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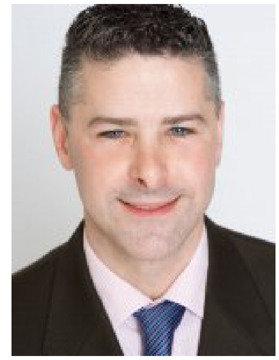


APRIL 2015

Market Update

(all values as of 03.31.2015)

Stock Indices:

Dow Jones	17,776
S&P 500	2,067
Nasdaq	4,900

Bond Sector Yields:

2 Yr Treasury	0.56%
10 Yr Treasury	1.94%
10 Yr Municipal	1.98%
High Yield	6.27%

YTD Market Returns:

Dow Jones	-0.26%
S&P 500	0.44%
Nasdaq	3.48%
MSCI-EAFE	4.19%
MSCI-Europe	2.85%
MSCI-Pacific	6.76%
MSCI-Emg Mkt	1.91%
US Agg Bond	1.61%
US Corp Bond	2.32%
US Gov't Bond	1.84%

Commodity Prices:

Gold	1,183
Silver	16.51
Oil (WTI)	48.68

Currencies:

Dollar / Euro	1.08
Dollar / Pound	1.48
Yen / Dollar	119.63
Dollar / Canadian	.79

Current Environment - Macro Overview

The first quarter of 2015 saw increased volatility as a preoccupation prevailed with weak oil prices, feeble economic growth, and a strong dollar affecting U.S. corporate earnings.

With U.S. companies generating over 50% of their revenues from overseas, some market observers believe that the Fed may have a twofold initiative in maintaining low rates and reining in the value of the dollar to levels that would hinder U.S. multi-nationals less. As the dollar has strengthened, U.S. products have become more expensive and less competitive internationally, shifting some customers to purchase foreign products for the time being.

Greece's fiscal complications are approaching deadlines as the country owes the International Monetary Fund (IMF) a 450 million euro payment on April 9th, and a 1.4 billion euro payment to government bond holders in mid-April. Without a fresh injection of cash, the Greek government has threatened to default on its loans to the IMF. No country has ever officially defaulted to the IMF in its 70-year history and only a few countries have deferred repayment, including Sudan, Zimbabwe and Somalia.

European financial markets skirted deflationary threats in the first quarter as equity indices in the region rose and bond prices elevated when the European Central Bank (ECB) began its bond buying program in March.

Research released by Moody's in March revealed that the number of personal bankruptcy filings fell below 1 million last year for the first time since 2007 and are now lower than they've been since the 1990's. Contributing to fewer bankruptcies are less debt held by consumers and lower unemployment rates.

Sources: Fed, SEC, Moody's, S&P

Equity Overview - Domestic Equity Markets

Major stock market indices ended the first quarter of 2015 rather flat, with the S&P 500 up 0.44%, the Dow Jones Average down 0.26%, and the technology heavy Nasdaq up 3.48%. The Nasdaq reached 5000 for the first time since March 2000, outperforming its larger cap counterparts for the first quarter.

The Fed may have indirectly helped mitigate a market decline in stocks and bond prices when it suggested that it might wait longer before raising rates. A slowly improving labor market and a minimal inflation rate has prompted the Fed to consider a longer stance on low rates.

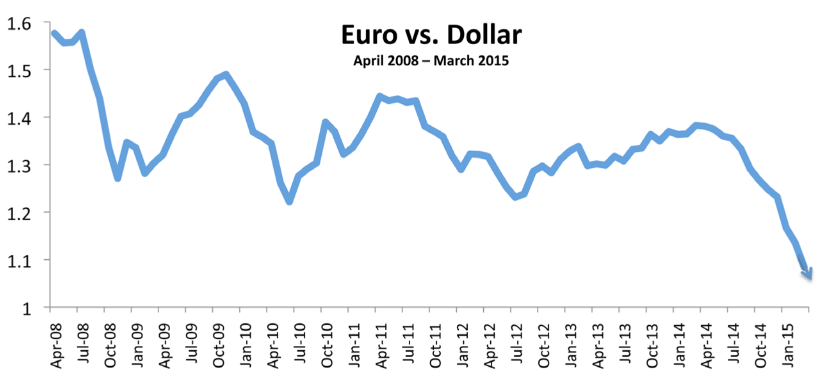
The pace of stock buybacks has dramatically decelerated so far this year as companies start to find better uses for idle capital. Some analysts view this as an optimistic signal for continued capital growth among companies.

