

WEEKLY MARKET COMMENTARY

For the Week of April 7, 2014

THE MARKETS

Stocks fell sharply for the second straight day on Friday after a sell-off in momentum shares overshadowed strong March jobs data. The NASDAQ saw its worst close since February, while the Dow and the S&P 500 both hit intraday record highs earlier in the session. For the week, the Dow rose 0.58 percent to close at 16,412.71. The S&P gained 0.44 percent to finish at 1,865.09 and the NASDAQ dropped 0.67 percent to end the week at 4,127.73.

Returns Through 04/04/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.58	-0.39	15.12	12.70	18.54
NASDAQ Composite (PR)	-0.67	-1.17	27.99	13.96	20.54
S&P 500 (TR)	0.44	1.44	22.10	14.31	19.75
Barclays US Agg Bond (TR)	0.10	1.97	-0.48	3.76	4.91
MSCI EAFE (TR)	1.52	1.57	19.67	7.17	14.71

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.

More Buyers Than Sellers — The number of existing homes for sale in the U.S. has been cut in half in less than three and a half years. There were 4 million homes for sale as of Sept. 30, 2010, reducing to 2 million as of Feb. 28, 2014 (source: National Association of Realtors, BTN Research).

Why Do They Have Any Debt? — Forty-four percent of retirees surveyed indicate that they are having problems with the debt they have outstanding (source: Employee Benefit Research Institute, BTN Research).

The Economy — The U.S. economy grew by 1.9 percent in 2013. In the past 50 years (i.e., 1964-2013), the U.S. economy has grown by an average of 3.1 percent per year. The US economy has contracted in size seven years in the past 50 years, most recently in 2008 and 2009 (source: Commerce Department, BTN Research).

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WEEKLY FOCUS – Start Early On College Saving

College costs can be more than a little painful, but with the proper financial planning, you could be whistling your child's college fight song all the way to the bank. Federal and state financial aid for college students may be shrinking but tuition costs continue to rise at 3 percent to 6 percent a year, according to the College Board, a nonprofit representing colleges and universities. Based on College Board's *Trends in College Pricing 2013* report, college prices have risen faster than the prices of other goods and services for the past 30 years. The average price of attending a private university for four years has reached more than \$120,000 based on 2013-2014 rates.

With Americans marrying later in life and waiting to have children, parents may be facing college costs while simultaneously saving for retirement. That makes starting on college savings early even more important to your future as well as your child's. Regardless of your child's age or the number of children you have, you do have options for saving and paying for college costs:

529s

These plans, available in most states, allow you to make contributions to an investment account in the name of the child and then make tax-free withdrawals for educational expenses. Plans and investment options vary widely, so you may want to consult your financial planner for more information.

IRA Withdrawals

If a 529 doesn't sound appealing, you can make penalty-free withdrawals from an existing IRA account for any educational costs. However, there are contribution and withdrawal limits, and not everyone can qualify for an IRA.

Coverdell Accounts

If you are a grandparent who wishes to contribute to an account, you may want to consider a Coverdell Savings Account. These types of accounts allow anyone with a modified adjusted gross income of less than \$110,000 a year single or \$220,000 joint (married, filing jointly), to make yearly contributions of up to \$2,000 in an account that has a variety of investment options. Once the student turns 18, they have until their 30th birthday to withdraw the money for educational use.

Scholarships, Grants and Aid

Financial aid can include loans, scholarships, grants and work study programs. Even if your student isn't in the top level of his or her class, opportunities may be available for financial aid. Make sure to always fill out financial aid papers to qualify, even if you believe your income is too high to receive aid.

The variety of options and plans available for college planning can be overwhelming. We can help you explore every avenue for sending your child to college while reducing the burden of large loans or the loss of your retirement funds.



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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. SA#897508