Your Personal Money Manager
Pearson INVESTMENT LETTER
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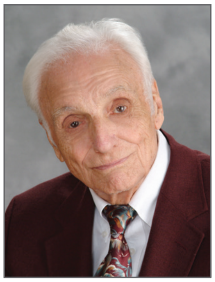
FEATURED STOCKS - APRIL/MAY 2017

GROWTH STOCKS:
Apple, Inc.
Express Scripts Holding Co.

VALUE STOCKS:
Air Lease Corp
Grupo Financiero Galicia SA

ETFs:
iShares Select Dividend
Vanguard High Dividend Yield Index Fund


Walter D. Pearson
Chairman


Donald E. Pearson
President


Ann Hathaway
Account Manager

Why We Use ETFs

ETF investments have been in existence since 1993. This makes them relatively new as compared with mutual funds. The older traditional way of investing has been finding mutual funds yourself or hiring someone to do it for you, and then selecting a handful of them. Those chosen are either category specific or balanced to meet all your needs while at the same time distributing the risk that you've requested. Some of the problems that are not disclosed with these mutual funds are hidden costs that can be as high as 5-6 percent and in some cases even higher. A study done by Morningstar disclosed most fund managers do not own their own fund or have a minimal investment with their own money. Many times the fund management has a different objective. It is important to ask questions about past performance and how long the fund manager has been in his position. Fund managers are changed from time to time and the person making the decisions may not be the person deserving the credit if it is or was performing above the average. Morningstar has found that not many managed funds are able to consistently reach the top quartile of performance over five successive years. At the end of 2014 it reported 88% of large-cap fund managers underperformed the benchmark over a one-year period. Over five and ten-year periods, respectively, 89% and 82% of large-cap managers failed to deliver incremental returns over the benchmark. Most mid-cap, small-cap and international managed funds also lagged their benchmarks.

Since the start up in 1993 of the first ETF, they have continued to grow and improve, and now we believe many can outperform the index. It becomes our responsibility to select properly. Much time is invested with our research team to do exactly that. Today there are thousands of ETFs to choose from and many are category specific, while others are balanced to try to fit most everyone's portfolio. Today's ETF investments total well over $2 trillion, and growing. Those producing the most are Blackrock (iShares), State Street (SPDRs), Vanguard, Guggenheim, Wisdom Tree, and PowerShares.

Our strategy here at PCI is to select many of these ETFs to build a quality base within a portfolio that will also give us superior diversification, outstanding value, growth, and income, while prioritizing safety. Unless a client specifically requests a mutual fund, we do not use any because of hidden, built-in costs and tax disadvantages. To complete a portfolio we select many individual stocks that can better diversify and improve the client's portfolio objective.

Know Each Other Well

One of the most important decisions you'll ever make is selecting a financial advisor who can work with you and become an asset not only for your investment portfolio but for you personally. All financial advisors should be legally required to put their clients' best interest ahead of their own without exception, but unfortunately this is not the law. The so-called fiduciary rule that would require retirement advisors to act in the best interest of their clients, rather than steering them toward an investment that might earn the advisors a better commission, has been proposed as a law to begin in April, but it's also facing a great deal of resistance, especially from those facing additional costs within their services. Many firms have criticized the introduction of this new law, claiming compliance would drive up costs to these financial firms, thus being passed on to the client. Washington is fairly well divided on this, knowing that additional costs will result for many.

A Council of Economic Advisors report done in 2015 found that "conflicted" advice cost investors nearly $17 billion a year. As you continue to hear more about this in the news, and knowing that the new law which should take effect in April may or may not survive, you should take the initiative and ask your financial advisor or broker exactly what his license may or may not require him to do.

A registered investment advisor (RIA) is legally bound to work in your best interest. Under the Investment Advisers Act of 1940, registered investment advisors are held to a fiduciary standard of care. By law, they must ensure that each investment recommendation they make is based on your best interest. In the event that a conflict of interest should arise, RIAs are required to let you know. Additionally, they are required to have a written code of ethics that governs their actions and fully discloses how they are compensated.

