

WEEKLY MARKET COMMENTARY

For the Week of Oct. 14, 2013

THE MARKETS

Most U.S. markets continued to rise Friday on hopes that lawmakers were nearing a deal to avert a U.S. debt default. On Thursday, U.S. stocks saw their biggest rally since the first trading day of the year, with the major indexes increasing more than 2 percent. For the week, the Dow rose 1.13 percent to close at 15,237.11. The S&P gained 0.81 percent to finish at 1,703.20 and the NASDAQ fell 0.42 percent to end the week at 3,791.87.

Returns Through 10/11/13	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.13	18.56	17.36	14.43	15.72
NASDAQ Composite (PR)	-0.42	25.58	24.35	16.43	18.11
S&P 500 (TR)	0.81	21.44	21.53	15.96	16.19
Barclays US Agg Bond (TR)	0.02	-1.93	-1.80	2.63	5.69
MSCI EAFE (TR)	0.63	16.78	24.18	7.52	11.92

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.

Out Of Work – The national unemployment rate in the U.S. was 7.3 percent at the end of August 2013, the lowest unemployment rate reported by the government since December 2008. The 11.3 million out-of-work Americans is also the lowest total reported since December 2008 and is down 890,000 since the beginning of calendar year 2013 (source: Department of Labor, BTN Research).

In Stocks – The average 401(k) participant had 61 percent of his or her retirement dollars invested in the stock market as of Dec. 31, 2011 (source: Employee Benefit Research Institute, BTN Research).

How Long? – The current partial government shutdown is the 12th such slowdown since 1980 (past 33 years). Of the previous 11, the first nine (occurring between late 1981 and late 1990) all lasted three days or less. Only the 10th slowdown (starting in November 1995 and lasting five days) and the 11th slowdown (starting in December 1995 and lasting 21 days) were longer in duration (source: Congress, BTN Research).

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WEEKLY FOCUS – Medicare Part D Annual Open Enrollment

A couple, both age 65, retiring today will spend, according to Fidelity Investments' 2013 survey, approximately \$220,000 on health care during their retirement years – and that doesn't include any assisted living or nursing care. While this year's figure represents an 8 percent decrease from last year's estimate of \$240,000, making the most of your health expense resources during retirement can make a significant difference in how long your retirement savings will last.

The annual open enrollment period for 2014 Medicare Part D begins Oct. 15 and will extend until Dec. 7. The open enrollment period changed in 2011 to move the deadline away from the holidays to allow for more time to make decisions.

During the enrollment period, Medicare recipients can add, drop or change their prescription drug coverage (Part D). According to Medicare Today, anyone eligible for Medicare Part A (whether actually enrolled or not), or who is currently enrolled in Medicare Part B, may join Medicare Part D for help paying prescription drug costs. Your eligibility is not dependent on your income, health status or current prescription expenses. Although enrollment in Medicare Part D is voluntary, if a beneficiary does not sign up when first eligible and decides to enroll later, a penalty fee may apply.

Medicare Part D participants can choose between joining a Medicare prescription drug plan (PDP) through a Medicare-approved private company or joining a Medicare Health Plan, such as Medicare Advantage, that includes prescription drug coverage. If you are already enrolled in Part D, you can switch your plan during the enrollment period. For those using a PDP, changing plans has no impact on the doctors you see. With a Health Plan, however, you may be limited to the doctors within the particular plan's group. That hurdle often discourages participants from changing plans, but if premium costs are a concern, participants would do well to investigate their options.

The Medicare Plan Finder can help you determine if you would benefit from switching plans. You will find this tool and many others at www.Medicare.gov. If you have questions or need additional help in determining how health care costs may impact your retirement, please call our office. We're here to help!



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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#746621