Foresight
Capital Management Advisors, Inc.

**Newsletter 1Q 2015 and Market Summary**

***FCMA's Model Portfolios have YTD positive earnings averaging:***
***Conservative Model +2.28%, Moderate Model +2.40%, and Aggressive Model +2.62%.***
***All ahead of the S&P 500 YTD which is +.21%!***

***IRS Contribution Limits rise for 2015! $18,000 deferral max and for 50+ $24,000 deferral.***

***Foresight is pleased to introduce:***

## *Our Newest Interns!*

***A New***
***Accredited Asset Management Specialist (AAMS)***
***Congratulations to Mark Forgiel!***

***Trent Strang-Olivet College***

***Corey Boller –EMU BBA***

***Foresight is officially registered as a large registered investment firm with the SEC. Our assets under management are now $118,000,000. We thank all of our clients for helping us to reach this national goal as a firm! In May Foresight will be sending 4 professionals to attend the Berkshire Hathaway 50th Year Annual Meeting. Foresight clients hold about $500k in Warren Buffet's coveted Berkshire stock and we will trek to Omaha, NE to hear his insights into the economy and world market. Stay tuned for our 3Q newsletter for the update!***

***Recently Foresight launched an Exit Planning Newsletter. This newsletter features topics on business succession planning and retirement planning we can assist you with. If you would like to be added to this newsletter list or know someone who would be interested in receiving the information please contact us at consultant@fcmadvisors.net. Did you know about 75% of all businesses do not have a succession plan?***


FCMA Model Returns
March 31, 2015 YTD

| | |
|---|---|
| Conservative Model | + 2.28% |
| Moderate Model | + 2.40% |
| Aggressive Model | + 2.62% |
| Indexes: | |
| S&P 500 Index | + 0.21% |
| MSCI EAFE Foreign | + 4.19% |
| 10Yr T-Bond Index | - 0.23% |

Future performance is not guaranteed; above returns are 2pt actual averages


## *Foresight's* Portfolio Strategies

The Foresight portfolios are off to nice start in 2015, but the market is choppy as reduced earnings forecasts and interest rate jitters have most uncertain what is to come. The "Goldilocks Economy" is poised to take the stage in 2015. This means it is not too hot or not too cold, but just right for sustained economic expansion with low inflation. The economy is considered in its mid-cycle phase and at this time technology and industrials should normally perform decently well as they did in 2014. Unemployment lowered to 5.5% in March, inflation is at 0% as of February 2015, and gas prices near 20 year lows this all means positives for the US consumer. We expect the Federal Reserve will raise interest rates sometime in 2015 and the dollar is likely to continue to strengthen against foreign currencies. An interesting fact pointed out by economist, Fritz Meyers, of Advisors4Advisors, is when the Fed Reserve first raises interest rates the market usually stutters and stocks lower, and then stocks lift off and begin to rise the remainder of the interest rate hikes! Meyers reiterates that recessions only happen when the yield curve is flat or inverted and this has been the case since WW1. He also believes GDP will likely hit 3% for 2015 and 2016 which is another indicator that the US economy is doing just fine. The US bond curve is very steep at its present time so we see the next recession not for several years to come. Europe has begun their first quantitative easing by buying bonds to stimulate their economy, and we expect European stocks to react to this money stimulus much like the US did in 2010. However, expect 2015 to be a more volatile year and we believe global diversification is still the best way to continue to invest and win in the long run.

This quarter Foresight added Europe to the mix of foreign holdings in your portfolios. We remain globally invested and we are cautiously optimistic that 2015 will be a decent year in the market despite the strong likelihood the Federal Reserve will raise interest rates later in 2015. For clients with stock portfolios we continue to have many stop-losses in place as a defensive measure to hold onto gains that have been earned in the stock holdings should the market decide to fall abruptly and few have kicked in with the start of earnings release for 1Q 2015. For the 2Q 2015 we have increased our holdings in financials, communication, health, and foreign, including Europe specifically. Foresight reduced our holdings in utilities, energy, and slightly in industrials. We are maintaining our overall portfolio strategies for 2015, and expect strong corporate earnings and a healthy US economy to continue into 2015. Remember the US is not too hot or not too cold, and continues to be just right at this point!

# Foresight Planning Ideas

**Did you Know?:** You can take a distribution from your 401(k) or 403(b) prior to age 59 ½ without a 10% penalty; if you have separated from service no earlier than age 55. Funds must be in a 401(k) or 403(b) and cannot be in an IRA. Additionally, if you retire and wish to begin normal distributions prior to 59 ½ then a 72-t calculation can be done to allow funds to be removed from your IRA without a 10% penalty as long as you have separated from service.

**New Website Calculators:** Foresight has rolled out a new upgraded website! It will has many enhanced financial calculators; real time stock quotes, and a library of great articles on many financial topics. Please check out www.fcmadvisors.net.

**New Health Savings Accounts-HSAs with Foresight at Schwab and TD Ameritrade:** . Coming soon you can open an HSA account with Foresight and choose to have the funds invested in our Conservative Mutual fund portfolio! If you have a High Deductible Health Plan then you can consider opening a HSA = Health Savings Account. The HSA will allow you to save in 2015 up to $3,350 for single and $6,650 for a family; if +55 then $4,350 for single and $7,650 for a family. The HSA savings are not subject to Federal Tax and will grow, much like a Roth IRA, with no tax due if used for all qualifying health expenses, note cannot be used to pay health insurance premiums. If you are interested in more information on this strategic investment idea for your healthcare savings please contact us. 2015 HDHP=minimum deductible for single $1,300 and family $2,600 and out of pocket maximum for single $6,450 and family is $12,900.

**Roth IRA Ideas** if interested in additional savings ideas consider opening a Non-deductible IRA. This will allow you to save the maximum in your 401(k) and also save an additional $5.5k in a Non-deductible IRA, and $6.5k if age 50+. Then convert the Non-deductible IRA to a Roth IRA! It is a way to obtain Roth IRA funds even if you are not able to save directly into a Roth IRA.

**Consider Covered Calls with Stock Portfolios:** We offer this strategy for personal investment strategies that have or would like a portfolio of stocks, and add a strategy that helps to reduce the risk and add additional income. This strategy works best in a slightly upward trending market or sideways market. If you are interested in obtaining more information regarding this strategy please email lstegenga@fcmadvisors.net and we will send you a write up on the Covered Call Strategy.

**New IRA One-Rollover-Rule-Per Year beginning 2015:** There are only two times this will impact anyone and they are when you actually take money out of your IRA and put it in a taxable account then decide within 60 days you want it put back into your IRA. The other is if you take money out of an IRA and put it into a taxable account then write a check to fund an IRA at another institution. It will be a rare case where this will actually impact anyone. The law was written to eliminate abuse in the IRA world where people were opening multiple IRAs and rolling monies between them every 60 days and actually living on the money without paying the Federal taxes for an IRA distribution.

