

July 27, 2015

Dear Friend,

The second quarter was one of relative calm in spite of several event risks. Among them were risk of Greek exit from Euro, sell off in China, dashed recovery momentum in the US and rate hike fears – the market took them all in stride. Although the Chinese market has stabilized for now, the demand implications are being felt worldwide. Commodities and crude oil markets have taken a recent leg down with fear of additional supply from Iran. Nonetheless, the fear of rising rates in the US has propelled financial stocks forward. Europe seems to be recovering following the US and emerging markets remain in slow growth mode.

For the second quarter Mullick Value strategy returned net of fees and expenses -1.3% versus 0.3% for S&P 500 and 0.1% for Russell 1000 Value index. Since inception (June 30, 2012), Mullick Value strategy has returned net of fees and expenses 63.9% versus 61.4% for S&P 500 and 61.6% for Russell 1000 Value index.

We think the slow but steady growth trajectory of the US economy is likely to continue and European recovery is likely to gather steam in spite of the Greek turmoil while China struggles to rebalance its economy amid slowing growth and heavy debt load. We do expect the Federal Reserve to start raising short-term rates in spite of the global growth challenges. Continued low interest rates and slow growth has resulted in expansion in valuation in technology and healthcare. Strong US dollar continues to be another headwind. Although lower price of energy has not resulted in a surge in consumer spending, it has created significant opportunities in the energy and the industrial sectors. Although we expect the low interest rate environment to continue and expect rates to rise only slowly, we think stocks still hold appeal versus bonds.

We see selective opportunities in the energy and industrial sectors while we remain weary of the valuations in some of the healthcare and technology stocks. We will remain on the lookout for long term opportunities in stocks with a margin of safety. Thank you.

S. Basu Mullick
Principal

Disclaimer: Preliminary performance figures are unaudited. Past performance may not be indicative of future results and every investment program has the potential for loss as well as profit. The Mullick Value Strategy composite is the dollar-weighted linked monthly return of those accounts sharing the objective of the Mullick Value Strategy. Accounts are included in the composite at the beginning of the first full month following the month during which the account came under management. Accounts that are terminated remain in the composite until the last full month the portfolio is under management, and the composite continues to include terminated portfolios for all periods prior to their termination. There is no minimum asset size above which managed accounts would be included in or below which managed accounts would be excluded from the composite. Individual account results will vary from that of the composite based on fee structures, investment restrictions, the timing of contributions and withdrawals and other factors. Comparisons to the S&P 500 Total Return and Russell 1000 Value are for informational purposes only, as the composites may hold securities not in the S&P 500 Total Return and Russell 1000 Value and may have more or less volatility and risk than an investment in the S&P 500 Total Return and Russell 1000 Value. Management fee information available upon request.