



Market Commentary March 27, 2017

Dear Investors:

You've read it before – and it's true. Markets hate uncertainty.

Failure to pass the American Healthcare Act, which was supported by Republican leaders in Congress and President Trump, may have spooked U.S. stock markets last week.

In an article titled, "How To Make Investing Decisions Based On Politics: Don't," *Nasdaq.com* reported controversy over the bill was "raising questions about [Republicans'] ability to focus on and pass policies that the market has been eagerly anticipating, such as tax reform and infrastructure spending." *Financial Times* concurred:

"The post-election stock market rally has been largely powered by hopes Donald Trump's administration would swiftly launch a bevy of aggressive economic stimulus measures, including tax cuts, deregulation, and infrastructure spending. However, Mr. Trump's difficulty in Congress over the government's healthcare plan has prompted some reappraisal by investors of the prospect of significant stimulus arriving later this year."

Financial Times pointed out it's likely other factors played a role in investors' decision-making, as well. Some professionals have become concerned about market valuations. About 34 percent of fund managers believe global equity markets are overvalued and 81 percent say U.S. equities are the most expensive in the world, reported *Fortune Magazine* citing *Bank of America Merrill Lynch's* survey of fund managers.

In addition, estimates for corporate earnings have been revised lower for the first quarter of 2017. Take that with a grain of salt, though. *FactSet* wrote, "In terms of estimate revisions for companies in the S&P 500, analysts have made smaller cuts than average to earnings estimates for Q1 2017 to date..."

Politics is one factor affecting markets, and partisanship may be affecting consumer sentiment. Richard Curtin, chief economist of *University of Michigan Surveys of Consumers*, said

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.

consumers' expectations about future economic growth were split along party lines in March. "...among Democrats, the Expectations Index at 55.3 signaled that a deep recession was imminent, while among Republicans the Index at 122.4 indicated a new era of robust economic growth was ahead."

We live in interesting times!

Data as of 3/24/17	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-1.4%	4.7%	15.1%	8.1%	10.6%	5.0%
Dow Jones Global ex-U.S.	0.0	7.8	13.2	-0.2	2.2	-0.9
10-year Treasury Note (Yield Only)	2.4	NA	1.9	2.7	2.2	4.6
Gold (per ounce)	1.5	7.6	-0.3	-1.6	-5.8	6.5
Bloomberg Commodity Index	-0.7	-3.4	6.7	-14.0	-10.2	-6.7
DJ Equity All REIT Total Return Index	0.4	1.5	7.6	10.9	10.3	4.8

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.

“IT AIN'T WHAT YOU DON'T KNOW THAT GETS YOU INTO TROUBLE. It's what you know for sure that just ain't so,” wrote Mark Twain.

In 2016, *NerdWallet* commissioned a survey* to get a better handle on Americans' thoughts about lying when money is involved. It's interesting to note which money-saving lies participants found acceptable. The list included:

- Logging on to someone else's retail or media account to avoid subscription fees (33 percent)
- Not reporting under-the-table income to avoid taxes due (24 percent)
- Lying about your age or your child's age to receive a discount at a restaurant or retailer (21 percent)
- Lying about annual mileage to lower auto insurance rates (20 percent)
- Lying about income on a loan or credit card application (12 percent)
- Lying about smoking tobacco to lower life insurance rates (11 percent)

(The number in the parentheses reflects the percent of those surveyed who said the lie was okay.)

The survey found far more men than women believe it is acceptable to tell lies to save money. For instance, 30 percent of men said it was okay not to report under-the-table income to the IRS. Only 18 percent of women agreed. One-fourth of male survey participants thought it was okay to fudge annual mileage to receive lower auto insurance rates, while just 16 percent of female respondents agreed.

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.

Age also makes a difference. Americans who are age 65 or older were far less likely to find financial dishonesty acceptable:

“The survey found that 11 percent of seniors say it is acceptable to use someone else’s paid account for online movies, music, or articles to save on subscription costs, compared with 39 percent of Americans ages 18-64. Just 7 percent of Americans ages 65 and older think it’s acceptable to lie about annual mileage for lower auto insurance rates compared with 23 percent of Americans ages 18-64. Among all of the lies in the survey, the one that gets the most support from those 65 and older is not disclosing under-the-table income to the IRS in order to pay less in taxes – 14 percent say that’s acceptable.”

When it came down to it, “For all questions, retirees had the lowest rates of acceptance of lies compared with students, employees, and the unemployed.”

*The survey included 2,115 Americans, ages 18 and older, and was conducted February 18-22, 2016, by Harris Poll on behalf of NerdWallet. This survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated.

Weekly Focus – Think About It

“I believe that there is a subtle magnetism in Nature, which, if we unconsciously yield to it, will direct us aright.”

--Henry David Thoreau, American author

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.

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.

*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.

* All indices referenced are unmanaged. 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.

Sources:

[1] <http://www.nasdaq.com/article/how-to-make-investing-decisions-based-on-politics-dont-cm764637>

[2] <https://www.ft.com/content/aa4efa32-0f37-11e7-b030-768954394623> (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/03-27-17_FinancialTimes-Why are Investors On Edge Over Trumps Healthcare Vote-Footer 2.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/03-27-17_FinancialTimes-Why%20are%20Investors%20On%20Edge%20Over%20Trumps%20Healthcare%20Vote-Footer%202.pdf))

[3] <http://fortune.com/2017/03/21/stock-market-value-bank-of-america-merrill-lynch/>

[4] https://insight.factset.com/hubfs/Resources/Research%20Desk/Earnings%20Insight/EarningsInsight_032417.pdf

[5] <http://www.sca.isr.umich.edu> (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/03-27-17_Univ of Michigan-Survey of Consumers-Footer 5.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/03-27-17_Univ%20of%20Michigan-Survey%20of%20Consumers-Footer%205.pdf))

[6] <https://www.brainyquote.com/quotes/quotes/m/marktwain109624.html>

[7] <https://www.nerdwallet.com/blog/insurance/men-students-parents-money-lies/>

[8] <http://www.nemoequipment.com/25-inspiring-nature-quotes-to-make-you-want-to-go-outside-and-explore-nature/>

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.