**Auto-Enrollment and Auto-Increment Options for Retirement Plans:** Please consider adding both or one of these important options to your company's retirement plan. They allow every employee who is eligible to be automatically enrolled at the beginning of the year, and if Auto-increment is added the company can increase the savings of each employee by 1% each year. The employee has the ability to opt out of the "Auto", but history has shown few do. Therefore the company has accomplished something good for the employee by automatically setting up savings for their retirement! Please contact us if you are interested in pursuing these features. They are very inexpensive to amend and add to your current company plan. We recommend adding them by October 2014 to implement by January 2015.

**Target Date Funds-The Next Retirement Dilemma:** Foresight completed a white paper on Target Date Funds-The Next Retirement Dilemma. This is now published on a national website at fi360.com. It contains research related to TDFs and is quite eye-opening. Please email us at consultant@fcmadvisors.net if you would like a copy to read.

**Feeonlynetwork.com:** Foresight is now a published advisor on-line at www.feeonlynetwork.com. This is a website to locate fee-only advisors in your communities. Check it out and see a video from the AIF® national conference when Laurie was interviewed about our investment processes at Foresight!

**Foresight's New WebPortal Reporting:** Are you getting your quarterly reporting from us? If not please let us know so we can help you access it online through our web portal or send you a copy in the mail. We want our communication to be timely and beneficial to you. If you have any access issues please call or email us at 1-877-429-4690 or mgallagher@fcmadvisors.net. Soon we will be sending you a survey to get feedback on the use of the WebPortal.

**On-line Access** each year we encourage everyone to test your on-line access to your account(s) at the custodian or third party administrator for your plan. Please visit **Journeyrps.com** or **Noblepension.com** if a retirement participant. For individual clients at TD Ameritrade access **Advisorclient.com** for Schwab Institutional Clients access **Schwaballiance.com.** If you have any difficulty accessing your account, please email or contact us for assistance.

## Contribution Limits

| | 2014 | 2015 |
|---|---|---|
| 401(k), 403(b), or 457 deferral limit | $17,500 | $18,000 |
| 401(k), 403(b), or 457 max. deferral if age 50+ | $23,000 | $24,000 |
| Total Savings deferral, match, and profit sharing | $52,000 | $53,000 |
| IRA deferral limit | $5,500 | $5,500 |
| IRA maximum deferral if age 50+ | $6,500 | $6,500 |
| Simple IRA deferral limit | $12,000 | $12,500 |
| Simple IRA maximum deferral if age 50+ | $14,500 | $15,500 |
| SEP IRA deferral limit *(maximum not to exceed 25% of earnings)* | $52,000 | $53,000 |
| SEP IRA wage limit cap | $260,000 | $265,000 |
| Highly Compensated Employee wage limit | $115,000 | $120,000 |
| HSA –Health Savings Accounts | $3,300=single $6,550=family | $3,350=single $6,650 family |
| HSA –Health Savings Accounts 55+ | $4,300=single $7,550=family | $4,350=single $7,650 family |

# Quarterly Market Summary 1Q 2015


Stocks started 2015 by gyrating in January. After the price of oil plunged by 50% to less than $50 per barrel and settled there and employment data came in stronger than expected, stocks rallied in February.

By March, with stocks riding high, investors began to worry the economy was a little too good, and the Federal Reserve Bank might tighten credit sooner than expected, maybe as early as June.

The first quarter of 2015 was a time of commotion and emotion over the price of oil and the timing of the first hike in interest rates in many years.

Stocks, as measured by the Standard & Poor's 500, ended the quarter with a total gain of 1%.


In the 12 months ended March 31, 2015, the S&P 500 — a broad index of large U.S. stocks — posted a price gain of 10.4%, and a total return (including dividends) of 12.7%.

The S&P 500's long-term average annual total return has been approximately 10%, making this 12-month period exceptional by historical standards.

The 12 months ended March 31, 2015, also was unusual in that the stock market did not experience even a 10% correction.

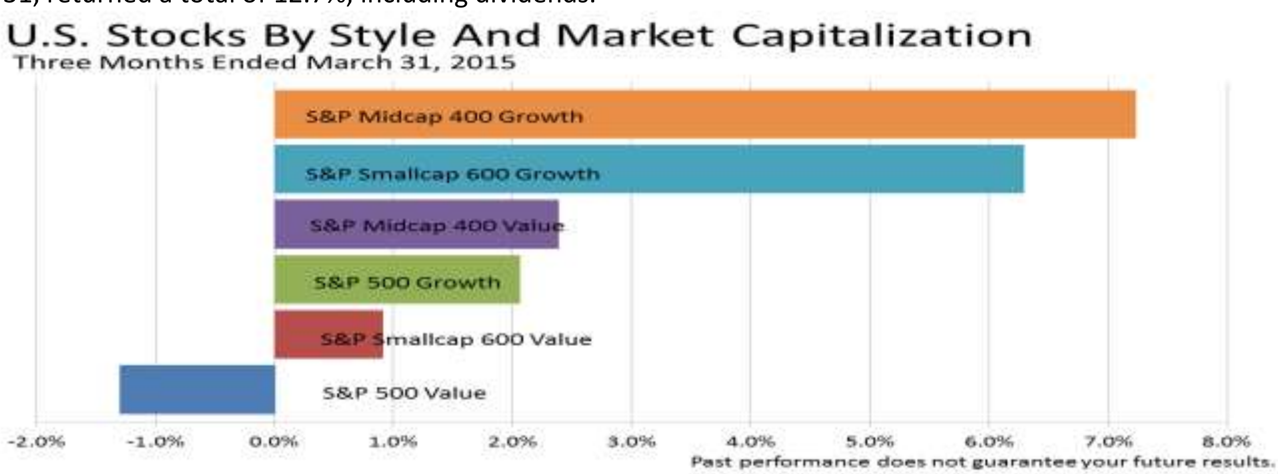
Most of the declines in stock prices during the period were associated with fear of the U.S. central bank terminating its monetary stimulus program.

The program, known as Quantitative Easing, ended gradually in the space of the 12-month period.

When the Federal Reserve would raise rates became the next big thing to worry about.

Over the course of the year ended March 31, 2015, a steady flow of strengthening economic data trumped all of these concerns.

Despite a 9.8% correction, the blue-chip companies of the United States, the S&P 500, over the course of the year ended March 31, returned a total of 12.7%, including dividends.




In the first quarter of 2015, small- and midcap stocks substantially outperformed large caps – continuing the previous quarter's trend.

Stocks regarded as growth investments outperformed value-style issues.

