August 24, 2015

Dear Clients and Friends,

In light of recent market activity, we felt it was important to provide some data around the current selloff and share with you some perspective on past bouts of volatility.

In terms of the current market selloff, the following table highlights the percentage decline from recent highs for various U.S. indices and the resulting year to date total return at this point. The information is as of approximately 10 A.M. this morning, 8/24/15.

Market/Index	Total Return % Drop from 52 week high	Date of 52 week high	YTD total return at this point
Dow Jones Industrial Average	-13.05%	5/19/2015	-9.61%
S&P 500	-10.03%	5/21/2015	-6.28%
Nasdaq	-13.71%	7/20/2015	-4.19%
Russell 2000	-13.64%	6/23/2015	-6.60%

Also noteworthy, the yield on the 10 year U.S. Treasury bond is back below 2.0%, down from 2.2% at the end of July. As a frame of reference, the yield on the S&P 500 is currently 2.3%, implying that relative to bonds, investors are getting any future growth in earnings over the next ten years essentially for free.

For further consideration, below is a chart from JP Morgan's July 2015 "Guide to the Markets." This chart illustrates over the past 35 years the largest intra year drawdown in given years for the S&P 500. The median intra year decline in the S&P 500 is 10% and the average is 14.2%. This compares with the current decline of approximately 10%. Of note, however, despite average, intra year, double digit declines, the market finished in positive territory in 27 out of the 35 years. This chart helps illustrate the market's resiliency to corrections over time and helps with the mental side of periods like the one we are currently experiencing. Furthermore, according to Wealthfront, market declines between 10-20% take 107 days on average to recover their lost ground. Of course steeper declines take longer to recover but they too have historically recovered as innovation, earnings, valuation and global growth eventually take over.

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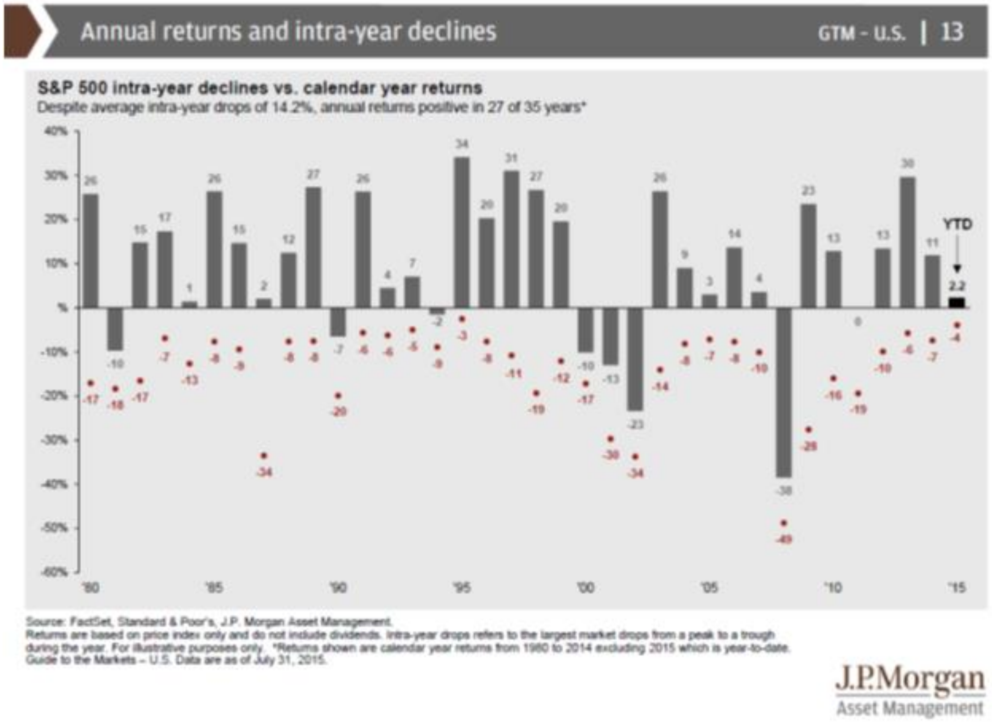

Market selloffs always have a unique set of circumstances surrounding them. A year ago, for example, the roughly 10% pullback was punctuated by Ebola and Russia's invasion of Ukraine. This year it seems to be about changes in the perception of global growth and implications on equity valuations. The constant throughout all market corrections, however, is that it is important to maintain a proper perspective on your long term goals and assess if the volatility today will truly impact your goals for the future given the tendency for markets to recover over time. We invite you to reach out to us if you have any questions, comments or concerns about the market or your portfolio.

Sincerely,

John Micklitsch, CFA, CAIA
Chief Investment Officer
Ancora Advisors LLC

Disclosures:

Ancora Advisors LLC is a registered investment adviser with the United States Securities and Exchange Commission. A more detailed description of the company, its management and practices is contained in its firm brochure, Form ADV, Part 2a. Investors may obtain the Firm Brochure by contacting the company at: 6060 Parkland Blvd, Suite 200, Cleveland, Ohio 44124, Phone: 216-825-4000 or visiting the website www.ancora.net/adv