Sources: S&P, Dow Jones, Reuters, Fed

The Euro Has Retracted Over 30% From Its High Of 1.57 In April 2008

What The Big Drop In The Euro Means For Europe - Currency Overview

Since reaching an all-time high of 1.57 euros to the dollar in April 2008, the euro has retracted over 30%, as it now nears parity (1:1) with the U.S. dollar. A weak euro may be welcome to tourists visiting Europe and European exporters, yet prohibitive for European consumers.



The single biggest benefactor of a devalued euro is Germany, the leading manufacturer and exporter in Europe, i.e., German cars, tools, machines, and medical devices. Alongside Germany, but not nearly as large, are Italian, French, and Spanish manufacturers, all experiencing growing exports as a result of a weak euro.

As European exports become less expensive and more competitive worldwide, they build market share in countries where they may already have exposure, such as in the U.S. They can also penetrate emerging markets, such as Asia, India, and the Middle East, where an insatiable appetite exists for European products. Conversely, a weaker euro will hinder European consumers as prices for imported goods rise because the euro now buys 30% less than it did a year ago. This dynamic leads to inflationary pressures for consumers, which eventually may limit their buying potential.

The big challenge for European leaders and the ECB is the persistent unemployment that exists throughout the eurozone. One out of every ten individuals is without a job, creating rifts between older pension beneficiaries and younger people looking for jobs. Over 50% of those under 25 years of age in Spain and Greece are unemployed, while recipients of pension benefits in these countries continue to grow. The ECB hopes to stimulate employment by making European-made products more competitive internationally, leading to increased demand for workers throughout Europe.

Sources: Eurostat, Bloomberg, Reuters

Bond Markets - Global Fixed Income Review

Comments by the Fed suggesting that rates would stay low for a continued period of time realigned the currency markets as the dollar fell against most major currencies in late March. The drop in the dollar was parallel to the drop in the 10-year U.S. Treasury, which fell below 2% from levels above 2.2% in early March.

Prices for government bonds in Europe received a boost from the Federal Reserve's announcement in March that it was in no hurry to raise rates in the United States. Countries across Europe are taking advantage of the ultra low rate environment by issuing debt and locking in low rates for years. Armenia issued 10-year bonds at roughly a 7.5% yield and Slovenia sold over €1 billion worth of bonds due in twenty years with a 1.55% yield.

Many in the financial industry attribute a decreasing amount of buyers and sellers of debt instruments (bonds) to new and stringent regulations discouraging banks from holding and trading such instruments. Prior to the recent regulations, banks were a vital source of liquidity to the bond markets.

Sources: Bloomberg, Eurostat, Federal Reserve

The Average Household Will Spend $1,962 On Gasoline In 2015

"Die Rich By Living Poor Or Die Poor By Living Rich" - Estate Planning

A remarkable story of a gentleman who passed away in March at the age of 92, with an estate worth nearly $8 million, stunned his friends and everyone who knew him. The gentleman had amassed a small fortune during his lifetime by investing in quality companies and living an extremely frugal lifestyle. What was truly amazing was the fact that he earned a minimal salary during his entire career, working as a maintenance worker, janitor, and gas station attendant.

The question many had was, what if he had spent some of his money and enjoyed it during his lifetime, rather than saving it and leaving nearly all of it unspent.

The challenge for many individuals is the task of being both an investor and a saver, where a delicate balance of the two lies in careful planning and goal setting.

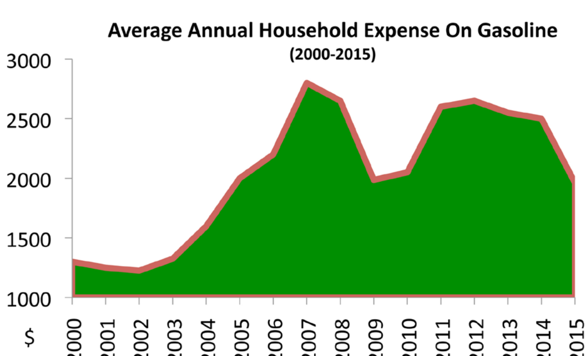
For many, identifying short-term and long-term objectives are simple and straightforward. Such objectives include saving for college, retirement, and buying a house, each with specific timelines attached. But for others, goals can be difficult to establish, with uncertain marital issues, kids that may or not go to college, loss of a job, and ill health.

The two variables of how much one saves, and how well (or not) one invests can determine the outcome of one's remaining years. So the importance of having objectives and maintaining a careful oversight of how much to save and tracking investments is critical to knowing where you'll end up.

Source: Reuters

Households Spending The Least On Gasoline In 11 Years - Consumer Economics

This past quarter, the EIA released estimates showing that the average U.S. household is expected to spend about $550 less on gasoline in 2015 compared with 2014, as annual motor fuel expenditures are on track to fall to their lowest level in 11 years. Lower fuel expenditures are attributable to a combination of falling retail gasoline prices and more fuel-efficient cars and trucks that reduce the number of gallons used.