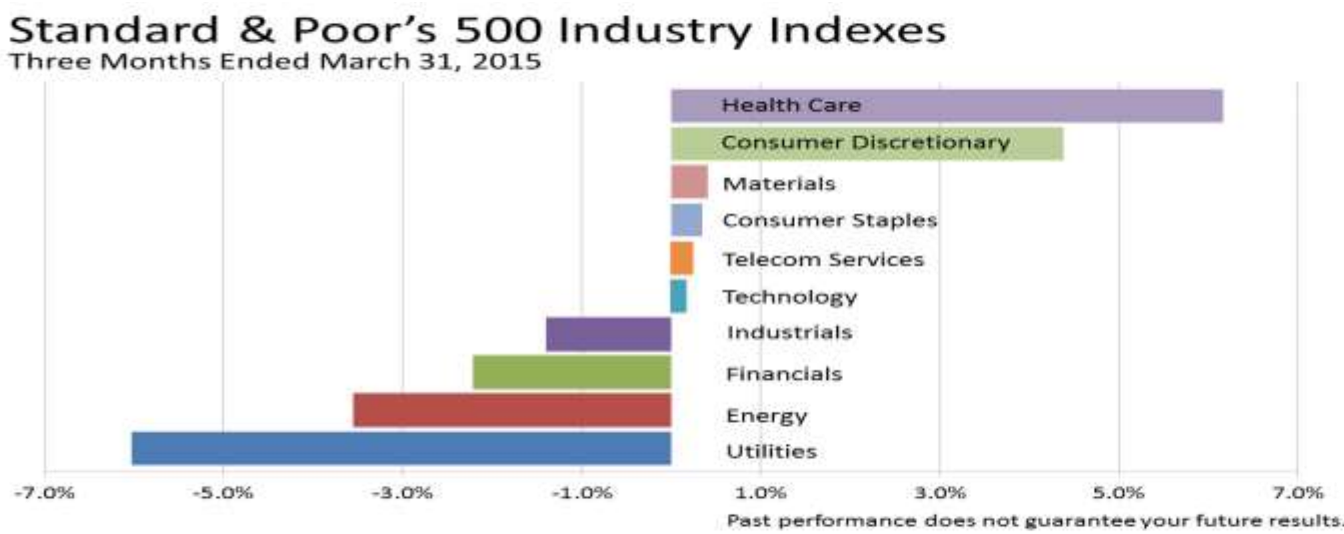

Among the major foreign stock market indices, for the three months ended March 31, 2015, Europe was a standout.

Having significantly lagged the U.S. in 2014, Europe's economic growth forecast was revised fractionally higher during the quarter and Eurozone stocks appreciated 18.4%.

In the first quarter of 2015, all of the major regional foreign market indices beat the performance of the U.S. S&P 500 stock index, which all lagged the U.S. stock market last year.

For the S&P 500's part, following its well-above-average return in 2014 of 13.7%, the index of America's largest companies took a well-deserved rest in the first quarter of 2015.

Economic data and the outlook continued to look healthy and the outlook for U.S. economic fundamentals — the factors that drive stock prices — remained bright.




This bar chart shows the wide range of returns across the S&P 500's 10 industry sectors for the three-month period that ended March 31, 2015.

The randomness of the performance of the different industries is pretty remarkable.

Utilities, the leading sector of 2014, were the poorest performing industry group in the first quarter of 2015.

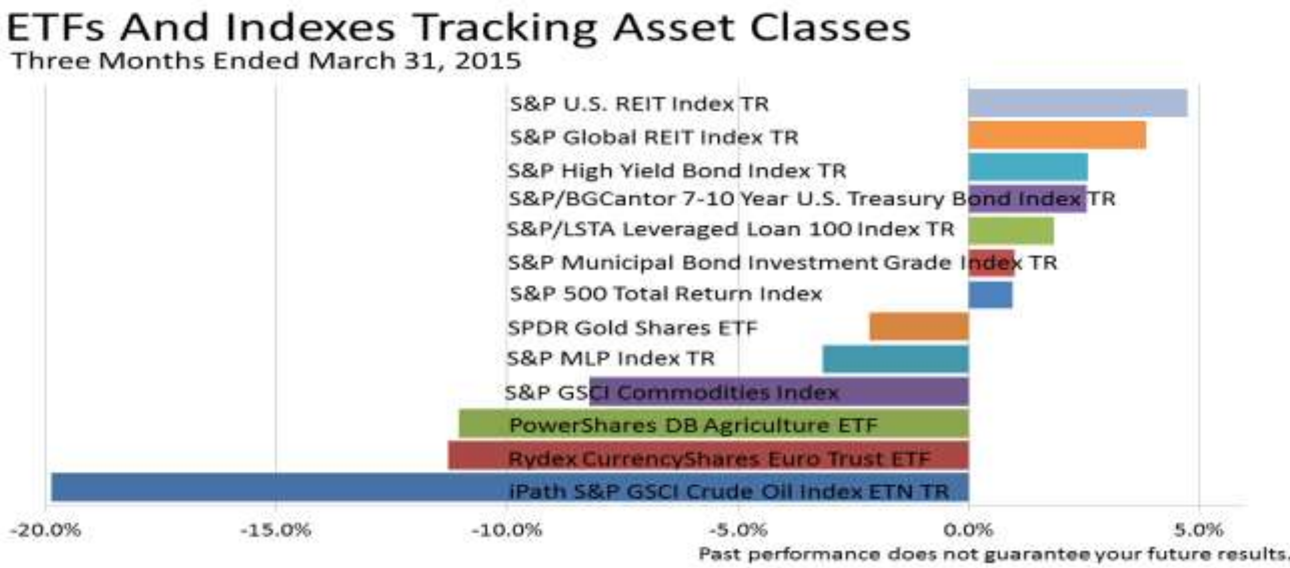
Health care, a top sector in which to be invested last year, continued its win streak through the first quarter.

Consumer discretionary stocks — a laggard last year — surged for the quarter.

Energy continued its fourth-quarter slide as crude oil prices continued to drop and find a bottom in the first quarter.

We track Barron's coverage every year of the industry sector forecasts made by Wall Street's largest firms, and in the first quarter of 2015 they were not doing all that well.

The consensus of the 10 Barron's strategists was that the three best industry sectors for 2015 would be technology, financial, and industrial companies — in that order.

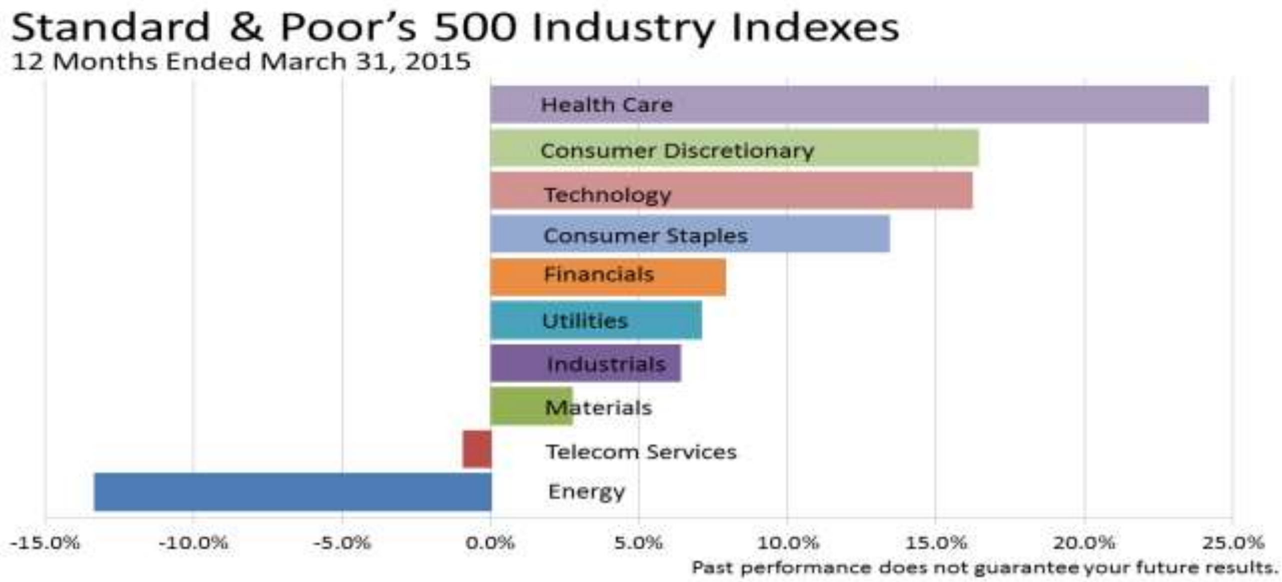



When comparing the first-quarter returns of a broad range of 13 asset classes, U.S. REITS and Global REITs led the pack again, as they did in Q4 2014.

