

## Equity Performance

The post-election rally continued into year-end. The Utility and Financial sectors led the market in December, while the Consumer Discretionary, Materials and Industrial sectors lagged. For 2016, Energy and Financials led the market, while the Healthcare, Consumer Staples and Consumer Discretionary sectors lagged the market.

The NovaPoint Dividend Growth Equity Strategy was +1.18% in December and returned +15.80% for 2016 versus the S&P 500 Total Return Index at +1.98% in December and +11.96% for the year and the Russell 1000 Total Return Index at +1.88% in December and +12.05% for the year.

Period ending December 31, 2016	1-month	3-months	6-months	1-Year	2016
Dividend Growth Strategy	1.18%	1.18%	3.72%	15.80%	<b>15.80%</b>
S&P 500 Total Return	1.98%	3.82%	7.82%	11.96%	<b>11.96%</b>
Russell 1000 Total Return	1.88%	3.83%	8.01%	12.05%	<b>12.05%</b>

Returns are shown net of expenses and maximum management fees paid by any account within the composite.

Please see disclaimer for information about performance calculations.

NovaPoint Capital has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS).

The top performing stocks in the Strategy in December were AT&T (+10.1%), Auto Data Processing (+7.0%) and C.R. Bard (+6.7%).

The lagging stocks in the Strategy for the month were S&P Global Inc. (-9.6%), Qualcomm (-4.3%) and Praxair (-2.6%).

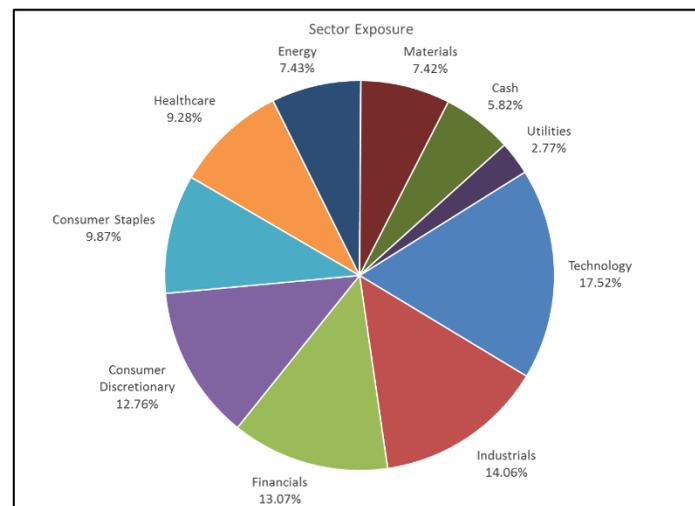
## Dividend Increases

Four companies owned in the Strategy announced dividend increases in December. The average length of consecutive dividend increases for companies in the Strategy is 31 years and the average growth rate of dividends over the past year has been 8.0%.

Company	New Quarterly		Consecutive Years Increased	Current Yield
	Dividend per Share	Percentage Increased		
Walt Disney Co	\$0.78	+9.9%	7	3.0%
Ecolab	\$0.37	+5.7%	25	1.3%
Pentair	\$0.35	+4.5%	41	2.5%
Dominion Resources	\$0.73	+7.9%	14	3.8%

## Sector Exposure

The Strategy is constructed bottom-up with a goal of being represented across all economic sectors.



## Fixed Income

The FOMC raised the Fed Funds target rate by 25bp at the December meeting and forecasted three additional increases for 2017. For individual client accounts with bond holdings, we remain in the 4 to 6-year duration range to balance between current yield and price stability in a rising rate environment.

## Options

Some portfolios include an option over-write strategy. One option position expired worthless in December generating profit from the captured option premium.

## Outlook

We believe the economy should continue to show signs of improvement in 2017. Additionally, we think the profit cycle has only recently turned which should provide support for equities.

This positive backdrop is likely to be met with periods of volatility as the pace of economic improvement and the progress of initiatives from the Republican-led Executive and Legislative branches unfolds over the course of the year.

# 2016 Year-End Investment Letter



Our focus remains on owning quality stocks with compelling capital appreciation and dividend growth potential to deliver investment returns above the market with lower volatility.

January 11, 2017

Joseph Sroka, CFA, CMT  
Chief Investment Officer

Alan Conner, CPFA  
President

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Performance data shown is unaudited. It is computed using the weighted-average performance of a composite of fully invested client accounts in the NovaPoint Capital Dividend Growth Equity Strategy. Data is obtained from the account custodians and third-party data providers and may be subject to revision. Returns are shown net of expenses and management fees based on the highest fee applicable to any account in the composite. The information contained herein does not suggest or imply and should not be construed, in any manner, a guarantee of future performance and/or investment advice. Past performance does not guarantee future results. NovaPoint Capital claims compliance with the CFA Institute Asset Manager Code of Professional Conduct. This claim has not been verified by CFA Institute.

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