Date 2000-2010	7th	5th	0.14%	1.9%	3.3%	4.9%	5.0%	5.5%	N/A
<i>Retirement Income Funds >></i>		<i>Category Average >></i>		0.87%	2.2%	1.7%	3.8%	3.8%	4.1%	N/A
TARGET RETIREMENT 2010 - VTENX	Target Date 2000-2010	20th	3rd	0.14%	1.9%	2.9%	5.5%	5.6%	5.4%	N/A
<i>Target Date 2000-2010 Funds >></i>		<i>Category Average >></i>		0.79%	2.1%	1.6%	4.7%	4.7%	4.1%	N/A
TARGET RETIREMENT 2015 - VTXVX	Target Date 2011-2015	39th	8th	0.14%	1.9%	2.0%	6.2%	6.2%	5.6%	N/A
<i>Target Date 2011-2015 Funds >></i>		<i>Category Average >></i>		0.83%	2.1%	1.3%	4.8%	4.9%	4.8%	N/A
TARGET RETIREMENT 2020 - VTENX	Target Date 2016-2020	38th	3rd	0.14%	2.0%	1.4%	6.8%	6.7%	5.7%	N/A
<i>Target Date 2016-2020 Funds >></i>		<i>Category Average >></i>		0.89%	2.2%	0.8%	5.1%	5.1%	4.4%	N/A
TARGET RETIREMENT 2025 - VTXVX	Target Date 2021-2025	36th	8th	0.15%	2.0%	0.8%	7.0%	7.0%	5.7%	N/A
<i>Target Date 2021-2025 Funds >></i>		<i>Category Average >></i>		0.88%	2.0%	-0.1%	5.6%	5.7%	4.5%	N/A
TARGET RETIREMENT 2030 - VTENX	Target Date 2026-2030	39th	12th	0.15%	1.9%	0.1%	7.3%	7.2%	5.7%	N/A
<i>Target Date 2026-2030 Funds >></i>		<i>Category Average >></i>		0.94%	2.2%	-0.6%	5.9%	5.8%	4.5%	N/A
TARGET RETIREMENT 2035 - VTXVX	Target Date 2031-2035	35th	12th	0.15%	1.8%	-0.7%	7.5%	7.4%	5.7%	N/A
<i>Target Date 2031-2035 Funds >></i>		<i>Category Average >></i>		0.91%	1.8%	-1.6%	6.1%	6.2%	4.7%	N/A
TARGET RETIREMENT 2040 - VTENX	Target Date 2036-2040	40th	10th	0.16%	1.8%	-1.4%	7.5%	7.6%	5.8%	N/A
<i>Target Date 2036-2040 Funds >></i>		<i>Category Average >></i>		0.96%	2.0%	-1.7%	6.3%	6.1%	4.5%	N/A
TARGET RETIREMENT 2045 - VTXVX	Target Date 2041-2045	31st	13th	0.16%	1.8%	-1.5%	7.5%	7.6%	5.8%	N/A
<i>Target Date 2041-2045 Funds >></i>		<i>Category Average >></i>		0.93%	1.7%	-2.3%	6.4%	6.6%	4.7%	N/A
TARGET RETIREMENT 2050 - VTENX	Target Date 2046-2050	33rd	1st	0.16%	1.8%	-1.5%	7.5%	7.6%	5.8%	N/A
<i>Target Date 2046-2050 Funds >></i>		<i>Category Average >></i>		0.98%	2.1%	-2.0%	6.5%	6.4%	4.4%	N/A
TARGET RETIREMENT 2055 - VTXVX	Target Date 2051+	29th	n/a	0.16%	1.8%	-1.6%	7.5%	7.6%	N/A	N/A
<i>Target Date 2051+ Funds >></i>		<i>Category Average >></i>		0.94%	1.7%	-2.4%	6.7%	6.8%	N/A	N/A
LIFE STRATEGY CONSERVATIVE - VSCGX	Conservative Allocation	9th	29th	0.13%	2.1%	3.6%	6.0%	5.4%	5.1%	5.1%
<i>Conservative Allocation Funds >></i>		<i>Category Average >></i>		0.85%	2.4%	4.9%	4.9%	4.9%	4.9%	4.7%
LIFE STRATEGY GROWTH - VASGX	Aggressive Allocation	20th	39th	0.15%	1.9%	-0.5%	7.3%	7.1%	5.3%	5.4%
<i>Aggressive Allocation Funds >></i>		<i>Category Average >></i>		1.06%	1.8%	-1.8%	6.2%	5.9%	4.9%	4.9%