Crude oil, the broader commodities indexes, and the euro all were hammered.

Master Limited Partnerships (MLPs), which had been a top-performing asset class for years, gave up ground on the continued slide in crude oil prices.

Fixed income had a strong quarter, despite the prevailing expectation of higher bond yields.




Over the 12-month period through March 31, 2015, health care shares appreciated 24.2%, driven by strength in almost all of the health care subcategories, in particular managed care and biotech.

Investments in consumer discretionary companies gained 16.5% in value after a better-than-expected February employment report. Home improvement retailers stood out in Q1 2015.

At the bottom of the barrel in the one-year period were shares in crude oil businesses. The dramatic slide continued during the first quarter, tanking the energy sector for the second quarter in a row.


March 2015 marked the bull market's six-year anniversary.

From the low of 677 on March 9, 2009, to the close at 2068 on March 31, 2015, the Standard & Poor's 500 stock price index tripled.

Over the last five years, including dividends, the S&P 500 total return index has gained 97%, as illustrated in this chart.

Since 1900, only three of 23 bull markets have lasted six years or longer.

The likelihood of a bear market — a correction of at least 20% — increases as the bull market grows older. But fundamental economic conditions that have accompanied bear markets in the past were not present as of the end of Q1 2015.

The traditional precursors of a stock market downturn are:
Restrictive Fed policy,
the likelihood of slowing economic growth,
stock market overvaluation,
and irrational exuberance.

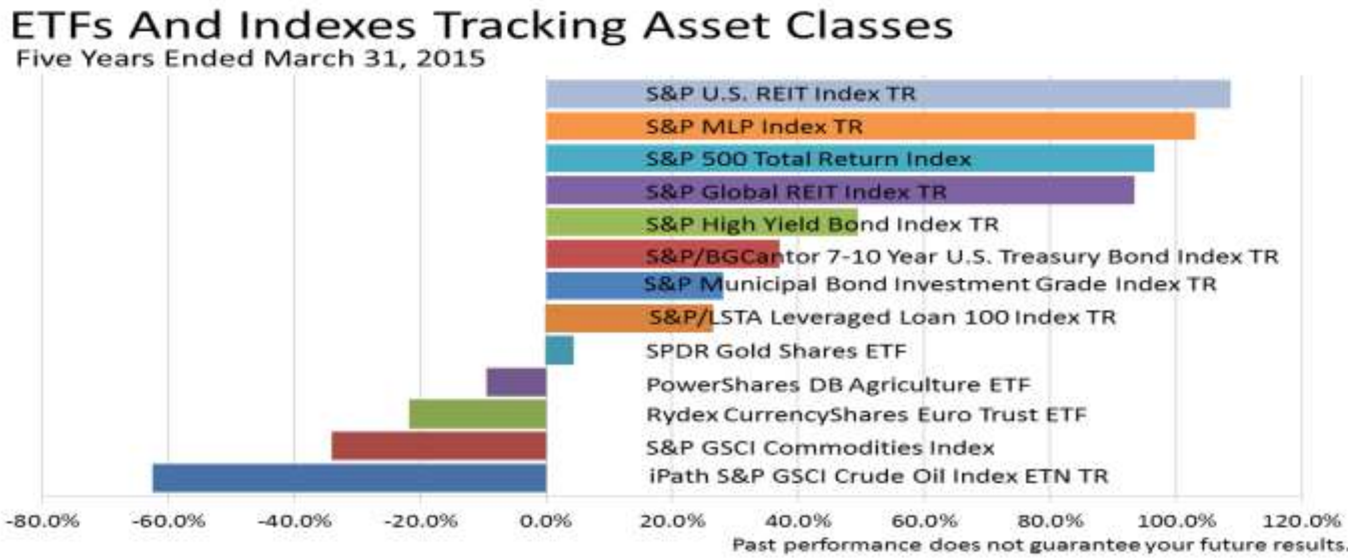
At the close of the first quarter of 2015, none of these factors appeared evident.

Our quarterly updates keep you apprised of changing economic fundamentals.


Take a look at a five-year performance comparison between the U.S. stock market and major foreign market segments.

Over the five-year period ended March 31, 2015, the U.S. led the global economic recovery. The S&P 500 index of American blue chip stocks gained 77%, compared to just 37% for the Eurozone, 20% for Asia Pacific, 15% for China, and a 3% loss on Emerging Markets stocks.

It's a stunning display of what many regard as "American exceptionalism," the theory that the U.S. is different from all other nations — not just because of the sheer size of the U.S. economy, but because of its fundamental strength and resilience owing to uniquely American traits such as freedom, respect for human rights, and a system that rewards ingenuity, entrepreneurship and hard work.




This chart, which we've licensed from Fritz Meyer Economic Research, gives you a big picture about investments over the past five years.

It's a little crowded, but it shows you the returns on a broad set of 14 investment assets over the past five years.

What's important in this chart is that the Standard & Poor's 500 index is the third best performer.

U.S. stocks are a core asset in most investor portfolios. While you may have a small part of your portfolio in commodities or crude oil stocks, stocks are a core allocation in a portfolio.

In this five-year period, stocks and bonds, the two major asset classes, both appreciated and that made this a very good time for most investors who adhere to discipline based on broad diversification and Modern Portfolio Theory.

Commodities indices, particularly crude oil, were the big losers, along with euro currency. The euro lost 22% of its value relative to the U.S. dollar over the five years.

The price of an ounce of gold, in this five-year period, shot from approximately $1,000 an ounce to $1,800 before dropping and settling at about $1,150 at the end of the first quarter.

What caused gold to lose its luster?

Gold bulls had expected the winding-down of the Fed's liquidity program to trigger inflation and "debase" the U.S. dollar.

But inflation and bond yields stayed lower than expected.

[1] Estimated 2015 and 2016 bottom-up S&P 500 earnings per share (left scale) as of March 26, 2015: for 2015, $120.87; for 2016, $136.42. Sources: Yardeni Research, Inc. and Thomson Reuters I/B/E/S survey of consensus estimates. Standard and Poor's for index price data through March 31, 2015; and actual earnings data through December 2014.

In the short-term, a lot of things influence stock prices.

In the long-run, however, a company's earnings drive its stock price.

