

# ELIOT FINKEL INVESTMENT COUNSEL, LLC

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## First Quarter 2016 Update and Commentary

We are pleased to report our results were excellent last quarter. The portfolios we manage gained 6% while the S&P 500 was up less than 1%.

Keeping clients safe is a major focus of our investment management. As the table below shows, our clients' have done well because our long-term, value-oriented style avoids overheated markets like those of 2000 and 2007.\*

	Mar 2000 to date	Sep 2007 to date
EF Invest	184%	59%
S&P 500	37%	35%

Automatic Data Processing (ADP), a payroll and human resource data processor which ended March at \$90 per share, is an example of our value-oriented strategy. We purchased the stock in late 2010 at \$37 per share. Since then ADP has increased its dividend from \$1.34 to \$2.12 (58%). At 66% of earnings, the dividend is well covered. Forty-two years of experience and internal research helped us select ADP and other companies with profitable histories, substantial growing dividends and good prospects.

We are frequently asked if a recession is coming soon. Historically, recessions do not start when interest rates are low as they are today. The strong dollar and weak commodity prices are keeping inflation at bay, which means interest rates should remain below normal for some time. However, persistent low interest rates are uncharted territory for our economy.

Unfortunately, economic growth may also remain below normal. What our country really needs is a greater focus on education, training and infrastructure. Without it we will lose our competitiveness, reduce our economic potential and remain stuck with subpar growth.

Our focus on safety helps explain why our clients have been with us over twelve years on average. For more information please call us or visit our website, [www.efinvest.com](http://www.efinvest.com). Thank you for your interest in Eliot Finkel Investment Counsel.

\* Past performance is no guarantee of future results and does not preclude the possibility of loss.