



Market Commentary July 25, 2016

Dear Investors:

Like a cool breeze on a hot day, the post-Brexit market rally has soothed investors.

The CBOE Volatility Index (VIX), also known as the fear gauge, fell significantly during the past few weeks, according to *CNBC.com*. The VIX measures investors' concerns about future volatility. The lower the Index is; the calmer investors are about the future. In late June, the VIX rose as high as 25.76. Last week, it hovered around 12.

Barron's reported the latest advisory sentiment readings from *Investors Intelligence* showed bullishness at 54.4 percent, up two percentage points from last week. That's the highest reading since April 2015 (just before the S&P 500 hit its previous record).

The relative serenity of investors has been good for markets. By the middle of last week, the Dow Jones Industrial Average (Dow) and the Standard & Poor's 500 Index (S&P 500) were at record highs. Not everyone is convinced investor positivity is a good sign, however *Barron's* explained:

“After nearly two years of sideways trading, albeit with some large swings, the indexes finally gave what should be an important buy signal. But is it really? ...I am not talking about the simple divergence between price and volume during the June-July rally, although that certainly does not help the bulls. Nor am I considering the seasonal cycle, which teaches us to ‘Sell in May’ and sit out the usually weaker summer months. And I am not talking about any news from politics to Brexit to terrorism...What really bothers me is the lack of dissent in the bullish chorus.”

Contrarians, investors who use popular opinion as a gauge of what not to do, may find themselves leaning toward pessimism.

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 7/22/16 | 1-Week | Y-T-D | 1-Year | 3-Year | 5-Year | 10-Year |
|---|--------|-------|--------|--------|--------|---------|
| Standard & Poor's 500 (Domestic Stocks) | 0.6% | 6.4% | 2.9% | 8.7% | 10.1% | 5.6% |
| Dow Jones Global ex-U.S. | 0.0 | 0.4 | -8.9 | -1.4 | -1.6 | 0.2 |
| 10-year Treasury Note (Yield Only) | 1.6 | NA | 2.3 | 2.5 | 3.0 | 5.0 |
| Gold (per ounce) | -0.5 | 24.3 | 21.3 | -0.2 | -3.8 | 8.1 |
| Bloomberg Commodity Index | -2.4 | 7.7 | -11.2 | -13.3 | -12.5 | -6.9 |
| DJ Equity All REIT Total Return Index | 1.7 | 17.9 | 22.7 | 12.7 | 12.2 | 7.6 |

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.

FAKE CHARITIES ARE ON THE LIST.

Groups masquerading as charitable organizations to solicit donations from generous-minded individuals are among the twelve cons named in the Internal Revenue Service's (IRS) 'Dirty Dozen,' a list of common scams targeting taxpayers.

Americans tend to be a generous bunch. During 2015, they gave more than \$373 billion to charities, setting a record for the second year in a row, according to *GivingUSA.org*. People gave to all sorts of organizations including:

- Religion (\$119.30 billion)
- Education (\$57.48 billion)
- Human Services (\$45.21 billion)
- Foundations (\$42.26 billion)
- Health (\$29.81 billion)
- Public-Society Benefit (\$26.95 billion)
- Arts/Culture/Humanities (\$17.07 billion)
- International Affairs (\$15.75 billion)
- Environment/Animals (\$10.68 billion)

Millions more may have gone to groups pretending to be charities. The IRS offered some recommendations for avoiding scams. Before you give, get the exact name of the charity. Many fake charities use names that sound similar to those of legitimate charities.

Also, request the charity's employer identification number and use the IRS's *Exempt Organizations Select Check* search tool to review the organization's tax status and filings. (While you're at it, you may want to review how much the charity spends on fundraising versus programs to confirm it is spending donations judiciously.)

Once you've done your homework, don't give cash. Making your donation by check or credit card provides a record for tax purposes and is more secure.

Finally, no matter how kind a charity's representative seems on the phone or in person, do not give him or her personal financial information or other important identification data, like your Social Security number.

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

“You are never too old to set another goal or to dream a new dream.”

--C. S. Lewis, *British novelist*

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.

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.

- * 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.cnbc.com/2016/07/19/no-fear-heres-why-the-vix-has-cratered.html> or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/07-25-16_No+fear+Here%E2%80%99s+why+the+VIX+has+cratered.pdf
- [2] <http://www.cboe.com/micro/vix/historical.aspx> (For June index readings choose Historical Daily Prices – Spreadsheet with Closing Prices for Several Indexes) or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/07-25-16_VIX_Historical_Price_Data_CBOE.pdf
- [3] <http://www.barrons.com/articles/as-investors-sing-a-happy-tune-smart-money-wonders-if-its-time-to-sell-stocks-1469120253>
- [4] <http://www.barrons.com/articles/3-reasons-to-worry-that-stock-rallies-end-is-near-1469050014>
- [5] <https://www.irs.gov/uac/Newsroom/Fake-Charities-Are-a-Problem-and-on-the-IRS-Dirty-Dozen-List-of-Tax-Scams-for-2016-1> or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/07-25-16_Fake_Charities_Are_a_Problem_and_on_the_IRS_%E2%80%9CDirty_Dozen%E2%80%9D_List_of_Tax_Scams_for_2016.pdf
- [6] <http://givingusa.org/giving-usa-2016/> or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/07-25-16_Giving_USA_2015_Was_America%E2%80%99s_Most_Generous_Year_Ever_Giving_USA.pdf
- [7] <http://www.consumerreports.org/charitable-donations/best-and-worst-charities-for-your-donations/> or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/07-25-16_Best_and_Worst_Charities_for_Your_Donations_Consumer_Reports.pdf
- [8] http://www.brainyquote.com/quotes/quotes/c/cslewis119176.html?src=t_motivational or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/07-25-16_You_are_never_too_old_to_set_another_goal_or_to_dream_a_new_dream_CS+_Lewis.pdf

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.