Most RIAs work under fee-based compensation, which is why it is so important for you to understand exactly how your advisor is compensated. Most independent RIAs charge a flat fee or a fee based on the assets they manage for you. This straightforward system is easy to understand, is fully disclosed to you in writing, and provides additional incentive for your advisor to grow your assets.

Furthermore, RIAs must file a Form ADV with the Securities and Exchange Commission that describes exactly how they do business and how they are compensated.

Most independent RIAS work with third-party custodians, which means your assets are held by an independent third-party custodian, such as TD Ameritrade, Inc. It also means that you will receive regular statements from that custodian detailing every transaction in your account in addition to any reports that your RIA may send. Pearson Capital charges a 1% annual fee for accounts with no minimums required.

DP

PCI - The 2011 E.G. Simmons Award winner for Outstanding Community Service!

ANOTHER WEEK

Another week has gone by. Just think of it. Fifty-two of these and we have another year. And what does this mean to you? Do you have money in the bank? Do you have money sitting still or are you fully invested? The dollar is going downhill at a rate of 5 or 6 percent a year. This means that your purchasing power is going downhill at the same rate. Think of your investments. They will most likely follow the dollar by going up as much as the dollar goes down, but then too there is growth in your investments which means that you have two things working for you. Do not keep money in the bank unless you know you may need some in the near future.

Sometimes your investment choices will run in the normal way and you will wind up with normal growth, but then sometimes you have come upon that investment that does a better job, and maybe once in a while you happened to land upon that world beater which makes you feel very very happy that you decided to put a few more dollars to work. What an enjoyment! Importantly, you must have done your research, but most of you have an account with us so you can let us do all the hard work, and that shows you are thinking. It is much easier to let us do the work and all you have to do is to let it grow.

I have decided to change the subject.

OKAY-- Have you heard the latest news? Do you know that Russia has done away with their two smallest pieces of currency? In other words, it is much the same as if we eliminated both the penny and the nickel here in this country. From now on they have told their people, neither coin will have any value. They have been given two weeks before these become worthless. It seems to me that we might as well do the same. I cannot think of a thing I could buy for a penny. Maybe a nickel would meet the same fate. I think most people feel the same way. But, things are changing. I notice our dollar doesn't go as far today as it used to. Is that our fault? What should I do to fix my position? I see that most of you have taken the same path as I have. The dollar is still going down in value, as I see it, and I look to the value of stocks to continue to rise. As the purchasing power of the dollar goes down, everything else goes up, including your stocks. And, here's the nice part. The value of your stocks goes up with the demise of the dollar, but so does the earnings. This means stocks are what we invest in to make money. As they become more proficient in their earnings, as they become more of an entity in their field, they become more valuable and the price rises for that reason. Also, inflation is another reason.

I read a piece in the Reader's Digest the other day and I was quite entranced. I remembered many years ago I felt the same way about another article, and I decided to subscribe to it. I bought a lifetime subscription for $25.00. One of the things that I read at the time was that there were no atheists in foxholes and I fully agreed with that. Shortly after I was taken into the army, and after subsequent training, I was put into the infantry. One day I landed on the front lines and wound up in a foxhole with a buddy. We conversed back and forth until one day we started getting shelled. This was my first time and the shells were dropping all around us and exploding. I turned to him and said, "We might get hit; let us pray together." He said, "What for? Do you think if there was a God in heaven, he would allow all this?" At this point, I prayed alone.

Enough of this! Buy Stock.

And now for the fellows who see fit to enhance your future income without you doing one little thing. You have yet to make a turn in the right or wrong direction. Well, here they are: LRA, AD, FLIR CP, HUM, CSCO, SRI, NUS, SCG, TROW, AET, BLMN, WMT, NTES, DHR, HD, MTB, CM, RY, NEU, EXPE, BNS, BMO, LYB, BNS, DPZ, OA, ROST, GME, TOT, BAP, GG, KAI, JCI, AVD, MDT, PDCO, NRZ, ORCL, DG, CCE, JPM.

