

2Q 2016

CROWELL WEEDON ASSET MANAGEMENT
MONTECITO INVESTMENT PORTFOLIOS

Dear Fellow Investors,

The world is advancing at a very rapid pace. However, technological advancement can often be overlooked because our minds tend to only associate technology with computers. Technology is far greater than bits & bytes. Dictionary.com defines technology as *“the branch of knowledge that deals with the creation and use of technical means and their interrelation with life, society, and the environment, drawing upon such subjects as industrial arts, engineering, applied science, and pure science.”*

Creativity, imagination, & drive are remarkable traits of the human race that have led to quality of life advancements our early ancestors would struggle to comprehend. How awestruck would the inventor of the wheel be if we had the opportunity to explain its progression and what it has meant to mankind. ***“Mr. or Mrs. Wheel Inventor – your idea that started as a tool to help move rocks, has led to the creation of horse-drawn buggies & eventually the 1.2 billion cars on the world’s roads today. Not only do we use wheels to zip along highways but we now attach them underneath aircraft that fly us across the world. Oh, by the way, your invention has literally left its mark on objects you may have seen in the heavens - the Moon & Mars! If only they had a patent office in your day!”*** The justified response would truly be – “Mind Blown”.

In order to be successful investors we must keep the imaginative, creative, dreaming human spirit in mind at all times. Industry leaders of today can become stagnant and get left behind. It is essential to invest a portion of today’s profits into tomorrow’s innovations. As Blake profoundly pointed out, “The good funds the vision.” With that said, we thought we would share some major issues we see today and some visionary solutions on the cusp of becoming reality. Please watch the links to realize the impressive potential.

- Over 38,000 people were killed on U.S. roads in 2015 – **Autonomous Cars** <https://youtu.be/XEebyt6G5kM>
- 2001 to 2010 was the warmest decade ever recorded as global temperatures have steadily risen over the past 30 years – **Alternative Energies** <https://youtu.be/JaF-fq2Zn7I>
- 1.6 billion people live in inadequate shelter around the world and there are more than 100 million people worldwide that are homeless – **3D Printing** <https://www.theguardian.com/technology/video/2014/apr/29/3d-printer-builds-houses-china-video>
- 795 million people in the world do not have enough food to lead a healthy, active life – that’s about 1 in 9 people on earth. – **Agricultural Science Advancements** https://youtu.be/8z_CqyB1dQo
- 2/3 of all deaths were caused by cardiovascular diseases, cancers, diabetes, & chronic lung diseases. – **Advanced cellular treatments** <https://youtu.be/upUK-KJuQ8g>

These exciting advancements are why we remain long-term optimists. As long as creativity & innovation continues to progress, so too do opportunities for investors. We greatly value the trust & confidence you have placed in us. As always, we welcome your comments & feedback.

Sincerely,

Blake Todd, CWS
Portfolio Manager

Jarrett Perez, CFA
Portfolio Manager

Important Disclosures

- The information contained in this report has been taken from trade and statistical services and other sources, which we deem reliable. We do not represent that it is accurate or complete and it should not be relied upon as such.
- The opinions expressed herein are those of the authors and Montecito Investment Portfolios at this date, are subject to change, and are not necessarily that of DA Davidson & Co. The same is true of statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The views and statements described may not be suitable for all investors.
- This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for accounting, legal or tax advice. Reference to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.
- Neither this presentation, nor any chart or graphs within this presentation may be used, in or of themselves, to constitute investment advice, to determine which securities to buy or sell, or when to buy or sell such securities.
- There are risks inherent in any investment and there is no assurance that any money manager, asset class, style or index will provide positive performance over time.