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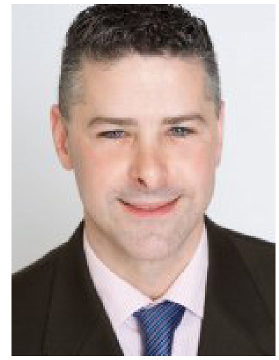


AUGUST 2015

Market Update

(all values as of 07.31.2015)

Stock Indices:	
Dow Jones	17,689
S&P 500	2,103
Nasdaq	5,128
Bond Sector Yields:	
2 Yr Treasury	0.67%
10 Yr Treasury	2.20%
10 Yr Municipal	2.31%
High Yield	6.96%
YTD Market Returns:	
Dow Jones	-0.75%
S&P 500	2.18%
Nasdaq	8.28%
MSCI-EAFE	5.91%
MSCI-Europe	5.03%
MSCI-Pacific	7.38%
MSCI-Emg Mkt	-5.71%
US Agg Bond	0.59%
US Corp Bond	-0.25%
US Gov't Bond	0.42%
Commodity Prices:	
Gold	1,094
Silver	14.76
Oil (WTI)	48.52
Currencies:	
Dollar / Euro	1.09
Dollar / Pound	1.56
Yen / Dollar	124.19
Dollar / Canadian	.77

Current Environment - Macro Overview

As the threat of a Greek exit from the euro faded, markets once again turned their attention to global growth and economic indicators.

Greece was able to secure an 86 billion euro bailout deal after laborious negotiations with European creditors. Euro-zone leaders agreed to grant Greece a three-year bailout in exchange for stiffer austerity measures. Given the precarious finances of Greece, many believe that this bailout will be short lived and evolve into other issues in time to come.

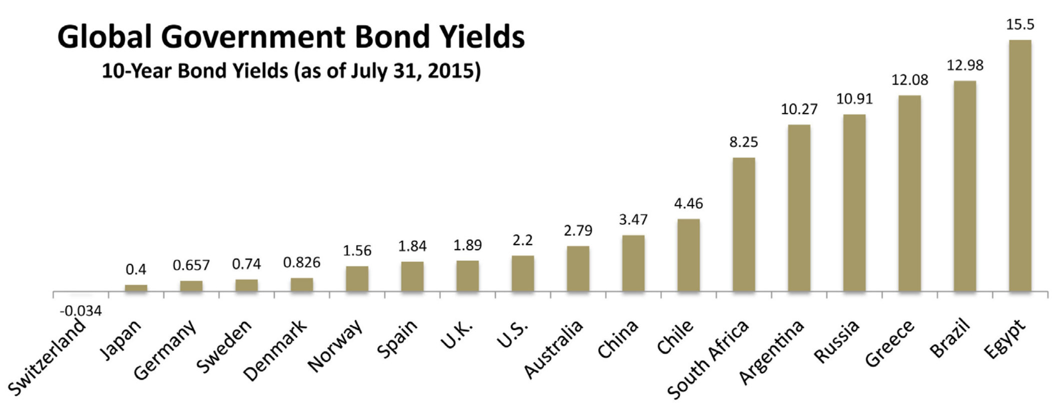
The imposition of austerity measures has become extremely unpopular with Greek citizens, leading to rampant demonstrations throughout the country. Part of the measures include higher taxes, cuts in pension benefits, as well as the creation of a €50 billion Greek asset fund intended as an emergency buffer.

The onslaught of lower commodity prices coupled with a strengthening dollar is starting to ease some inflationary concerns for U.S. consumers. Historically, as commodities have dropped in price and the U.S. dollar has risen, imports have become less expensive for American consumers.

The Federal Reserve inadvertently published projections for their Federal Funds policy this past month. The projections were meant for release at a later date. The estimates showed the Federal Funds rate to average 0.35% in the fourth quarter, meaning that the Fed would need to increase the key Fed Funds rate by at least 0.25% before the fourth quarter. Coincidently, market analysts have been eyeing September as the month for a Fed rate hike.

