WEEKLY MARKET COMMENTARY

For the Week of November 9, 2015

THE MARKETS

U.S. stocks were stable Friday after a strong jobs report fueled expectations the Federal Reserve will raise interest rates in December. According to Friday's data, the unemployment rate fell to 5 percent, its lowest number since April 2008. For the week, the Dow rose 1.52 percent to close at 17,910.33. The S&P gained 1.02 percent to finish at 2,099.20, and the NASDAQ climbed 1.85 percent to end the week at 5,147.12.

Returns Through 11/06/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.52	2.58	4.56	13.35	12.19
NASDAQ Composite (PR)	1.85	8.68	10.97	19.56	14.82
S&P 500 (TR)	1.02	3.76	5.52	16.14	13.75
Barclays US Agg Bond (TR)	-0.80	0.34	1.33	1.46	2.80
MSCI EAFE (TR)	-1.54	0.56	-0.87	7.34	3.78

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? — The S&P 500 stock index was up 4.4 percent (total return) in the most recent November to April time period and was up 0.8 percent (total return) in the most recent May to October time period (source: BTN Research).

Millionaires — Taxpayers who reported at least $1 million of adjusted gross income in tax year 2013 paid 24 percent of all federal income tax that year at an effective tax rate of 31 percent (source: Internal Revenue Service, BTN Research).

Thank You Mom and Dad — Heirs of decedents are projected to inherit $36 trillion (net amount after the payment of estate taxes) through the year 2061 (source: Boston College Center on Wealth and Philanthropy, BTN Research).

WEEKLY FOCUS – Budget Deal Kills Popular Social Security Strategies

Last week, President Obama signed a two-year federal budget deal into law that included an amendment containing the most significant Social Security reform since 1983. The provision, which abolished two popular strategies used to maximize retirement benefits, could cost some Americans up to $50,000 in reduced lifetime accumulation.

Prior to the legislation, claimants could file for Social Security before their full retirement age, suspend payments and retain the option to retroactively unsuspend benefits. With the new legislation, anyone who suspends benefits after May 1, 2016, will no longer receive a lump sum for benefits from the suspended period. However, individuals who receive reduced benefits before full retirement age will still be able to suspend them to earn delayed retirement credits between the ages of 66 and 70.

The restricted claim of spousal benefits has also been eliminated. Previously, a higher-earning spouse could file for Social Security at the age of 62 and delay taking payments until turning 70 to attain their maximum level of benefits. This allowed their lower-earning partner to draw spousal benefits (up to 50 percent of the higher-earning spouse's suspended payments) while growing future benefits on their own account. A grandfathering provision allows anyone who has reached the age of 62 by the end of 2015 to take advantage of the old rule. Those not grandfathered in will be eligible for spousal benefits only when their spouse is actually drawing benefits. They will be required to file for their own benefits along with their spouse's benefits and will receive whichever amount is greater.

The new rules could hit lower-earning divorced spouses particularly hard. They will no longer be able to collect only spousal benefits while growing their own benefits. Widows, widowers and surviving divorced spouses will still have the right to decide when to collect a survivor benefit and their own retirement benefit.

On the positive side, the budget bill reduces the projected soaring increase to 2016 Medicare Part B premiums for 17 million Medicare recipients (discussed in the Oct. 19 Weekly Market Commentary). Instead of a 52 percent hike, these affected beneficiaries will see a 14 percent hike with a $3 monthly surcharge.

If you have concerns about when to take Social Security or how the new rules may affect your comprehensive retirement plan, please contact our office.

WEALTH HAPPENS.

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

* 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#1348226.1