The black line in this chart shows the price of a share of a company in the Standard and Poor's 500 index, and the red line shows the earnings per share of the S&P 500.

Apply a price-earnings multiple to the red line — corporate earnings — and you get the black line — the S&P 500 price index.

The dramatic earnings recovery from the 2009 bottom that you see here is precisely what accounts for the stock market climbing a wall of worry for the last six years.

This chart also shows how dramatically stretched the market's price-earnings ratio became at the peak of irrational exuberance in the late 1990s.

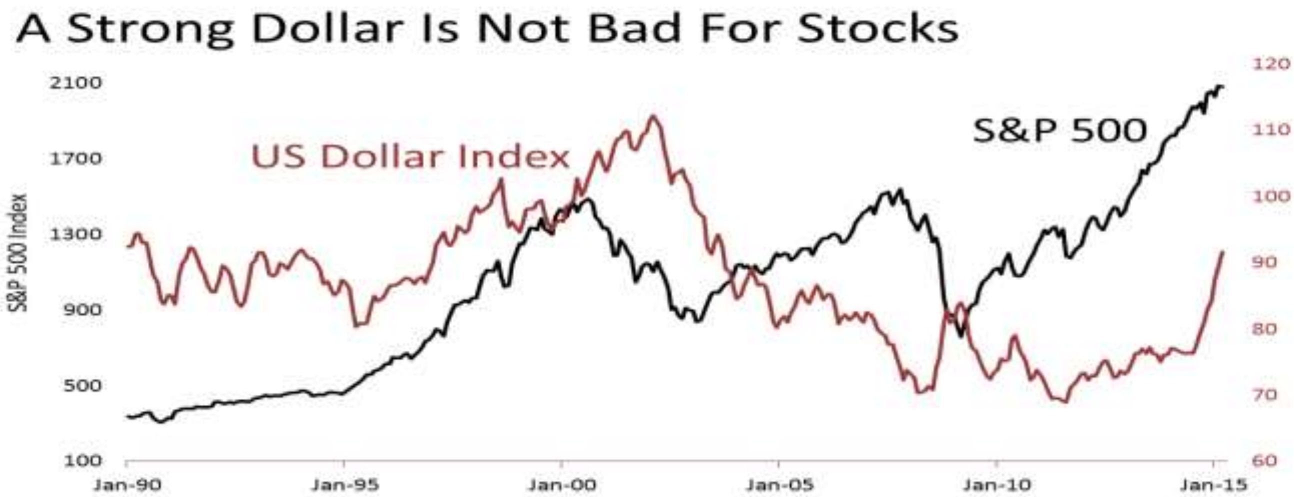
At the end of Q1 2015, Wall Street analysts' estimates for S&P 500 earnings for 2015 and 2016 are indicated by the red squares.

Even if Wall Street analysts prove to be only ballpark-accurate, stock prices seem likely to be pulled higher by rising earnings in the period ahead.

Of course, world events could throw investor sentiment into a tailspin at any time.

But barring some dramatic event, the trajectory of stock prices based on current fundamentals is indicated in the red squares. The future does look kind of bright.

Perhaps most important to retirees and those planning for retirement, this chart illustrates that despite the terrific six-year run-up in stock prices, earnings are not unreasonably priced, particularly when compared to the second half of the decade of the 1990s when irrational exuberance really took over.




Source: Standard and Poor's, Federal Reserve. Monthly data through March 2015.

One frequently expressed concern about the U.S. stock market is the threat posed by a stronger U.S. dollar.

The concern is that a rising dollar will hurt U.S. corporate earnings and, in so doing, send stock prices tumbling by making U.S. exports more costly to foreign buyers and by making the earnings of U.S. multinational companies worth less in U.S. dollars.

Both arguments have merit. However, a look at the historic relationship between the S&P 500 index and the dollar suggests that, in fact, there is no correlation between the two.

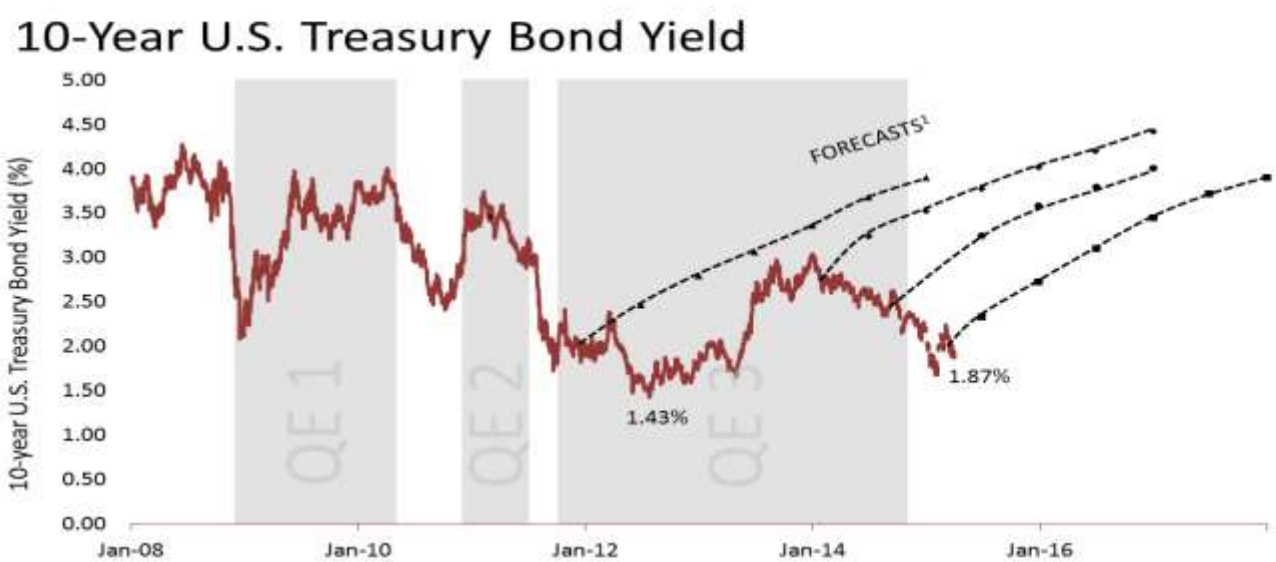
When the dollar **shot up** in value by 25% from 1995 to 2000, for example, the S&P 500 more than doubled in value.

From 2003 to 2007, when the dollar was **declining 27%**, the S&P 500 again almost doubled.

From its last bottom in July of 2011, the greenback has gained 33% while stocks are up +77%.

The two key arguments for continued strength in the dollar — stronger U.S. economic growth and earnings compared to Europe, and higher yields on U.S. bonds — both seem likely to occur.

That means U.S. stocks could benefit from a rising dollar in 2015 because the rising dollar is a consequence of foreign investment flowing into the U.S. at the expense of slower-growing economies.




Source: Federal Reserve, through April 1, 2015. [1] Average of ~50 economists' forecasts from *The Wall Street Journal* survey taken November 2011, January 2014, September 2014 and March 2015.

Probably the biggest surprise of recent years has been how bond yields continued to trend downward in the face of all the predictions to the contrary.