WP

Source Rating Key *for **PCI's** featured stocks:* **Pearson Investment Growth Rating** *measures long-term past and future growth.* **Pearson Value Rating** *measures current value in terms of potential for the dollar.* **Investors Business Daily** *measures growth and relative price strength.* **S&P** *measures financial quality and growth potential.* **Value Line** *measures timeliness, value and safety.*

Information & data obtained from other sources is believed to be reliable, but its accuracy and completeness can not be guaranteed.

Walter Pearson is the former President of First New England Securities, Co., Inc. and at that time, also managed the Statistical Department.
He is the author of the book, Investing for the Millions and Publisher Emeritus for the Pearson Investment Letter.
At this time, Mr. Pearson is Chairman of the Board of Pearson Capital, Inc.
He is a contributing columnist for various publications and is listed in Who's Who in America.

"Remember the Lord your God, for it is He who gives you the ability to produce wealth." (Deut. 8:18)

APPLE, INC. (AAPL) NASDAQ PRICE $143.93

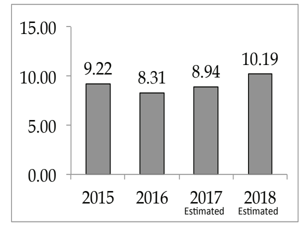
Apple Inc. designs, manufactures and markets mobile communication and media devices, personal computers and portable digital music players. The Company sells a range of related software, services, accessories, networking solutions, and third-party digital content and applications. The Company's segments include the Americas, Europe, Greater China, Japan and Rest of Asia Pacific. The Americas segment includes both North and South America. The Europe segment includes European countries, India, the Middle East and Africa. The Greater China segment includes China, Hong Kong and Taiwan. The Rest of Asia Pacific segment includes Australia and the Asian countries not included in the Company's other operating segments. Its products and services include iPhone, iPad, Mac, iPod, Apple Watch, Apple TV, a portfolio of consumer and professional software applications, iPhone OS (iOS), OS X and watchOS operating systems, iCloud, Apple Pay and a range of accessory, service and support offerings.

Type: Growth
Sector: Information Technology
Institutional Holdings: 5777
Industry: Technology Hardware, Storage & Peripherals

Ratings & Recommendations

Current P/E Ratio: **17.2**
Annual Yield: **1.6%**
Annual Dividend: **2.28**
Investor's Bus. Daily: **B**
Pearson Growth & Value: **A**
Morningstar Rating: **C**
Stand & Poor Rating: **A**
The Street (analyst avg.): **A-**

Earnings per share



EXPRESS SCRIPTS HOLDING CO (ESRX) NASDAQ PRICE $66.56

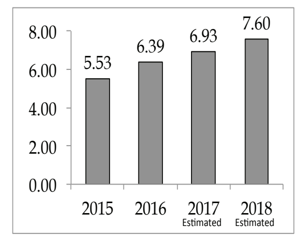
Express Scripts Holding Company is a pharmacy benefit management (PBM) company. The Company is engaged in providing healthcare management and administration services to its clients, including managed care organizations, health insurers, third-party administrators, employers, union-sponsored benefit plans, workers' compensation plans and government health programs. The Company operates through two segments: PBM and Other Business Operations. The PBM segment includes its integrated PBM operations and specialty pharmacy operations. Its Other Business Operations segment includes its subsidiary, United BioSource Corporation (UBC), and its specialty distribution operations. Its integrated PBM services include clinical solutions, Express Scripts SafeGuardRx, specialized pharmacy care, home delivery pharmacy services, specialty pharmacy services, retail network pharmacy administration, benefit design consultation, drug utilization review and drug formulary management.

