



OLD MISSION **INVESTMENT** COMPANY
OLD MISSION **TRUST** COMPANY

866.587.4100 or 231.929.4100
web: www.omico.net

605.271.5142
web: www.omtrust.com

Annual Letter to our Clients - 2014

Another year older, and another year wiser they say. 2013 was another good year for investors, as the economic climate and the returns of the markets gave reason for good cheer.

It was a good year. Economic activity improved for another year based on a recovery that most didn't believe would happen. We continued to see improvements in corporate balance sheets and income statements that gave investors the confidence to continue to maintain and add equities to their investment portfolio.

Corporate profitability for 2013 remained strong, with equities outpacing returns for bond investors by a fairly wide margin. Conservative investors who embraced asset allocation found that equity exposure rescued the poor returns in the bond markets for 2013. Aggressive investors had much to cheer about as returns across all equity-based asset classes were deemed more than acceptable. Should there be any slowdown in our domestic economy, we do believe that international markets may begin to exert influence and may finally begin to pull their own weight. International economic activity slowed after our own, and now may be the catalyst that adds the necessary fuel to sustain our own economic growth. Time will tell, however, international growth is beginning to come back online and will benefit many of our own corporations.

Going forward, equity markets may continue to surprise investors, and the bond market may remain flat for the near term. With higher economic growth comes the potential for higher levels of inflation. We believe however, that economic growth will continue to improve and that the Federal Reserve will begin changing course once additional actions are absolutely required, still accommodating a low interest rate environment for quite some time. We expect inflation to remain tame throughout 2014 even despite the fact that substantial sums of capital are still within our system. We wouldn't be surprised to see additional volatility during 2014 that was largely absent during the past year. This is no means a 'market call', but rather a reminder that the ups and downs of the markets don't necessarily go away, but rather, may remain absent for periods of time. We remain vigilant on the portfolios we manage making efforts to curb volatility where possible.

Along with continued success for our clients, came additional successes for our company. As we have reported over the past few years, we added the services of a private trust company to our firm - Old Mission Trust Company. We are proud to be able to enhance our services structure based on the specific needs of our clients and their families. Over the years we have seen other firms build a services structure on only one platform - a one-legged stool, if you will - only to see that clients today are demanding more expertise from their advisors. We sought to provide counsel on three distinct areas; investment management, customized planning, and trust advisory. This offering has deepened many of our relationships with you and your family, and for that we are eternally grateful.

We have enjoyed our relationship over the past year and look forward to a prosperous relationship with you and the families we serve during the upcoming year. As tax matters, estate and trust, and investment management issues catch your eye, please consider us a resource for anything relating to your financial needs. We have appreciated having you as our client, and look forward to continuing our advisory relationship for the long term.

Our very best wishes for a healthy and prosperous New Year,

The Old Mission Investment and Trust Companies

Christopher M. Lamb, CIMA, CTFA
Chief Executive Officer and Principal