WEEKLY MARKET COMMENTARY

For the Week of April 27, 2015

THE MARKETS

Investor optimism caused equity markets to climb to record highs Friday, thanks to solid corporate earnings and an all-time peak for the NASDAQ stock index. The S&P also achieved a new closing high. For the week, the Dow rose 1.45 percent to close at 18,080.14. The S&P gained 1.77 percent to finish at 2,117.69 and the NASDAQ climbed 3.25 percent to end the week at 5,092.08.

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Returns Through 04/24/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.45	2.13	12.12	14.42	12.90
NASDAQ Composite (PR)	3.25	7.52	22.75	19.80	15.01
S&P 500 (TR)	1.77	3.47	15.04	18.06	14.10
Barclays US Agg Bond (TR)	-0.24	1.85	5.32	2.87	4.38
MSCI EAFE (TR)	2.03	9.84	2.90	12.04	7.15

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.

Almost Seven Years — The nation's unemployment rate of 5.5 percent in March 2015 was the lowest in the country since May 2008 (source: Department of Labor, BTN Research).

Don't Forget — A 65-year old couple retiring in 2014 will need an estimated $220,000 (present value amount stated in 2014 dollars) to pay out-of-pocket health care costs during their retirement years. The $220,000 total assumes the couple qualifies for Medicare but does not require nursing home care (source: Fidelity, BTN Research).

Not Debt Free — Forty-two percent of U.S. households headed by an individual between the ages of 65-74 are still paying off a home mortgage (source: Federal Reserve 2013 Survey of Consumer Finances, BTN Research).

WEEKLY FOCUS – Investing for the Future: Understanding Asset Allocation

Saving on your own is important, but it can take much longer to save for retirement if you don't include investments as part of your strategy. Investing has the potential to compound your savings and provide larger returns, putting more money in your pocket in the future than if you saved in a traditional money market fund or savings account. And while there is risk involved with investing, approaching the process with guidance and understanding of products available will help you determine the amount of risk you are willing to take.

"Don't put all your eggs in one basket." We've all heard the saying, but this advice is extra important when it comes to investing. Historically, asset classes typically perform differently under the same market conditions. By diversifying your investments among the various asset classes, you may be able to reduce the overall volatility in your portfolio.

Asset allocation – how you distribute your investments among various asset classes – is important because it allows you to diversify risk, and thus more efficiently manage your portfolio. Unfortunately, a 2014 UBS Financial Services survey found that many Americans are still holding a lot of cash in portfolios and not in stocks. This is especially true of younger investors – who traditionally have had higher risk tolerances.

Starter portfolios are often divided into thirds – 1/3 stocks, 1/3 bonds and 1/3 cash and cash equivalents. More advanced portfolios – and those with greater risk tolerance – will often allocate more for stocks as stocks historically have the highest returns among the three major asset categories. Bonds offer more modest returns but are also generally less volatile. But the study found those age 36 and over currently average portfolios with 46 percent in stocks and 23 percent in cash – the remainder in bonds – while millennials have only 27 percent in stocks and 50 percent in cash.

There is no one-size-fits-all asset allocation solution. Key personal factors such as your risk tolerance, time-frame, liquidity and income needs, return expectations and tax situation must all be addressed as part of the process. Your asset allocation strategy should be to build an efficient portfolio of investments that will potentially meet your growth and risk parameters.

Determining your asset allocation strategy is a challenging but crucial step in developing an investment portfolio designed to help you achieve your financial goals. We can help you make sure you don't have all your eggs, or too many of your eggs, in the same basket.

WEALTH HAPPENS.

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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# 1183401.1