You can see the yield of the 10-year Treasury bond going back to 2008 and the three stages of the QE program in gray.

The black lines show the average forecasts for the yield on 10-year bonds offered by 50 economists in the *Wall Street Journal* and shown here periodically since 2011.

Most of Wall Street's economists publicly predicted that bond yields would trend higher as the Fed's Quantitative Easing monetary stimulus program, Quantitative Easing, was ended.

Wall Street economists had been making the same prediction for many years.

However, things haven't worked out the way they expected. Not at all.

Super-low global bond market yields have trumped all other bond-yield determinants for the time being.

With German 10-year bond yields at 0.17% — that's 17 one-hundreds of 1% — it's easy to see why U.S. 10-year bond yields are under extraordinary downward pressure as global investors seek the highest returns available.

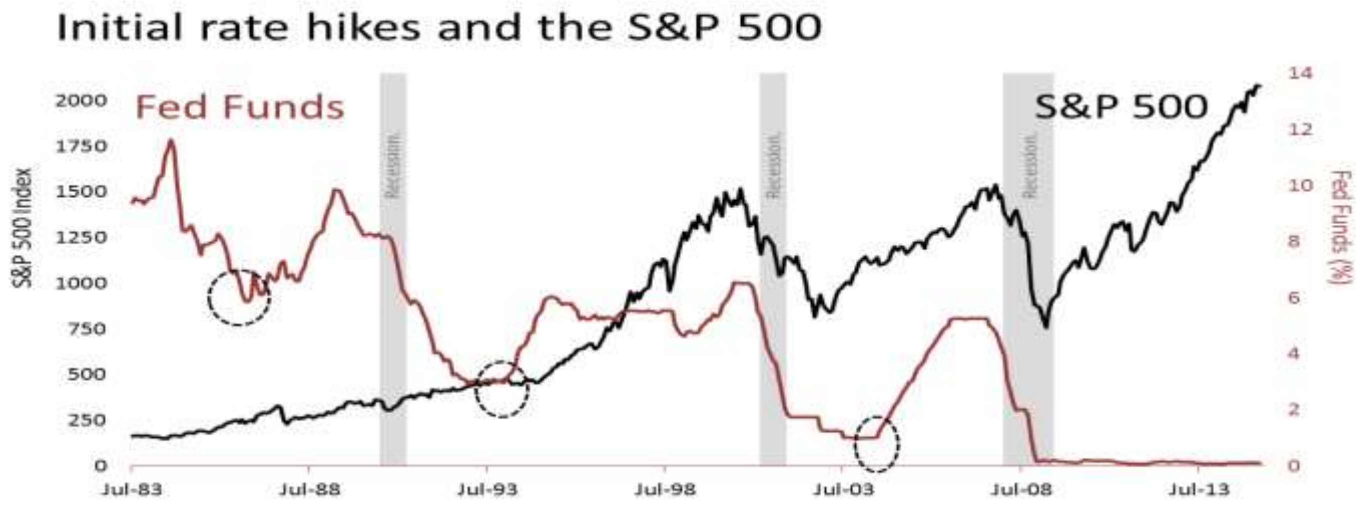
Bonds persistently have fooled many investors in recent years, including the world's greatest bond manager, Bill Gross, who said in a Bloomberg Business interview (http://www.bloomberg.com/news/articles/2015-01-12/gross-says-pimco-fired-him-after-offer-to-scale-back-role) that he got the axe from Pacific Investment Management in September 2014.

Gross, in March of 2011, had predicted that yields would go, "higher, maybe even much higher," upon the end of the Fed's monetary easing policy.

But monetary easing was wound down in 2014 and interest stayed about as low as they've been in decades.

Gross reportedly became erratic and difficult to work with, as his massive $280 billion bond mutual fund shrunk.

Gross's bad investment bets hurt returns and investors have headed for the exits. And the fund is down to $117 billion.




Source: Federal Reserve, Standard & Poor's. Data through March 2015.

The stock market took a tumble in December 2014 and again in February 2015.

The plunges were triggered by worries that the Fed might initiate rate hikes sooner than had been expected.

But take a look in this chart at the actual history of initial rate hikes versus the stock market's performance.

Initial Fed rate hikes have caused the stock market to stutter.

But following the initial stutter, stocks in the past continued higher as the Fed repeatedly hiked rates.

This chart tells us that we should expect a lag between initial rate hikes and stock market peaks. The pattern is unambiguous.

To be a long-term investor means you cannot pay much attention to much of the turbulence that periodically sweeps Wall Street and gets picked up by TV newscasts, printed in the newspapers, and sent across the Web.

Emotion and change cause turbulence in markets that often can be difficult to ignore. But in the past, it always has passed.

Why do investors always overreact?

One theory is that investors overreact to bad news because the human brain is wired to react that way to danger.

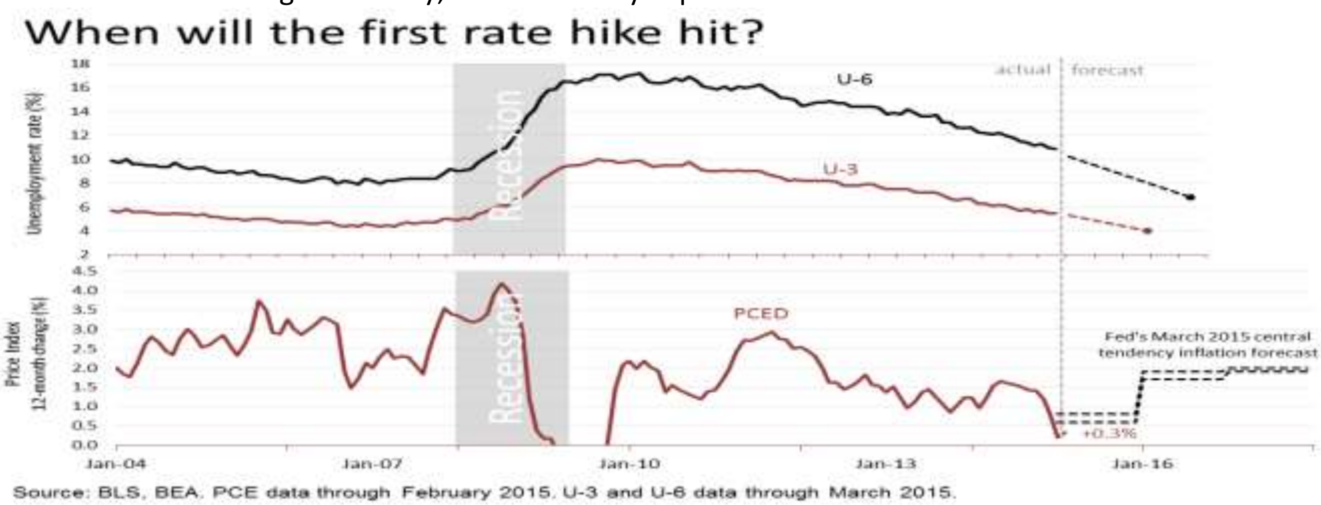
Psychologists say many investors, when the market suddenly plunges, react with fear.

In a market freefall, human nature is to revert to using what psychologists call our “cave man brain.”