Type: Growth
Sector: Health Care
Institutional Holdings: 2089
Industry: Health Care Providers & Services

Ratings & Recommendations

Current P/E Ratio: **12.3**
Annual Yield: **0%**
Annual Dividend: **0**
Investor's Bus. Daily: **D**
Pearson Growth & Value: **A**
Morningstar Rating: **A**
Stand & Poor Rating: **C**
The Street (analyst avg.): **C+**

Earnings per share



AIR LEASE CORP (AL) NYSE PRICE $38.85

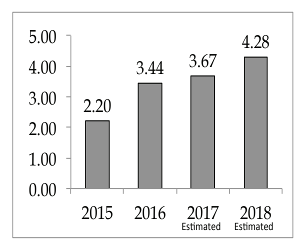
Air Lease Corporation is an aircraft leasing company. The Company is principally engaged in purchasing new commercial jet transport aircraft directly from aircraft manufacturers, such as The Boeing Company (Boeing) and Airbus S.A.S. (Airbus), and leasing those aircraft to airlines across the world. Along with its leasing activities, the Company sells aircraft from its operating lease portfolio to third parties, including other leasing companies, financial services companies and airlines. The Company also provides fleet management services to investors and owners of aircraft portfolios for a management fee. The Company provides aircraft to airline customers in various markets, such as Asia, the Pacific Rim, Latin America, the Middle East, Europe, Africa and North America. As of December 31, 2016, the Company had 237 owned aircraft and 30 aircraft in its managed fleet portfolio.

Type: Value
Sector: Industrials
Institutional Holdings: 425
Industry: Trading Companies & Distributors

Ratings & Recommendations

Current P/E Ratio: **11.3**
Annual Yield: **0.8%**
Annual Dividend: **0.30**
Investor's Bus. Daily: **A**
Pearson Growth & Value: **B**
Morningstar Rating: **N/A**
Stand & Poor Rating: **N/A**
The Street (analyst avg.): **B+**

Earnings per share



GRUPO FINANCIERO GALICIA SA (GGAL) NASDAQ PRICE $38.47

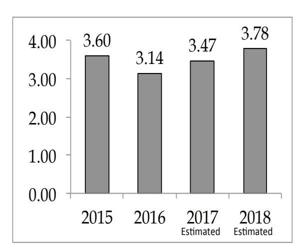
Grupo Financiero Galicia S.A. (Grupo Financiero Galicia) is a financial services holding company. The Company's segments include Banking, Regional Credit Cards, CFA, Insurance and Other Grupo Galicia Businesses. Banco de Galicia y Buenos Aires S.A. (Banco Galicia) is a subsidiary of the Company. Its banking business segment represents Banco Galicia consolidated line by line with Banco Galicia Uruguay S.A. (Galicia Uruguay). It operates the regional credit cards segment through Tarjetas Regionales S.A. and its subsidiaries. Its CFA business segment extends unsecured personal loans to low and middle-income segments of the Argentine population. The Company operates the insurance segment through Sudamericana Holding S.A. and its subsidiaries. Its Other Grupo Galicia Businesses segment includes the results of Galicia Warrants S.A., Galicia Administradora de Fondos S.A. Sociedad Gerente de Fondos Comunes de Inversion and Net Investment S.A.

Type: Value
Sector: Financials
Institutional Holdings: 140
Industry: Banks

Ratings & Recommendations

Current P/E Ratio: **12.8**
Annual Yield: **0.2%**
Annual Dividend: **0.81**
Investor's Bus. Daily: **C**
Pearson Growth & Value: **B+**
Morningstar Rating: **N/A**
Stand & Poor Rating: **C**
The Street (analyst avg.): **N/A**

Earnings per share



JUST ASK ANN

TD Ameritrade Institutional, the brokerage firm we have chosen to custody and safeguard your assets, announced that it would lower its client pricing effective Monday, March 6. Commissions for online equity and ETF trades are now $6.95 per trade, down from $9.99.

