

FINANCIAL CONCEPTS INC
provides sophisticated insurance and wealth management services to families, business owners, corporate executives, professionals, and other successful high income and high net worth individuals. Our team of professionals utilizes a customized process of defining, understanding, researching, evaluating, and informing our clients of innovative and uniquely integrated solutions tailored to their diverse financial goals. Our desire is to help make the otherwise complex, more understandable as it applies to your unique situation.



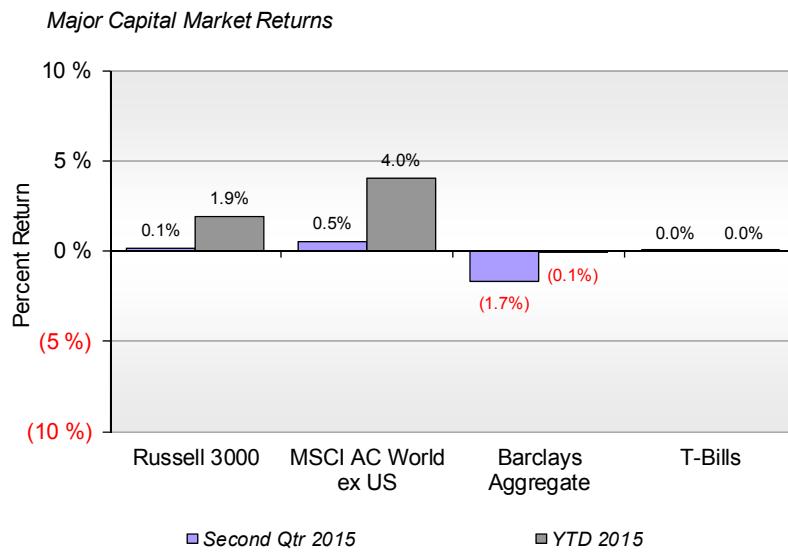
June 2015 Capital Markets Review

INDEX	PERIOD ENDING JUNE 30, 2015					
U.S. EQUITY MARKETS	QTR	YTD	1 YR RETURN	3 YR RETURN	5 YR RETURN	10 YR RETURN
S&P 500 Index	0.28%	1.23%	7.42%	17.31%	17.34%	7.89%
Russell 3000	0.14%	1.94%	7.29%	17.73%	17.54%	8.15%
Russell 1000	0.11%	1.71%	7.37%	17.73%	17.58%	8.13%
Russell 1000 Value	0.11%	-0.61%	4.13%	17.34%	16.5%	7.05%
Russell 2000	0.42%	4.75%	6.49%	17.81%	17.08%	8.4%
Russell 2000 Value	-1.2%	0.76%	0.78%	15.5%	14.81%	6.87%
NON-U.S. EQUITY MARKETS						
MSCI ACWI Ex US	0.53%	4.03%	-5.26%	9.44%	7.76%	5.54%
MSCI Emerging Markets	0.69%	2.95%	-5.12%	3.71%	3.68%	8.11%
FIXED INCOME						
Barclays Aggregate Bond	-1.68%	-0.1%	1.86%	1.83%	3.35%	4.44%
Barclays Municipal Bond 3 Year	-0.02%	0.39%	0.57%	1.17%	1.71%	2.97%
Barclays US TIPS	-1.06%	0.34%	-1.73%	-0.76%	3.29%	4.13%
REAL ASSETS/NATURAL RESOURCES						
DJ US Select REIT	-10.0%	-5.75%	5.21%	8.67%	14.43%	6.78%
S&P North American Natural Resources	-2.67%	-4.14%	-25.71%	3.05%	5.44%	5.57%

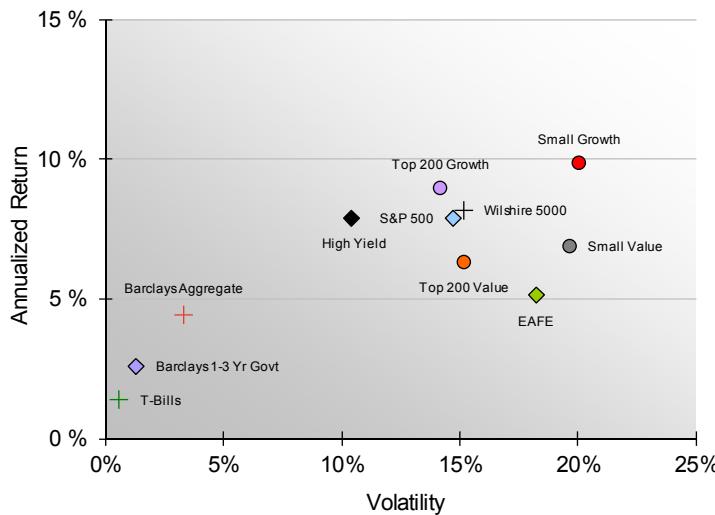
Commentary

- ❖ U.S. equities were slightly positive in the quarter as a 1-day loss of more than 2% at the end of June offset prior gains. Market strength earlier in the quarter was supported by a favorable revision to the first quarter GDP, healthier consumer sentiment, and improvement in corporate profitability, and a record level of merger and acquisition activity. Market participants reacted negatively, however, to an announcement on June 29 by the Greek government that a referendum vote on July 5 would be held to determine if the country should accept the latest austerity terms prescribed by the European Union and International Monetary Fund required to extend funding.
- ❖ Large- and small-cap stocks performed in line for the quarter while mid-cap stocks trailed. For the first half of the year small-cap stocks maintained a premium versus their large- and mid-cap counterparts.
- ❖ Growth and value stocks generated similar results in the quarter, while growth issues outperformed by a wise margin for the year-to-date period.
- ❖ International equities declined by 1.3% in the quarter in local currency terms, but gained 0.5% in U.S. dollar terms as the dollar ended lower versus most major currencies, with the exception of the Japanese yen. Developed Europe fell 3.9% on a local currency basis on concerns of a possible Greek debt default and exit from the Euro. Japan posted a 5.2% yen-based return as improving economic data and healthier corporate earnings encouraged investors. Dollar strength versus the yen resulted in a 3.1% return for dollar-based investors in Japan. The combined emerging markets returned 0.7% on a local currency basis as flat results in Emerging Asia offset gains in Emerging Europe and Latin America. Currency movements had little impact on U.S. dollar-based returns in the emerging markets.

- The investment grade U.S. fixed income market dropped 1.7% in the quarter as the expectation of a Fed rate hike before year end prompted selling across the more rate-sensitive segments of the market, with longer-dated bond prices falling the most. TIPS lost 1.1% in the quarter, but performed ahead of nominal Treasuries as inflation expectations increased. Investment-grade corporate bonds sold off nearly 3% as investors shifted assets into areas of the market expected to benefit more from economic growth, including high-yield and asset-backed securities, which both posted flat to slightly positive returns in the period. Agency mortgages and municipal bonds each lost 0.9%, but performed better than the other high-quality segments of the market. Developed Non-U.S. government bonds declined 3.2% in local currency terms and 1.5% on a U.S. dollar basis, while emerging market bonds dropped 0.9% in local currency and U.S. dollar terms.



Note: The following indices represent the returns of the asset classes within the above chart: U.S. Stocks – Russell 3000, Non-U.S. Stocks – MSCI EAFE, Fixed Income – Barclays Aggregate, and U.S. Treasury Bills



Source of statistics not otherwise specifically cited within this newsletter: Strategic Capital Investment Advisors

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