

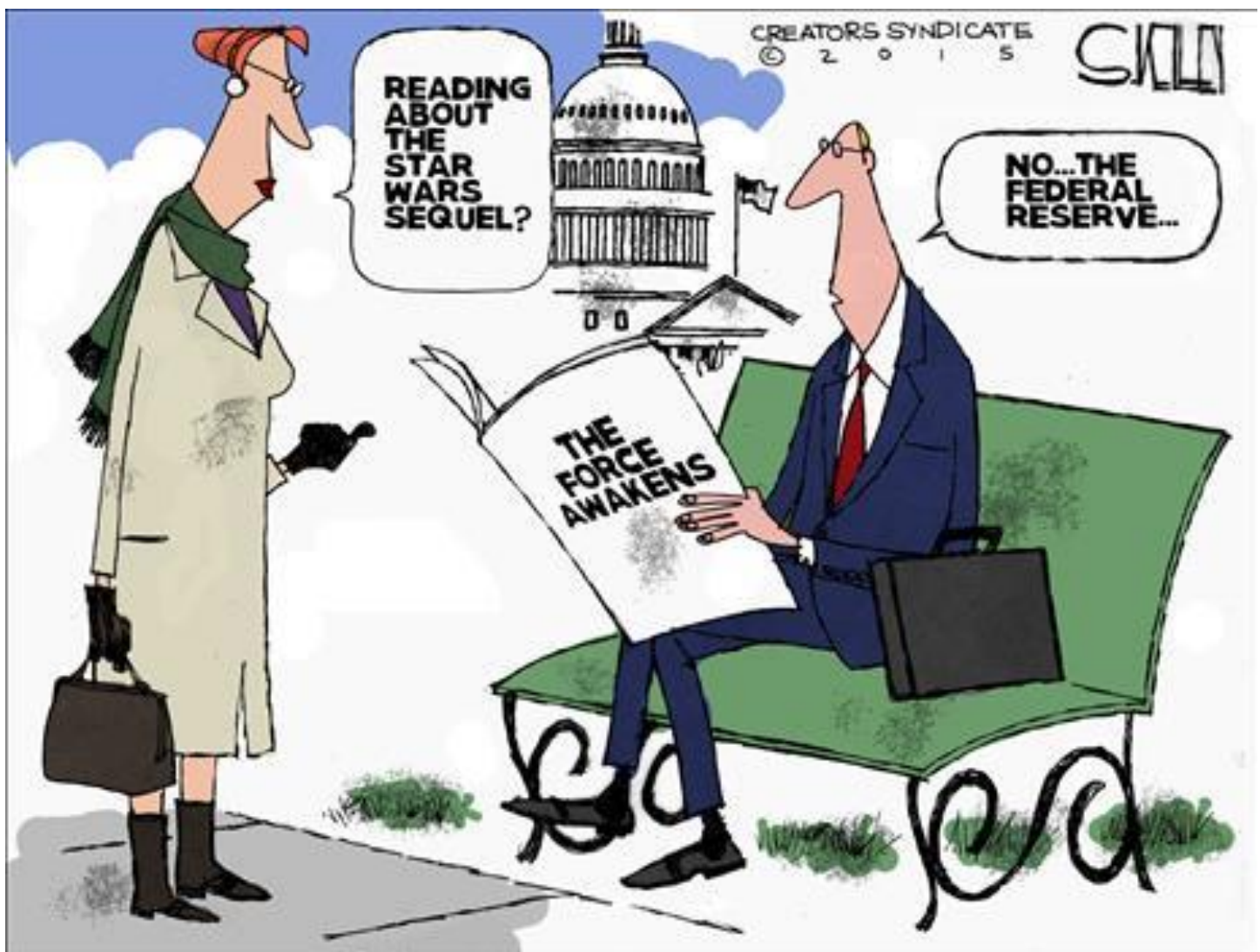
CHART OF THE MONTH

DECEMBER 2015

Our Chart of the Month isn't a chart at all but a cartoon covering two of the biggest news items this week — the Star Wars sequel and the Federal Reserve. In both cases, *The Force Awakens* for the first time in approximately ten years as the last Star Wars film was in May 2005 and the last increase in the fed funds rate was in June 2006. We own The Walt Disney Company for clients invested in our Growth or Growth & Income strategies and the decisions by the Fed tend to affect bond yields, the economy, the U.S. dollar, corporate profits, and ultimately stock prices to one degree or another.

The Force Awakens may become the #1 grossing movie of all time. The film is expected to generate \$225 million to \$250 million on the opening weekend and \$2.5 billion to \$3 billion in total global box-office receipts, potentially exceeding *Jurassic World* and *Avatar*, respectively. Importantly, these records may be achieved with a marketing budget significantly smaller than other highly publicized movies due to the unprecedented anticipation, favorable reviews, and strong word-of-mouth support. The success of the Star Wars franchise will benefit Disney's consumer products and theme parks while further diversifying and strengthening the company's foundation, which includes its traditional characters like Mickey Mouse as well as those from *Frozen*, *Pixar*, and *Marvel*.

As for the Fed, we believe this week's rate increase will prove to be the first in a series of several small and gradual bumps over the next couple of years.



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