

WEEKLY MARKET COMMENTARY

For the Week of July 6, 2015

THE MARKETS

U.S. stocks fell slightly Thursday ahead of Greece's referendum on Europe's latest bailout offer. June's slower jobs report weakened expectations that the Federal Reserve will increase interest rates in September. The markets were closed Friday due to the Independence Day holiday. For the week, the Dow fell 0.84 percent to close at 17,730.11. The S&P lost 1.16 percent to finish at 2,076.78, and the NASDAQ dropped 2.01 percent to end the week at 5,009.21.

Returns Through 07/02/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.84	0.71	6.96	14.05	15.77
NASDAQ Composite (PR)	-2.01	5.77	12.37	19.29	19.08
S&P 500 (TR)	-1.16	1.93	7.35	17.48	17.69
Barclays US Agg Bond (TR)	0.02	-0.31	2.16	1.64	3.32
MSCI EAFE (TR)	-0.36	5.88	-5.04	12.38	8.58

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.

Reversal of Fortunes — The number of properties repossessed by lenders is reported monthly. The 24,305 homes reclaimed by banks in February 2015 was the 27th consecutive month in which foreclosures nationwide decreased on an annual basis, i.e., comparing a month's total to the total from the same month a year earlier. Since then, an average of 42,070 monthly foreclosures has occurred, resulting in three consecutive months (March-April-May) of year-over-year increases (source: RealtyTrac, BTN Research).

The Home Stretch — The S&P 500 has closed at its calendar year high in the second half of the year (i.e., during the six months of July-December) 74 percent of the time since 1950. In eight of the last 12 years, the index's calendar year high has occurred during the month of December (source: BTN Research).

Borrowing for College — Twenty-three percent of American adults have outstanding student loan debt. The loans were either taken out for their own college education, for their spouse's college education or for the schooling of a child or grandchild (source: Federal Reserve, BTN Research).

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WEEKLY FOCUS – Shared-Care Insurance for Couples Gaining Popularity

With long-term care insurance premiums becoming more and more costly, a growing number of married couples are turning to shared benefit riders to extend their potential coverage without dramatically increasing their costs.

There are two basic types of plans. The first creates a separate, independent pool of money each spouse can use as needed, but it does not allow either partner to use funds from the other's policy. In the second, more common arrangement, the policies are combined into a pool either can use. This allows couples to hedge their bets based on the unlikelihood that both spouses will require extended, long-term care.

In the latter scenario, couples take out separate, identical plans with an option that allows each spouse to become a "rider" on their partner's plan. If one partner exhausts their coverage, he or she can utilize the other spouse's benefits. Choosing the option involves an added charge, typically 10 to 15 percent, resulting in a total that is still markedly less than both spouses buying higher levels of protection.

Here's how it works. Suppose each person individually has three years of benefits; they gain a pool of six years of coverage they can share. If a husband needs four years of care, his wife still has two years available for her use. If the reverse occurs, and a wife dies without using any of her coverage, her full benefits will typically be passed on to her surviving husband.

On the other hand, if a wife has a stroke or develops Alzheimer's and requires extended, long-term care, she may use both persons' total combined benefits. However, some policies have an extra provision to protect a spouse whose policy has been depleted by their partner, guaranteeing at least 50 percent of their original pool of money.

Shared care options vary from one company to another, so it's important to review policies thoroughly. Our office can help you decide if shared-care benefits are a good choice for your situation.



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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# 1240847.1