

WEEKLY MARKET COMMENTARY

For the Week of September 28, 2015

THE MARKETS

The market started Friday higher following the Federal Reserve Chair's predictions that the Fed would raise interest rates later this year. Oil prices rose for the second straight day, but the number of issues that declined on the NYSE outnumbered those that advanced. For the week, the Dow fell 0.43 percent to close at 16,314.67. The S&P lost 1.35 percent to finish at 1,931.34, and the NASDAQ dropped 2.92 percent to end the week at 4,686.50.

Returns Through 09/25/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.43	-6.78	-1.36	9.28	11.27
NASDAQ Composite (PR)	-2.92	-1.05	4.92	14.55	14.50
S&P 500 (TR)	-1.35	-4.77	0.28	12.59	13.32
Barclays US Agg Bond (TR)	-0.24	0.77	2.49	1.62	3.11
MSCI EAFE (TR)	-3.09	-4.49	-8.78	5.01	4.14

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.

Rising Prices — Over the five years from 1977 to 1981, inflation (as measured by the Consumer Price Index) advanced by 61.5 percent, an increase of 10.1 percent per year. Since then, only one calendar year (1990) has produced annual inflation of at least 5 percent. Over the 12 months ending Aug. 31, 2015, inflation advanced 0.2 percent (source: Department of Labor, BTN Research).

Tax Data — The 5.56 million tax returns from 2013 that reported at least \$200,000 of adjusted gross income (AGI) represent 3.8 percent of all returns filed, received 31.4 percent of all AGI nationwide and paid 55.2 percent of all the federal income tax that was paid in 2013 (source: Internal Revenue Service, BTN Research).

Still Made Money — The S&P 500 index peaked on Oct. 9, 2007, before beginning a 17-month bear market that saw the raw index fall 57 percent before bottoming on March 9, 2009. An investment in the S&P 500 on Oct. 9, 2007, (i.e., at the market's top) was up 48.8 percent (total return) as of the close of trading on Friday, Sept. 18, 2015 (i.e., nearly eight years later), an annualized return of 5.1 percent per year (source: BTN Research).

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WEEKLY FOCUS – Medicare Open Enrollment Approaching

When it comes to Medicare and supplemental policies, timing is important. For example, in most cases, people receiving Medicare benefits are only allowed to join a new Medicare Advantage (Part C) or stand-alone prescription drug plan (Part D) during the fall open enrollment, from Oct. 15–Dec. 7.

Shortly before open enrollment begins, individuals with these plans should receive an Annual Notice of Change and/or an Evidence of Coverage from their provider. It's important policy holders review the document(s) provided for changes that could affect them and often worth their while to look at other possibilities.

Currently, the average Medicare recipient can choose from 30 stand-alone prescription drug plans with a wide range of costs and benefits. The Medicare Plan Finder at www.Medicare.gov allows individuals to find policies available to them and compare their premiums, deductibles, out-of-pocket expenses, preferred pharmacies and the medications they cover. One thing beneficiaries should watch out for is “step therapy” restrictions that could require them to substitute another drug for a preferred medication on a trial basis. Once a new plan is chosen, the easiest way to enroll is by calling 800-MEDICARE. It's wise to record the date of the conversation, the things discussed and the name of the person who handled the call.

Anyone dissatisfied with their Medicare Advantage plan can dis-enroll and join original Medicare during the fall open enrollment or during the Medicare Advantage Disenrollment period from Jan.1–Feb.14.

Those not currently enrolled in Medicare should sign up for Parts A and B three months before reaching their 65th birthday and also for the supplemental Parts C, D and/or Medigap during their initial enrollment period. Anyone who doesn't enroll for Part B at that time could pay more the rest of their life. An individual who fails to apply for supplemental coverage during that window could be rejected or, if accepted, pay higher premiums as long as they have the plan. Exceptions, such as having coverage through an employer, can apply.

If you have questions or need additional help in determining how health care costs may impact your retirement, please call our office. We're here to help!



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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#1311667.1