This is good news for our clients, as we've watched a pricing shift take place across the industry.
TD Ameritrade Institutional has long stood by their promise to deliver an exceptional client experience, and we believe the value they provide is about much more than price.

They are a strong advocate for independent registered investment advisors and their clients, like you. Whether that's through cutting edge technology, sophisticated trading platforms, or a superior service experience, they stand on our side and help us ensure you are well positioned to meet your goals.

If you are a client who uses the online access, you may have already noticed this fee decrease in your account.

Keep in mind also that there are many ETFs that we use that have been commission free for some time, thereby allowing you to keep more of your assets in your portfolio and not spent on fees.

Please note that this reduction only applies to trades initiated by your advisor. Should you contact TD Ameritrade directly and ask an agent to make a trade for you, you will be charged $45.00 per trade! Don't get overcharged, call us to assist you.

iShares Select Dividend ETF (DVY) NYSE ARCA PRICE $91.18

The investment seeks to track the investment results of the Dow Jones U.S. Select Dividend Index composed of relatively high dividend paying U.S. equities. The fund generally invests at least 90% of its assets in securities of the underlying index and in depositary receipts representing securities of the underlying index. The underlying index measures the performance of a selected group of equity securities issued by companies that have provided relatively high dividend yields on a consistent basis over time.

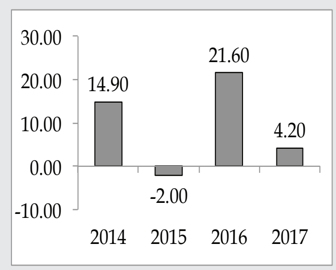
Location: USA
Type: 100% Stock

Category: Large Value
Industry: Diversified

Ratings & Recommendations

Current P/E Ratio: **N/A**
Annual Yield: **3%**
Annual Dividend: **2.76**
Investor's Bus. Daily: **N/A**
Pearson Growth & Value: **A**
Morningstar Rating: **A**
Stand & Poor Rating: **N/A**
The Street (analyst avg.): **N/A**

Performance by%



Vanguard High Dividend Yield Index FUND ETF (VYM) NYSE ARCA PRICE $77.88

The investment seeks investment results that, before expenses, correspond to the price and yield performance of publicly traded equity securities of companies in the Financial Select Sector Index.The fund generally invests substantially all, but at least 95%, of its total assets in common stocks that compose its index, either directly or through investment in the Real Estate Select Sector SPDR Fund. The index includes companies from the following industries: diversified financial services; insurance; commercial banks; capital markets; REITs; consumer finance; thrifts & mortgage finance; and real estate management & development.

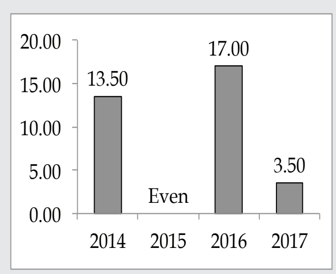
Location: USA
Type: 100% Stocks

Category: Large Blend
Industry: Diversified

Ratings & Recommendations

Current P/E Ratio: **N/A**
Annual Yield: **3.6%**
Annual Dividend: **2.77**
Investor's Bus. Daily: **N/A**
Pearson Growth & Value: **A**
Morningstar Rating: **B**
Stand & Poor Rating: **N/A**
The Street (analyst avg.): **N/A**

Performance by%



Investment letters are complimentary to our clients with managed accounts!

Earnings Flows:

April is the beginning of this quarter's earnings season. This past quarter has done very well, as more than two-thirds of the companies that have reported earnings to date have been above expectations. Normally after a surge in the market it starts to slightly decline and falls into a tight trading range. Even though the stock market has hit new highs, the market is overstretched to a point that it will need a new set of quarterly earnings, or new news for it to propel higher.

According to recent analysts, new home sales in February surged 6% over January to an annual rate of 592,000, significantly higher than economists' consensus estimate of 571,000. In the past 12 months, new home sales are at a seven-year high, running about 13% higher than they were a year ago. So, at this point, we will expect surprises both on the upside and downside as companies will try to keep up with earnings to move stocks forward.

