

3rd Quarter News

Happy Summer!

Inside this issue:

Happy Summer	1
New Hires	1-2
Erickson Family Road Trip	2
Social Media News	3
Investment News	3-4



Hello from Alternative Strategies Group, Inc! We hope you have been enjoying this warm, sunny season with all the fun activities summer entails. Sad to say, but I guess you could call this lit-

tle newsletter our half-time report. Time goes fast. As the second quarter comes to a close, we wanted to touch base about the new developments in the office this summer.

Summer Intern: Allie Koehn

We are happy to have a young and energetic face around the office this summer. It is my pleasure to introduce Allison Koehn to all of you. Isn't it great how the blessings of friends and family work to bring some of the greatest people into your lives?

I have known Allie for many years because Jennifer and I are close family friends with her parents, Dean and Kathy Koehn. As Allie got older, she spent much

time at our home babysitting our youngest, Connor, and eventually even spending several days at a time taking care of our house while we vacationed or traveled for work.

Allie is a student at Augustana University. In addition to tackling THREE majors she also plays on the Augie Women's Basketball team. Allie is studying Business Administration, Communications, and Spanish. Red shirting



her freshman year has given her the opportunity to play ball her fifth year of school and allow her to likely complete all three majors. She is an overachiever, and we love that about her!

Fun Facts:

- July is historically the 2nd best month for US markets
- Pudelpointers are German hunting dogs
- Yellowstone has about 300 active geysers and about 10,000 thermal features.

New Hire: Preston Evans



Along with having an intern in the office this summer, we have made a new hire. Please extend a warm welcome to Preston Evans, who has joined the firm as a Financial Advisor. We are extremely excited to have Preston onboard at ASG.

Preston is originally from Sioux Falls and attended college at North Dakota State University. Preston played football for the Bison and was a member of 2 of the national championships! Re-

cently, Preston and his wife Ashlynn moved back to the Sioux Falls area and are excited to be involved in the local community. Ashlynn was also a student at NDSU and ran track for the Bison.

Preston has spent time doing mission work, working for UPS in Fargo, and obtained a Bachelor of Science in Sociology at NDSU.

Preston is licensed to advise on life and long-term care insurance, as well as advise on mutual fund investments. He will be

spending a significant amount of time studying his first 60 days for the Series 65 and Series 7 securities exams. We know he will do well.

Don't be shy if you stop by the office, make sure to introduce yourself to Preston and make him feel welcome.

Erickson Family Road Trip

My family of five + 2 Pudelpointers (<http://www.cedarwoodgundogs.com/>) are heading out west for a week in Yellowstone. We are renting an RV and taking a family vacation Clark Griswold-style. I know, many of you are thinking more like Cousin Eddie!

Hiking, fly-fishing, rock climbing, and white water rafting, (also probably clogging up

traffic with all the other RVs) are some of the activities we will be doing along with enjoying the beautiful scenery. Hopefully all goes well and we return in one piece. :) Enjoy your holiday weekend and warm weeks left this summer. Hope to see you all in the office soon!



Digital and Social Media Improvements

Recently, we made a renewed commitment to have a stronger social media presence with our clients. By actively connecting with you all, we believe you can be more informed on our weekly activities and current events that affect the market. So, please do follow us on your preferred social network. We have the following up and running:

Facebook - Alternative Strategies Group, Inc.

This feed is geared toward informing you on the happenings in the office with Jason, Tracey, and Preston; but also an occasional update that includes market news or information related to ASG.

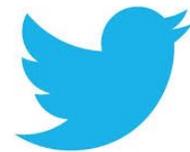
Twitter - @investASG

This feed follows local business accounts as well as national news outlets, major businesses, market news, analysts, and any-

thing related toward the financial industry. If you choose to follow this account you will be able to see the breaking news and buzz topics alongside us. We also post articles frequently to this site related to my thoughts on the market.

LinkedIn- Jason Erickson – Alternative Strategies Group, Inc.

This feed is primarily for us to stay involved in the local business conversation as well as stay connected with professionals in the Sioux Falls community. Don't be afraid to connect with us here as a way to increase your exposure. We often post and comment on professional material and industry changes with this site.



As It Pertains To Investments

Lately, the updates that have been released on the blog have been much about the market reactions to the Brexit vote in the UK. As the reality of the vote begins to settle in, we are tip toeing lightly back into equities. While we saw a good share of the two-day loss post Brexit made back quickly this week, we think “not so fast”.

There are three major indicators that need to turn bullish before we are convinced that a sustainable rally is taking shape.

They are asset flows, credit spreads, and investor nervousness (volatility).

Asset Flows: One more transparent way to gauge investor sentiment is to follow the money. When money is flowing in, prices move up. When money is flowing out, you get the picture. Using the NASDAQ 100 tracking ETF, symbol QQQ, as a good proxy – asset flows are still below normal and have been on a sometimes interrupted decline since March of this year. Until this

As It Pertains To Investments Continued...

changes a long-term rally will be hard to sustain.

Credit Spreads: It may be a risky time to be long treasury bonds because they have run up in price. Of particular note is the spread between high-yield bonds and treasuries. If the spread is increasing it suggests that investors are concerned about default in the higher risk bonds. They are demanding a higher interest rate to take on those high-yield bonds. If there is a greater risk of default stocks usually do not fair well.

Investor Nervousness: The investor fear index, we call it the VIX, spiked in the week prior to the vote, and is still at what we consider a high level. You can find a quote on the VIX (simply an index measure, not something we can invest directly in) on Google or Yahoo Finance by typing in the symbol VIX. Until it settles back below 12 for a period of time we may not be out of the woods. The VIX closed the quarter Thursday at 15.66.

Historically, July is one of the best months in the market. It would not be uncommon for us to see a nice rally in the coming weeks.

Happy Birthday to Tracey!

Tracey was to sneaky so we couldn't get a picture of her in this newsletter. However, we want to wish Tracey a very happy birthday on Wednesday the 6th! As always, we are thankful for her and all the hard, detailed work she does in the office. She has been especially helpful with getting Preston and Allie up to speed in the office.

**Have a great
rest of your summer!**



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