



Market Commentary January 4, 2016

Dear Investors:

Investing in U.S. stock markets during 2015 was a bit like riding a mechanical bull. Markets jolted up and down but, once the year ended, investors were almost where they had started.

The Standard & Poor's 500 Index (S&P 500) entered 2015 at about 2,058. It rose as high as 2,130 during May and fell to about 1,867 in August. As the year ended, the index was almost at 2,044. It would have finished in negative territory if it weren't for dividends. With dividends included, the S&P 500 was up 1.4 percent for the year, according to *Barron's*. Without dividends, it was down 0.7 percent.

Market performance left plenty of room for speculation about what the future may hold. *Barron's* explained:

“The problem isn't just that the S&P 500 finished flat but that it finished trendless...So, as 2016 begins, it's very easy to impose whatever narratives we want on the market. For the bears, the fact that the market hasn't been able to hit a new high, and that small caps have underperformed large, is a sign that the market is peaking...Still, there's enough good news to keep the bulls heartened...The price of oil, which pulled down S&P 500 earnings in 2015, might be stabilizing...And, remember, Congress just passed a spending bill that could pick up the stimulus baton from the Federal Reserve.”

Regardless of whether you lean toward bullishness or bearishness, the performance of the S&P 500 during 2015 reinforced the value of dividends. When it comes to investing in stocks, there are basically two ways to make money. First, the value of a company can increase and investors can earn capital gains. Second, investors may receive dividends, which are a portion of a company's earnings its board of directors chooses to distribute to shareholders.

During the past several years, as interest rates have remained persistently low, dividends have become important to many investors as a source of income. They also are a critical component of total return. From 1926 through 2014, dividends accounted for more than 40 percent of the total returns generated by the S&P 500.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783
330-434-2000 / Fax: 330-665-1515
www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

Data as of 12/31/15	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-0.8%	-0.7%	-0.7%	12.8%	10.2%	4.9%
Dow Jones Global ex-U.S.	-0.5	-6.6	-6.6	0.0	-1.0	0.4
10-year Treasury Note (Yield Only)	2.3	NA	2.2	1.8	3.3	4.4
Gold (per ounce)	-0.9	-11.4	-11.4	-13.9	-5.5	7.2
Bloomberg Commodity Index	0.1	-24.7	-24.7	-17.3	-13.5	-7.5
DJ Equity All REIT Total Return Index	0.2	2.8	2.8	10.6	11.7	7.1

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT Total Return Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, Barron's, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

YOU MAY HAVE RECEIVED A GIFT FROM CONGRESS.

Our elected leaders did some re-gifting during 2015. They restored tax cuts that had been allowed to expire and made them retroactive for 2015. *Kiplinger's* reported, "In an important twist to the habitual year-end gamesmanship, however, this time Congress actually made many of [the tax cuts] permanent and even improved a few." The [tax law changes](#) help people who:

- **Commute to work:** During 2016, employees who drive can pay for parking with up to \$255 of pre-tax salary, and people who rely on mass transit to get to work can spend the same amount of pre-tax salary on transportation. (Slide 3)
- **Have children in college:** The American Opportunity College Credit, a \$2,500 tax credit for families with qualifying college students, was made permanent, although the credit phases out at higher income levels. (Slide 4)
- **Live in states with no or low income tax:** The choice about whether to deduct state income tax or state sales tax paid during the year on a federal tax return was renewed. It expired at the end of 2014, and now applies retroactively to 2015. (Slide 6)
- **Want to make charitable contributions using required minimum distributions (RMDs):** Once again, IRA owners who are age 70½ or older can donate up to \$100,000 of their traditional IRAs directly to charity, tax-free, using all or part of their RMDs. It's now a permanent tax break. (Slide 7)
- **Own businesses:** The \$500,000 "expensing" cap was restored for 2015, and will be permanent going forward. Bonus depreciation also was extended. (Slide 12)

These are just a few of the tax cuts Congress passed. Give us a call to discuss how these tax changes, and others, may benefit you.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

Weekly Focus – Think About It

“I live my life in widening circles that reach out across the world.”

--Rainer Maria Rilke, Austrian poet

Best regards,



John Y. Kim, J.D., LL.M.
President

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

Securities offered through LPL Financial, Member FINRA/SIPC.

- * Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
- * Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
- * The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
- * The Standard & Poor's 500 (S&P 500) is an unmanaged index. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.
- * The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- * The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- * Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
- * The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- * The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- * These views are those of Peak Advisor Alliance, and not the presenting Representative or the Representative's Broker/Dealer, and should not be construed as investment advice.
- * This newsletter was prepared by Peak Advisor Alliance. Peak Advisor Alliance is not affiliated with the named broker/dealer.
- * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- * Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
- * Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
- * Past performance does not guarantee future results. Investing involves risk, including loss of principal.
- * You cannot invest directly in an index.
- * Consult your financial professional before making any investment decision.
- * Stock investing involves risk including loss of principal.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

Sources:

<https://beta.finance.yahoo.com/quote/^GSPC/history?period1=1420178400&period2=1451673633&interval=1d>

http://blogs.barrons.com/stockstowatchtoday/2015/12/31/running-to-stand-still-stocks-rise-stocks-fall-go-nowhere/?mod=BOL_hp_blog_stw (or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/01-04-16_Barrons-Running_to_Stand_Still-Stocks_Rise_Stocks_Fall_Go_Nowhere-Footnote_2.pdf)

<http://www.investopedia.com/terms/d/dividend.asp>

https://www.oppenheimerfunds.com/investors/doc/The_Growth_and_Income_Potential_of_Dividends.pdf

<http://www.kiplinger.com/slideshow/taxes/T054-S001-valuable-tax-breaks-brought-back-to-life/index.html>

<http://www.onbeing.org/program/wild-love-world/feature/widening-circles/1444>

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.