Survival instincts take over when you fear for your safety.

Human instinct is to flee financial turmoil and your modern human brain needs to check your animal spirits.

The cave man-brain thing is a theory, but it certainly explains a lot.




In the first quarter of 2015, fear was fueled partly over when the Fed will hike interest rates.

After years of juicing up the economy with its monetary policy, a new era of rising rates is upon us and understandably it is causing some consternation.

But do you, as a practical matter, need to be preoccupied with the timing of the Fed move to tighten credit and hike rates for the first time in many years?

For an answer, we suggest you remember that the Federal Reserve has a dual mandate.

It calls for full employment and a rate of inflation targeted at 2%.

Inflation has been running far below the 2% rate. It was an incredibly low three-tenths of 1% in March, and that was well under the Fed’s own forecast.

So the Federal Reserve has plenty of leeway not to raise its target rate.

It can maintain maximum monetary stimulus, which is driving unemployment back down.

Extrapolating the recent trajectories suggests that the important unemployment rate indices, known as U-3 and U-6, might revert to full employment, a “normal” unemployment rate of 4%, by the end of 2016.

The recent trajectory indicated U-3 gets there first, followed by U-6.

So how long until the first rate hike?

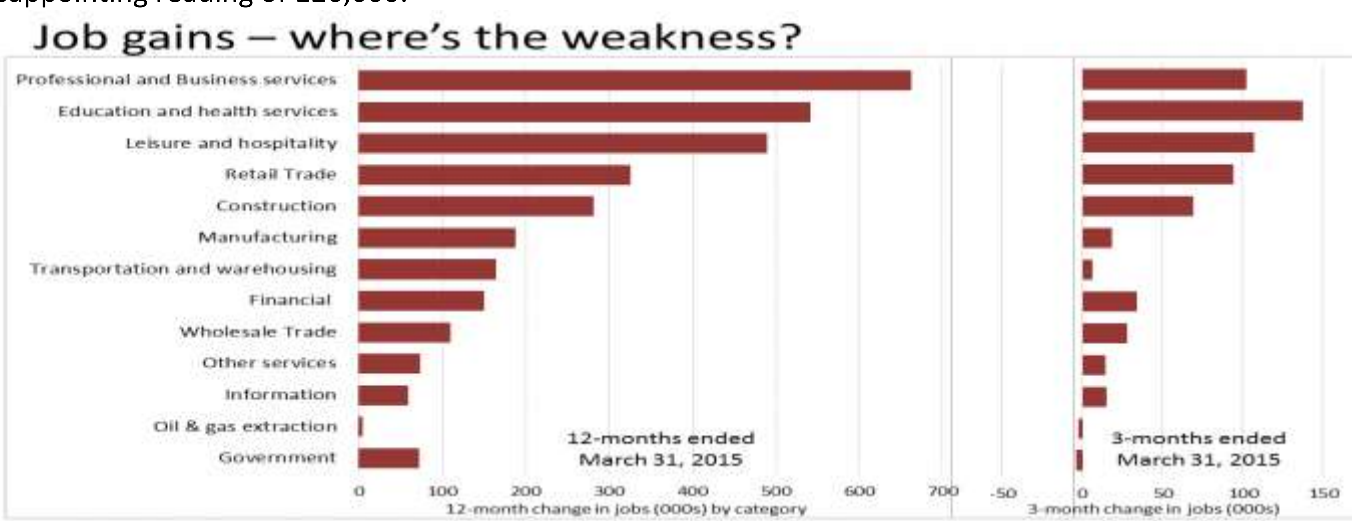
The Fed may want to anticipate, or “lead,” the inflation data, which might put the first rate hike into the latter part of 2015.


Source: Bureau of Labor Statistics. Data through March 2015.

Job formation has been a concern throughout this economic expansion.

Last November was a peak, when 423,000 jobs were created.

The trend in both monthly employment surveys from the government had been upward until March’s disappointing reading of 126,000.




Source: Bureau of Labor Statistics. Data through March 2015.

Based on these two charts showing government employment statistics for the one-year versus the three-month period, there is no evidence that the slowdown in new job formation is tied to consumer spending.

That's actually good news.

The chart on the left shows job growth for the 12 months ended March 31, 2015, by industry, while the chart on the right shows only the first quarter's job figures.

So the bars on the right would be one-quarter the length of the corresponding bars on the left if growth in the last quarter continued at the same rate as the full-12 month period.

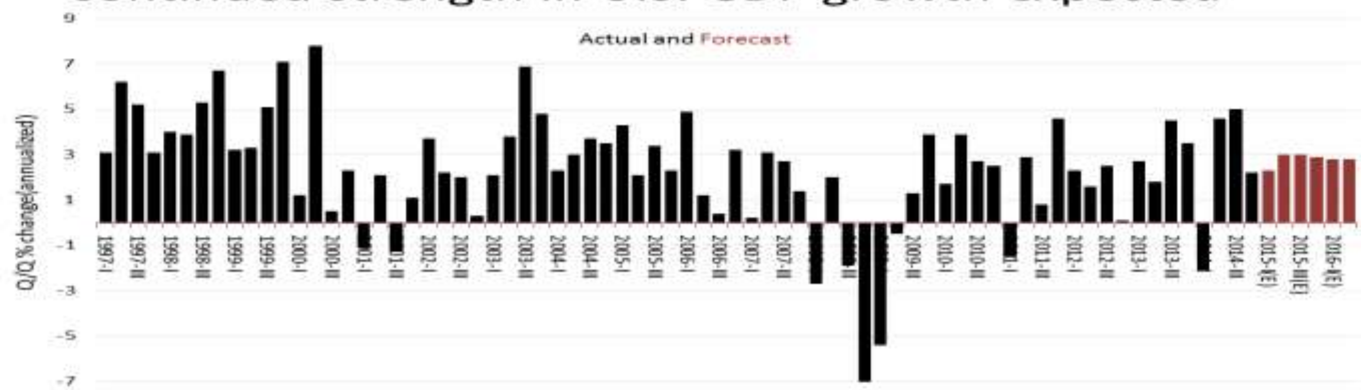
The growth in jobs in retail and leisure actually accelerated in the first quarter over the one-year rate.

Downsizing at the Department of Defense caused a noticeable contraction in government sector jobs.

And you can see some softening in spending in manufacturing. That is likely due to the drop in oil prices causing a slowdown in producing oil.

It looks like the jobs weakness is principally related to the dramatic slowdown in energy investment.

