

WEEKLY MARKET COMMENTARY

For the Week of May 5, 2014

THE MARKETS

The April report from the Department of Labor, which showed U.S. companies hiring at the fastest pace in more than two years, temporarily pushed markets higher on Friday before rising tensions in the Ukraine tempered enthusiasm. On Wednesday, the Dow closed at its first record of the year following news from the Federal Reserve that it plans another reduction in bond buying. For the week, the Dow rose 0.93 percent to close at 16,512.89. The S&P gained 0.97 percent to finish at 1,881.14 and the NASDAQ climbed 1.19 percent to end the week at 4,123.90.

Returns Through 05/02/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.93	0.30	14.03	11.71	18.10
NASDAQ Composite (PR)	1.19	-1.26	23.45	12.92	19.12
S&P 500 (TR)	0.97	2.41	20.25	13.84	18.98
Barclays US Agg Bond (TR)	0.40	2.99	-0.14	3.68	4.96
MSCI EAFE (TR)	1.22	2.41	14.69	5.51	13.63

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.

May Day — The average total return for the S&P 500 during **the month of May** since 1990 has been a gain of 1.12 percent, the **sixth best performing month** over the **24-year period**. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value (source: BTN Research).

Every Five Years — There have been **33 recessions** in the U.S. since 1854 (i.e., **last 160 years**), an average of one recession **every 58 months** (source: National Bureau of Economic Research, BTN Research).

Health Care — The average premium in 2013 for an employer-sponsored health plan **covering a family of four** was **\$1,363 per month**. On average, an **employee pays 28 percent** of the total premium (i.e., \$381 per month) and the **employer pays the remaining 72 percent** (i.e., \$982 per month) (source: Kaiser Family Foundation, BTN Research).

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WEEKLY FOCUS – It's Not Only Possible, It's Probable

Financial planning constantly asks the hard questions about life and death. These questions aren't normally "if" questions, but "when" questions. Although it is often hard to think about the inevitable, the possible and the probable, you need to take all of these into consideration if you want to have a strong financial support strategy in place.

The nonprofit LIFE Foundation coordinates Disability Insurance Awareness Month in May to help people think more about the financial consequences of the possible and the probable. In a report called the Disability Disconnect, the Council for Disability Awareness found that many employees believe their odds of becoming disabled for at least three months are only 1 percent. Unfortunately, according to the Social Security Administration, an estimated one out of four Americans entering the workforce today will become disabled before they retire, and more than 8 million U.S. workers are currently receiving Social Security disability benefits.

Many U.S. workers (100 million) are not protected by private disability insurance and mistakenly believe they will receive sufficient Social Security benefits or workers' compensation if they become disabled. More than 95 percent of disabilities aren't work-related and therefore aren't covered by workers' compensation. Also, only 35 percent of initial Social Security disability insurance applications were approved in 2012, leaving 65 percent without income.

While many Americans think disabilities are caused by catastrophic, one-time events, less than 10 percent of long-term disabilities actually result from serious accidents. Most long-term disabilities are the result of common, chronic conditions like back problems and joint or muscle pain. The Council for Disability Awareness hopes to get the message out that if you have a job and earn a paycheck, you need disability insurance to regain at least part of that income should you become disabled.

Accepting that you are susceptible to disabilities is the first step toward securing your finances against the possible and the probable. The next step is to make sure you have the right coverage to replace your income if something happens. Call our office today for a consultation to review your plan for maintaining your income in the event of a disability or to learn more about the need for coverage to protect your assets and your family should you ever become disabled.



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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#917770