

WEEKLY MARKET COMMENTARY

For the Week of October 12, 2015

THE MARKETS

Some rising optimism helped Wall Street cap the strongest week of the year. On the final day, stocks enjoyed a slight bump as investors waited for U.S. companies to report their third-quarter earnings. For the week, the Dow rose 3.75 percent to close at 17,084.49. The S&P gained 3.30 percent to finish at 2,014.89, and the NASDAQ climbed 2.61 percent to end the week at 4,830.47.

Returns Through 10/09/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	3.75	-2.32	5.06	10.91	11.99
NASDAQ Composite (PR)	2.61	1.99	10.33	16.37	15.00
S&P 500 (TR)	3.30	-0.54	6.68	14.20	13.96
Barclays US Agg Bond (TR)	-0.27	1.18	2.02	1.77	2.97
MSCI EAFE (TR)	5.36	1.29	0.94	7.92	4.72

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.

Why Not? — Only 26 percent of Americans under the age of 30 own stocks either within a pre-tax retirement account or as a personal investment (source: Bankrate.com, BTN Research).

At Least That Much — In the first quarter of 2015, 21 percent believe they will need to accumulate at least \$1 million in order to "live comfortably" during their retirement years, up from 15 percent in 2005 (source: Employee Benefit Research Institute Retirement Confidence Survey, BTN Research).

Some Up, Most Down — Eighty individual stocks in the S&P 500 (i.e., 80 of 500 stocks or 16 percent of the stocks in the index) gained at least 10 percent during the first nine months of 2015 (change of the stock price without factoring in the impact of dividends) including 20 stocks that are up at least 25 percent YTD through Sept. 30, 2015. Of the 500 stocks in the index, 330 stocks (66 percent of the stocks in the index) have dropped in value since the end of 2014 (source: BTN Research).

WEEKLY FOCUS – Mid-Life Divorce and Retirement

Since 1990, the divorce rate among Americans over the age of 50 has doubled. In fact, one in four divorces now involves a couple in this age group. On top of the emotional impact of a long-term marriage ending, late-life divorces can have a devastating effect on financial well-being in retirement. Coming at a time when there is often more wealth to lose, there is also less time to rebuild assets. If you have friends or relatives contemplating divorce, sharing the following information may improve their situation.

For starters, it's a good idea to obtain an accurate picture of potential debts by getting credit reports for both spouses. If a couple resides in one of the nine states with community property laws, each spouse is responsible for half of everything the other owes – even if the debt is only in one name.

When it comes to splitting pensions and retirement plans, agreeing upon percentages (rather than fixed amounts) can be less risky if the markets turn down and more fair if the markets swing up. Getting a Qualified Domestic Relations Order can protect the husband and wife from incurring tax penalties when funds are transferred to another account. Beneficiary information on remaining accounts should be updated immediately.

Emotions can cloud the decision of whether to sell or keep the house. A spouse who keeps a home in lieu of other assets may not have the finances needed to maintain it. On the other hand, homes can come with capital gains tax advantages other investments might not enjoy.

Spouses who have earned lower Social Security benefits than their mates can draw half of their exes' monthly benefits at the appropriate age, as long as they were married for 10 years or more and they start collecting benefits before remarrying. And this won't impact the other spouses' benefits.

Once everything is finalized, it's important not to become too risk averse. With inflation and today's longer life expectancies, portfolios need to grow to provide adequate security. We're happy to help guide someone you care about through these rough waters so they can look forward to a happier retirement.



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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#1322723.1