## Continued strength in U.S. GDP growth expected



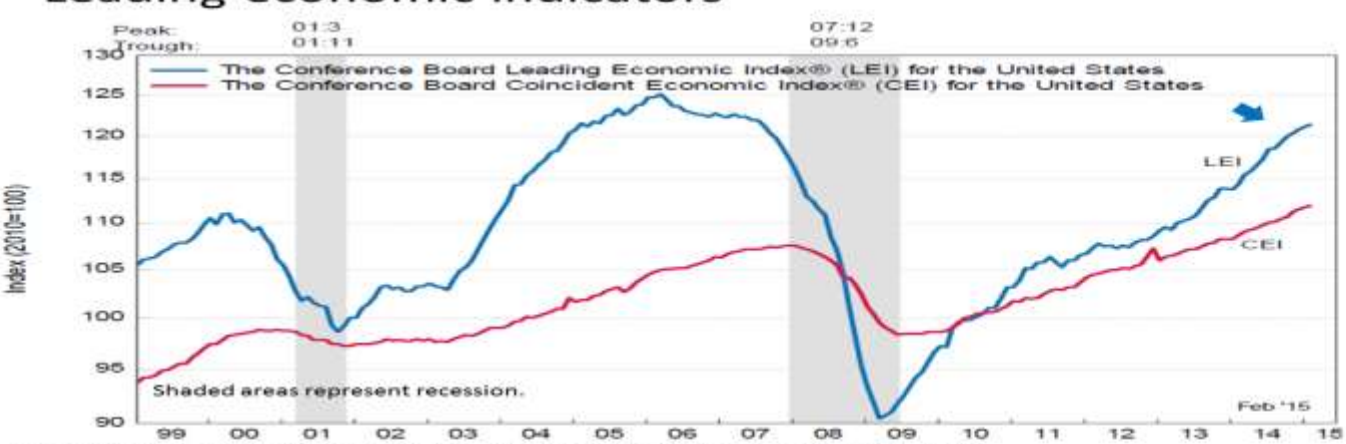

Source: Bureau of Economic Analysis, actual data through December 2014; *The Wall Street Journal* survey taken April 2015.

In early April, *The Wall Street Journal* surveyed approximately 70 economists for its quarterly GDP growth forecast through mid-2016.

The resulting consensus forecast is shown in the red bars.

The consensus forecast has been wrong many times in the past but economists are expecting a growth rate of nearly 3% in gross domestic product through mid-2016.

## Leading economic indicators



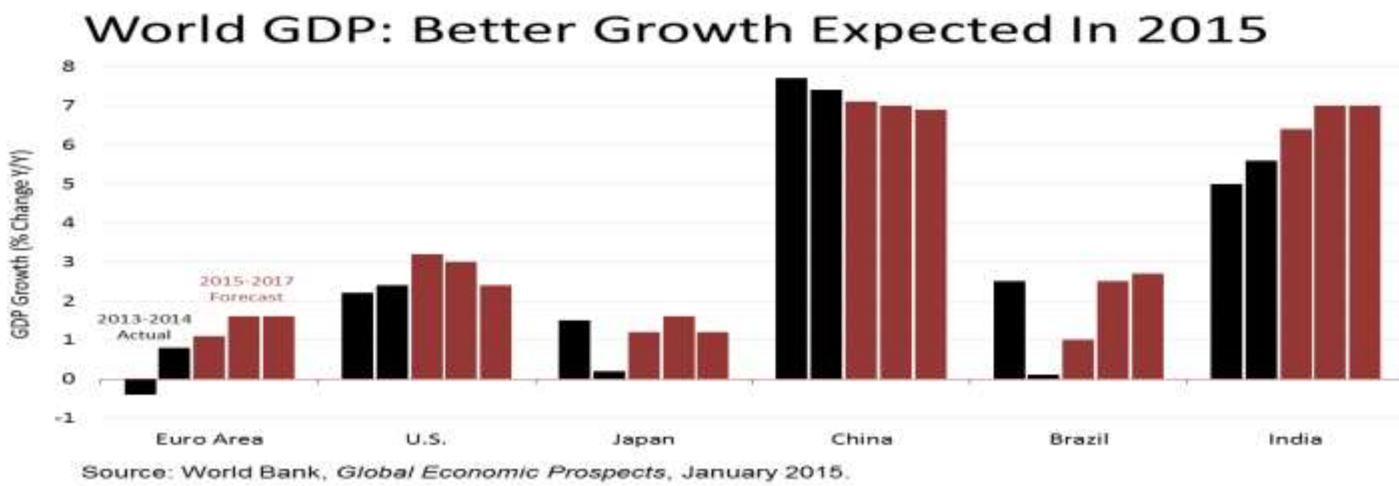

Source: © The Conference Board. Data through February 2015, released March 19, 2015.

According to The Conference Board's March release on the nation's leading economic indicators:

“Widespread gains among the leading indicators continue to point to short-term growth. However, easing in the LEI’s six-month change suggests that we may be entering a period of more moderate expansion. With the February increase, the LEI remains in growth territory, but weakness in the industrial sector and business investment is holding economic growth back, despite improvements in labor markets and consumer confidence.”

A healthy pace of economic growth continues but the plunge in energy investment has slowed the manufacturing sector.

The takeaway from this chart is that the index of leading economic indicators historically has turned negative before recessions in the past, but as of mid-March, no suggestion of that kind of pattern is present.




Similar to the near-term-forecast for U.S. GDP growth, the World Bank’s January global economic forecast shows expected acceleration in growth during 2015 in all major regions of the world except China, which is expected to hold steady at about 7%.

Significantly, the European economies are expected to return to healthier expansion this year and next.

Disclosures:

Indices are unmanaged and not available for direct investment. Past performance is not indicative of future results. This information is from sources we believe to be reliable, but we cannot guarantee or represent that it is either accurate or complete.

Investments with higher return potential carry greater risk for loss.

Investing in small companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

Foreign securities have additional risks, including exchange rate changes, political and economic upheaval, the relative lack of information about these companies, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

U-3 is total unemployed persons, as a percent of the civilian labor force — the official unemployment rate. U-6 is total unemployed persons, plus all marginally attached workers, plus all persons employed part time for economic reasons, as a percent of the civilian labor force plus all "marginally attached" workers (the broadest measure of unemployment).

Investing in emerging markets involves greater risk than investing in more established markets, such as risks relating to the relatively smaller size and lesser liquidity of these markets, high inflation rates, adverse political developments and lack of timely information.

Fluctuations in the price of gold and precious metals often dramatically affect the profitability of the companies in the gold and precious metals sector. Changes in political or economic climate for the two largest gold producers, South Africa and the former Soviet Union, may have a direct effect on the price of gold worldwide.

Data for the CPI, unemployment Rate, and Non-farm Payrolls are from the Bureau of Labor Statistics. Data for the GDP are from the Bureau of Economic Analysis. The Purchasing Managers Diffusion Index is a release of the Institute of Supply Management. Retail spending data are from the Bureau of the Census. Data for Consumer Confidence are from the Conference Board. Historic Treasury yields are from the U.S. Treasury; global and U.S. equity index performance numbers are from the respective index vendors, as are commodity benchmarks. Currency numbers are from OANDA.com. Sector and dividend statistics are from Standard & Poor’s.

The Conference Board Leading Economic Index® (LEI) components: 1) average weekly hours worked, manufacturing; 2) average weekly initial unemployment claims; 3) manufacturers’ new orders – consumer goods and materials; 4) ISM index of new orders; 5) manufacturers’ new orders, nondefense capital goods; 6) building permits – new private housing units; 7) stock prices, S&P 500; 8) Leading Credit Index™; 9) interest rate spread; 10-year Treasury less fed funds; 10) index of consumer expectations. Source: ©The Conference Board. Data through February 2015, released March 19, 2015.