The new trends continue:

1) Oil companies are slowly bouncing back and starting production again.
2) The demographics of America are back in favor of homebuilding.
3) We will see more stocks move from growth to income investments.

Key Point: Investors are expecting good news this quarter.

Cash Flows:

In 2004, Congress passed the American Jobs Creation Act to create new jobs in an effort to boost the economy. One of the results of the act was a repatriated tax break, which gave U.S. companies a one-time tax break on money earned in foreign countries. According to Investopedia, the government's rationale at that time was that the tax break would act as an incentive for American companies to send their foreign earnings back here, and then use the earnings to create more American jobs and/or expand operations. The tax break allowed foreign earnings to be taxed at a rate of 5.25%. This administration wants something similar, with the expected tax proceeds to go toward the nation's infrastructure needs. However, right now, many companies may postpone buyback and dividend decisions as they wait for the new repatriation act.

New trends that are happening.

1) Companies are holding off potential mergers and large dividend increases.
2) The dollar has recently pulled back as well, waiting for a decision.

Key Point: Companies are waiting for this administration on the new repatriation act.

Management Fee:

Our fee is extracted quarterly from the account at 25% of one percent by TD Ameritrade. Immediately following any quarterly management fee extraction, it is posted within your account's history information available on line. It is also posted in your TD Ameritrade monthly statement.
Second Quarter April-May-June-see your April statement.

WALL STREET INDEXES

Indexes	2011	2012	2013	2014	2015	2016	2017
S&P 500	EVEN	13.4%	29.6%	11.4%	(0.8%)	5.8%	5.8%
Dow Jones	5.5%	7.3%	26.5%	7.5%	(2.2%)	7.9%	4.9%
Nasdaq	(1.8%)	15.9%	38.3%	13.4%	5.7%	4.1%	9.9%
Market Average	1.2%	12.2%	31.5%	10.8%	0.9%	5.9%	6.9%

MARKET VIEW

Christopher Carothers - PCI's Stock Analyst

Economic Flows:

In recent meetings, the Federal Open Market Committee (FOMC) made a decision to raise key interest rates from 0.25% to 0.75% to get more in line with rising long-term market rates. The Federal Reserve sees three interest rate increases in 2017 as a reasonable goal. Many people believe that the Fed is not catching up with the current market situation. However, the Federal Reserve is very cautious and does not want to rattle the financial markets, as they are not looking to pause in rate raises as long as U.S. employment and inflation figures continue to improve. Chair Janet Yellen has signaled that 2% may not be a firm ceiling on inflation. The Fed is not going to overreact to rising inflation but is showing confidence in economic growth.

Also, President Trump has stated that Obamacare would stay in place if enough lawmakers don't get behind the new healthcare legislation that he wishes to push forward. He was dealt a major political setback when Republican leaders pulled a bill to overhaul the U.S. healthcare system. Investors had regarded this first vote as a test for the Trump administration that could show whether it can muster the backing needed to push through its future economic agenda. Stocks were briefly under pressure amid rising doubts over President Trump's ability to pass legislative reforms. However, instead of spending time on the healthcare agenda that is on the table, they are switching gears and focusing on the next step of its goal for tax reform. The president said he will move on to "tax reform" while Obamacare "explodes," but questions are rising about Trump's ability to implement his economic agenda.

At a recent meeting of G-20 finance ministers, some admitted that future free trade agreements are now less likely to pass in Britain, continental Europe, or the U.S. As a result, the European Union will likely continue to lose its influence, especially if nationalistic movements, like those of Le Pen in France, grow in popularity.

New trends that we see:

1) The Fed can't control long term interest rates.
2) OPEC's meeting in the future will be contentious as other countries are already violating their previous promises.
3) President Trump signs an executive order removing climate related regulations on the energy sector.

Key Point: The Federal Reserve is keeping its goal of three interest rate increases.

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