

# WEEKLY MARKET COMMENTARY

For the Week of March 23, 2015

## THE MARKETS

Stocks rose on Friday, ending a three-week string of losses as the dollar declined and the Federal Reserve announced a less aggressive approach to raising interest rates. The increase pushed the NASDAQ to a 15-year high, and just 22 points shy of a record closing high. The S&P 500 was also just short of a record close. For the week, the Dow rose 2.13 percent to close at 18,127.65. The S&P gained 2.67 percent to finish at 2,108.06 and the NASDAQ climbed 3.17 percent to end the week at 5,026.42.

Returns Through 03/20/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	2.13	2.29	13.61	14.04	13.92
NASDAQ Composite (PR)	3.17	6.13	16.37	17.81	16.18
S&P 500 (TR)	2.67	2.86	14.93	16.94	15.09
Barclays US Agg Bond (TR)	0.79	1.48	6.03	3.27	4.31
MSCI EAFE (TR)	4.01	6.82	3.94	9.43	6.76

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.

**Pays to Wait** — The monthly Social Security retirement benefit claimed at age 70 by an individual would be 76 percent greater than the monthly Social Security retirement benefit claimed at age 62 (source: Social Security, BTN Research).

**A Lot in a Few** — Less than 2 percent of the banks and savings institutions in the U.S. hold 80 percent of the deposits maintained in FDIC-insured institutions nationwide as of Dec. 31, 2014. There are 6,509 total banks and savings institutions holding \$11.8 trillion of deposits as of the end of last year (source: FDIC, BTN Research).

**And Borrow We Do** — The yield on the 10-year Treasury note was 2.17 percent on Dec. 31, 2014. The yield on the 10-year Treasury note was 4.22 percent on Dec. 31, 2004. Thus for the same annual cost of money, our government can borrow 94 percent more money today than we did 10 years ago (source: BTN Research).

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## WEEKLY FOCUS – Beneficiary Designations Trump Wills

Births, deaths, marriages, divorces – the events and people in your life are forever changing. Have your beneficiary designations changed accordingly? Your insurance policies, pension plans, individual retirement plans, annuities and other investment accounts require that you select one or more beneficiaries in the event of your death.

If you believe your will to be the only document you need to keep current, you may be surprised to learn that a beneficiary designation trumps a will. For example, if your children are named in your will, but your ex-spouse is still listed on your pension plan, your ex-spouse is entitled to that money. A thorough review of beneficiary designations should be part of the finalization process during a divorce.

Unmarried people often name their parents or a sibling as a beneficiary, but fail to make a change after their marriage or birth of a child, which can leave a young family financially at risk if that spouse should die. If you don't name beneficiaries for your assets, they may be subject to probate. Rather than those assets passing directly to your heirs, they will be lumped into your estate and dispensed by the court during probate. The assets may be subject to additional taxes as a result.

Naming contingent beneficiaries is just as important as naming primary beneficiaries. In the event a primary beneficiary passes away before you, you have made sure your assets will go to the recipient(s) you want. Some experts suggest naming two contingent beneficiaries for each primary one, just to be safe. For example, you can name your spouse as your beneficiary, with each of your children as a contingent beneficiary.

If you haven't reviewed your beneficiary designations for your insurance, banking and investment accounts, this is a great time to do so. You can make it part of your annual review or the preparation of your tax returns. We are happy to assist you in reviewing your accounts and making any necessary changes to ensure your assets reach your intended beneficiaries at your death. Call our office to schedule an appointment.



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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#1154706.1