Household gasoline costs are forecast to average $1,962 in 2015, assuming that EIA's price forecast is accurate. Should the forecast be realized, gasoline in 2015 would be below $2,000 for the first time since 2009, according to EIA's December 2014 Short-Term Energy Outlook (STEO).

Increases in fuel economy are also contributing to lower fuel expenditures, as cars and trucks are more efficient and travel farther on a gallon of gasoline. According to the Environmental Protection Agency, the production-weighted fuel economy of cars has increased from 23.1 miles per gallon for 2005 cars to almost 28 mpg for 2014 cars, an increase of over 20%. Similarly, the fuel economy for trucks has increased 19%, from 16.9 mpg to 20.1 mpg in the same timeframe.

Sources: EIA, Commerce Dept., BLS, EPA

THE U.S. DOLLAR ACCOUNTS FOR NEARLY 50% OF ALL GLOBAL TRANSACTIONS

China's Latest Attempt To Dislodge The U.S. Dollar - International Diplomacy

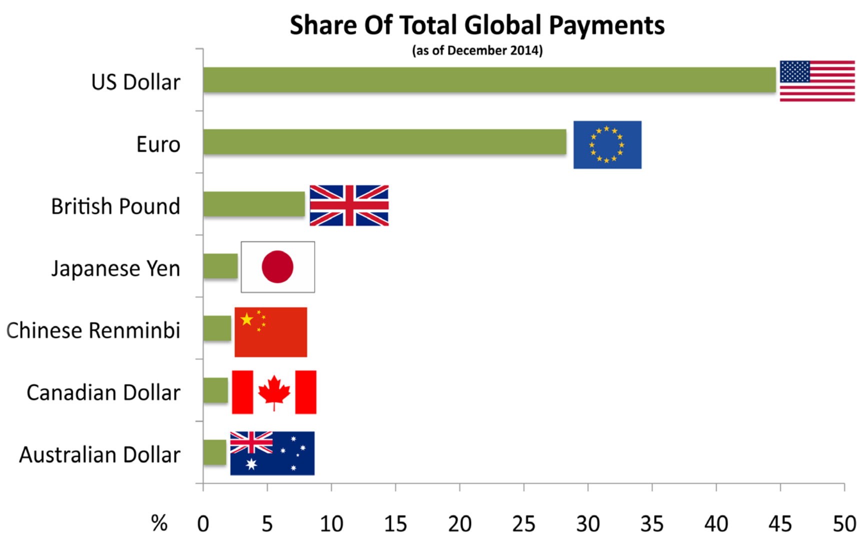
For decades the World Bank and the IMF have been sources of loans and capital developmental programs for developing and emerging countries. These two entities were created for the purpose of channeling funds to countries void of the resources or ability to raise their own funds as larger developed countries are able to.

Both the World Bank and the IMF are Western-backed institutions that have drawn criticism from non-Western countries because of their reliance and sole involvement with the U.S. dollar.

Over the past few months, China has spearheaded various international initiatives in order to bypass Western-backed funding sources for emerging markets. These include The BRICS, New Development Bank (NDB), the Silk Road, and more recently the Asian Infrastructure Investment Bank (AIIB). China's pursuit of these new funding entities solidifies Beijing's influence in providing developmental funding and new sources of financing for emerging countries that otherwise would solely be reliant on the World Bank and the IMF.

Broad criticism and doubt have been shed on the newly introduced AIIB, as the United States and other Western economies have shunned the initiative. Since the formal establishment of the AIIB in October 2014, over 30 countries have announced their intention to join the AIIB as founding members. Creating an intensive environment as the U.S. shunned the AIIB, several Western countries also announced their intentions to join the AIIB as well. The U.S. has yet to join or announce any intentions of joining the AIIB, yet the U.S will eventually yield and have to join for diplomacy purposes.

The structure of such an organization as the AIIB is one where founding country members make initial contributions to fund the entity. China is expected to provide up to $50 billion of the initial capital funding, with another 23 countries already committed to additional funding. The AIIB is due to become operational by the end of 2015, allowing it to then start its loan process with emerging countries worldwide.



The U.S. has been lobbying against the AIIB, as the U.S. believes that it would lose some of its ability to mould international economic rules and policies. A deep-seated concern, however, is the acceptance of and the reliance on the U.S. dollar, as China has been losing its reliance on the U.S. dollar and is expected to eventually introduce a basket of currencies for AIIB loans, rather than using dollars.

Sources: Bank for International Settlements, World Bank, IMF