As Europe and China struggle with slowing economic growth, the U.S. is showing incremental progress consistent with the Federal Reserve's view. The Commerce Department reported in July that Gross domestic product (GDP), a measure for economic progress, rose at a 2.3 percent annualized rate, exhibiting gradual yet steady growth.

Sources: Federal Reserve, U.S. Commerce Department, EuroStat



Developed Economy Equities Outperformed Emerging Economy Equities In July

Equity Overview - Domestic Equity Markets

Quarterly earnings reported in July were mixed, as some companies posted stronger than expected results while others reported disappointing results.

With many companies at or nearing maximum profit margin levels, more and more emphasis is being applied to revenue growth, which essentially comes from successful new products & services, economic growth, and increased market share. This is where equity analysts are starting to identify the strength of management and how well (or poorly) various strategies are performing.

A resurgence of M&A activity and spin-offs has led to companies seeking more efficiency and higher operating profits. According to S&P Capital IQ, there has been over $265 billion in M&A transactions from January 1st through July 30th, one of the best years on record for such activity.

Many analysts believe that the combination of a slowly growing economy, combined with tepid inflation and a Fed that will take time in rising rates, could actually be accommodating to the U.S. equity markets.

Sources: S&P, Reuters, Federal Reserve

International Update - International Equity Markets

Chinese equity markets sold off in July as China saw stocks drop over 25% from their highs set in mid-June. The Chinese government has unsuccessfully tried to stem the fall in stock prices by injecting liquidity and imposing trading restrictions.

While European equities stabilized after Greece reached a tentative agreement with its creditors, emerging market economy equities fell as commodity prices continued their descent throughout July.

Growing political uncertainty in Brazil and slowing economic growth spurned credit rating agencies to downgrade Brazil's credit rating. S&P, Moody's, and Fitch have all lowered their ratings for the country, which has enjoyed an elevated investment grade status for the past few years. The country's debt rating now stands just above junk status, as its growth prospects along with its political woes hinder any growth prospects. Market analysts are observing which, if any, other countries in the South American region might also relapse into currency despair.

China, whose recent economic growth has stalled, is affecting other emerging market economics dependant on selling China commodities. Brazil has been a large agricultural and metals exporter to China for years, adding duress to Brazil's economy.

Sources: Bloomberg, Reuters, Eurostat

Bond Market Adjusts - Fixed Income & Interest Rate Update

Rates held somewhat steady throughout July as the anticipation of rising rates was absorbed into the markets without any sudden surprises.

The Treasury yield curve flattened, with short-term rates rising and long-term rates falling, indicative signs of a less accommodative monetary policy.

With near zero interest rates throughout much of the world economies, the effect of monetary policy is increasingly being felt through currencies.

A growing sensitivity to liquidity concerns among government bond markets is driving some institutions to corporate bonds, where liquidity is less of a issue. The fear now is that sovereign government bonds might become difficult to sell during times of distress.

As positive M&A activity is for the equity markets, it is not as welcome for the bond market. When companies announce deals, they usually borrow money (sell bonds) in order to do the deals. This tends to place additional credit (bonds) into the market, thus increasing supply. New credit can also lower the credit rating for companies, akin to taking out credit and lowering one's FICO score. Plenty of large and small companies are rushing to borrow money (sell bonds) before rates rise, resulting in more expensive borrowing. The busiest sectors this year for M&A activity have been healthcare technology, oil and telecom.

Sources: Bloomberg, Reuters

The No RMD Benefit Of ROTH IRAs - Estate Planning

When IRAs were first created in 1974, the idea was to provide tax payers a chance to save for retirement and have taxable earnings deferred until later years. The introduction of the ROTH IRA (funded with after tax dollars) allows for tax deferred earnings but with no taxes paid on distributions.

Another benefit for ROTH IRAs not recognized by savers until retirement is the fact that ROTHs are not subject to RMDs (required minimum distributions). Traditional IRAs, in addition to SEPs, SAR SEPs, and 401ks, are subject to RMDs at age 70 ½. The problem is that many investors end up amassing large amounts of money in their IRAs, only to be taxed on mandatory distributions when they least need it. Thus, ROTH IRAs have become more of an estate planning tool for many investors as a means of minimizing tax liabilities at age 70 ½ and beyond.

