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CROWELL WEEDON ASSET MANAGEMENT
MONTECITO INVESTMENT PORTFOLIOS

3Q 2017

Dear Fellow Investors,

This past quarter saw cybersecurity breaches revealed at institutions viewed as pillars in our financial system. One took place at the Securities & Exchange Commission (SEC) – whose primary function is to oversee organizations & individuals in the securities markets. The other took place at Equifax which is one of the three major credit reporting bureaus. In both instances customer information including Social Security numbers & dates of birth were compromised and accessed by the hackers.

These high-profile security breaches highlight the unfortunate situation we deal with today. There are many bright minds on this planet that truly understand today's technology and therefore its weaknesses & vulnerabilities. Some are choosing to put this knowledge to good use by offering protection & peace of mind. Others however are choosing the dark side by orchestrating these cyberattacks in an attempt to gain private information. While dedicating resources in an attempt to secure information is essential, please keep in mind nothing is foolproof.

We believe it's time to move beyond the 9 digits assigned to us by the Social Security department to handle so many of our financial affairs. This number was never designed to be the identifier we rely upon in our financial lives. We are hopeful these breaches bring to the forefront the need for several identifiers & new technologies such as blockchain & biometrics to be utilized when proving someone's identity.

If you haven't had a chance to see if your information may have been compromised via the Equifax hack please follow the instructions listed below:

1. Check the designated Equifax Site: https://trustedidpremier.com/eligibility/eligibility.html
2. Request your free annual credit reports via www.annualcreditreport.com
3. Set up free fraud alerts on your credit report
4. Monitor your accounts regularly – bank accounts, credit cards, investment accounts, etc.

Fortunately, we still believe in knowing our clients and having a personal relationship with them. This is why we discuss & confirm important decisions in person or over the phone. It may seem a bit redundant at times, but rest assured these policies are in place for your protection.

As always we want to thank you for your continued confidence and the opportunity to manage your investments. We take very seriously our responsibility and will always endeavor to be responsive to your questions and concerns. We welcome and encourage your comments as well.

Sincerely,

Blake Todd, CWS
Portfolio Manager

Jarrett Perez, CFA
Portfolio Manager

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