

WEEKLY MARKET COMMENTARY

For the Week of Jan. 25, 2016

THE MARKETS

Wall Street finished a volatile week with a 2 percent surge on Friday. Crude oil prices rose sharply as the United States and Europe experienced a spell of harsh winter weather. For the week, the Dow rose 0.69 percent to close at 16,093.51. The S&P gained 1.43 percent to finish at 1,906.90, and the NASDAQ climbed 2.29 percent to end the week at 4,591.18.

Returns Through 1/22/16	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.69	-7.53	-7.39	8.07	9.00
NASDAQ Composite (PR)	2.29	-8.31	-3.35	13.46	11.29
S&P 500 (TR)	1.43	-6.61	-5.60	10.81	10.57
Barclays US Agg Bond (TR)	-0.12	0.86	0.25	1.79	3.45
MSCI EAFE (TR)	0.21	-8.60	-9.64	0.76	1.38

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

One of the Longest — The U.S. economy has been expanding since July 2009. The expansion reached 78 months in length as of Dec. 31, 2015, a duration exceeded by just four other expansions since 1854 or 162 years ago (source: National Bureau of Economic Research, BTN Research).

Down in 2015 — When all 500 companies report their fourth quarter earnings, it is anticipated that full-year 2015 earnings for the corporations that make up the S&P 500 will total \$95.38 per share, 7 percent less than the index's earnings of \$102.31 per share from year-end 2014. Earnings results used are "as reported earnings per share," which includes non-recurring revenues and expenses (source: Standard & Poor's, BTN Research).

Janet and Ben — The S&P 500 gained 6.5 percent per year (total return) over the eight years Ben Bernanke was chairman of the Federal Reserve (February 2006 - January 2014). Since Janet Yellen took over as the Federal Reserve chairperson on Feb. 1, 2014, the S&P 500 has gained 4.9 percent per year (total return) through Friday, Jan. 15, 2016 (source: BTN Research).

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Page 2 of 2

WEEKLY FOCUS – What You Should Know About HSAs

Since their creation in 2003, Health Savings Accounts (HSAs) and the high-deductible health plans (HDHPs) they are paired with have become increasingly popular. Thanks to tax benefits and lower monthly premiums, individuals, families and employers often find an HDHP/HSA combination a more affordable health care option. Despite their acceptance, HSA accounts are not completely understood.

In order to open an HSA, an individual must have a health plan with an annual deductible of at least \$1,300 for 2016. For family plans, the minimum deductible is \$2,600. The current maximum annual contribution is \$3,350 for individuals and \$6,750 for families. Individuals 55 or older can add an extra \$1,000 per year.

An HSA allows you to contribute pretax money, let it grow tax-free and withdraw it tax-free to pay for eligible medical expenses. Once your money is deposited in an HSA account, you can invest it in stocks, bonds, mutual funds or certificates of deposit to help it grow.

Unlike many Flex Spending Accounts (FSAs), you can roll money over from year to year. So if you are still earning income, you may want to defer distributions until you retire. If you need money later, you can reimburse yourself from your HSA for medical expenses years after you paid the bills – providing you had the account at the time they were incurred. Remember to save your receipts to verify withdrawals or reimbursements if you are audited. Using a debit card can make record-keeping easier.

HSA funds can be used for certain expenses not covered by every insurance policy, such as dental work, eye glasses, contact lenses, hearing aids, psychological counseling, acupuncture, chiropractic treatments and nursing home care. For a complete list of qualified expenses, see IRS publication 502 at <https://www.irs.gov/pub/irs-pdf/p502.pdf>.

You can't fund an HSA and a FSA in the same year. You can't take a loan from an HSA. You will be required to pay income tax and a 20 percent penalty on any HSA money used for non-medical purposes. If you switch to a lower deductible health plan, you won't be able to add to your existing HSA, but you will be able to use the funds for qualified medical expenses.

Need help deciding if an HSA is right for you? Give us a call.



This commentary brought to you by:

Davidson Financial Services

Anthony A Davidson, Investment Advisor Representative
1795 Alysheba Way Suite 3101 Lexington, KY 40509
859-245-5880 fax: 859-245-7007

anthony@wealthhappens.net www.wealthhappens.net

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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America. SAI# 1401429.1