

WEEKLY MARKET COMMENTARY

For the Week of Feb. 3, 2014

THE MARKETS

Stocks fell on Friday after a selloff in emerging markets increased volatility. January closed with the Dow and the S&P 500 posting their worst month since May 2012. It was also the first time the S&P 500 ended January with a loss since 2010. For the week, the Dow fell 1.14 percent to close at 15,698.85. The S&P lost 0.41 percent to finish at 1,782.59 and the NASDAQ dropped 0.59 percent to end the week at 4,103.88.

Returns Through 01/31/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-1.14	-5.19	16.07	12.61	17.61
NASDAQ Composite (PR)	-0.59	-1.74	30.61	14.98	22.69
S&P 500 (TR)	-0.41	-3.46	21.52	13.93	19.19
Barclays US Agg Bond (TR)	0.29	1.48	0.12	3.73	4.93
MSCI EAFE (TR)	-2.31	-4.03	11.93	5.87	13.84

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.

Enough? – The maximum Social Security retirement benefit that can be received by an individual reaching full retirement age in the year 2014 (i.e., at age 66) is \$2,642 a month (source: Social Security Administration, BTN Research).

No Change? – Medicare is in its 50th year in 2014, having begun in 1965. The age of eligibility for Medicare was 65 in 1965 and remains at age 65 in 2014. Life expectancy has increased by 8.4 years over the 50-year period (source: Medicare, Centers for Disease Control, BTN Research).

Crazy Increase – Annual tuition and fees at an average four-year private college have increased 491 percent in the past 30 years, more than three and a half times larger than the Consumer Price Index increase of 133 percent over the same period (source: College Board, Department of Labor, BTN Research).

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Page 2 of 2

WEEKLY FOCUS – Reviewing The Big Game

Prior to yesterday's Super Bowl XLVIII, the favored team had won 33 of 47 games, i.e., 70 percent of the time. While the Denver Broncos were two point favorites in yesterday's football game, they ultimately lost the Super Bowl title to the Seattle Seahawks, 43-8.

Whether you bet on the comfort of the fan favorite or faithfully hope for the underdog team to pull through, it is impossible to foresee every potential threat to your game plan. Just like the coaches and the players, however, you can still strategize for them. By focusing on your credit and cash reserves, you can build a strong financial defense to tackle unexpected events on life's playing field.

Credit: If you haven't done so in the past 12 months, request your credit report. You get one free each year. Read through it for errors and suspicious activity that might indicate potential identity theft. Not scoring as high as you'd like? Review your accounts and credit limits, and consider closing credit cards, starting with the ones with the highest interest rates or annual fees. You can request lower credit limits on the others.

Cash Reserves: Do you need to make home repairs or improvements? Will you be paying tuition or fees for children's or grandchildren's education and activities this fall? Is there a charity event coming up to which you'd like to make a good-sized donation? How much cash are you going to need for these kinds of items in the next six months? Plan now how you'll fund those needs while still maintaining an emergency fund for needs that emerge that you *aren't* expecting.

Taking stock of your performance in your financial game can help ensure you have the ability to tackle anything life throws your way. Call our office for a review to make sure your playbook is diversified enough to take on even the strongest offensive lines.



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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#810577