The idea for some investors as they head into their late 60s is to start converting a portion of their Traditional IRAs to ROTH IRAs in order to have less RMDs applicable once age 70 ½ is reached. This is especially key if you don't think you'll be needing that additional income "having" to come out of the Traditional IRAs. You're better off paying some tax to convert a Traditional IRA to a ROTH rather than paying taxes each year based on escalating minimums after 70 ½.

Source: IRS

7 States Impose No State Income Tax

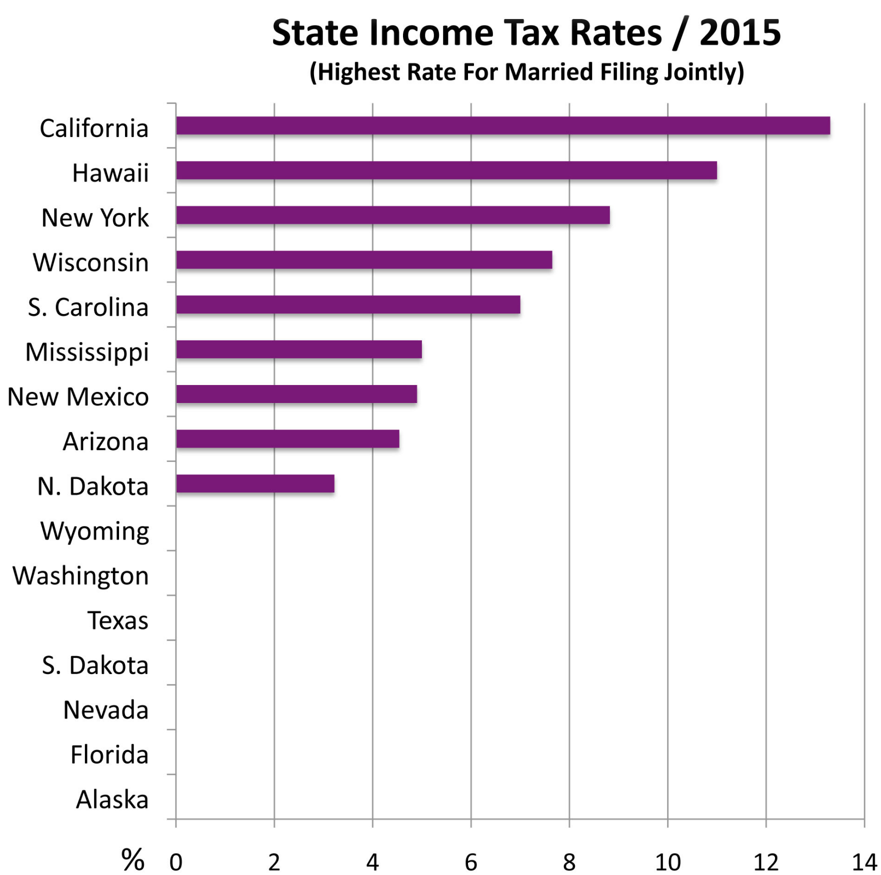
State Income Tax Rates - Tax Planning

Individual state income taxes are a major source of revenue for states, accounting for nearly 35% of state tax collections nationwide. Forty-three states currently impose a state income tax, in addition to a Federal income tax, with only seven states imposing no state tax at all.

As state and municipal finances have experienced unforeseen fiscal duress, many states have levied and plan to levy higher tax rates on their residents. The non-partisan, non-profit Tax Foundation founded in 1937 provides unbiased research and data on taxes imposed throughout the United States.

Individual state income tax rates not only affect individuals but also affect companies. As companies grow and hire staff for new locations, state tax rates can deter some companies from hiring in higher rate states. Some companies can pay less since an employee's take-home pay might be higher should there be no state income tax.

Retirees also consider state tax rates when planning for retirement and reducing expenses. It's no surprise that the seven states that have no state income tax are also popular living destinations for retirees.



Source: Tax Foundation