

*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

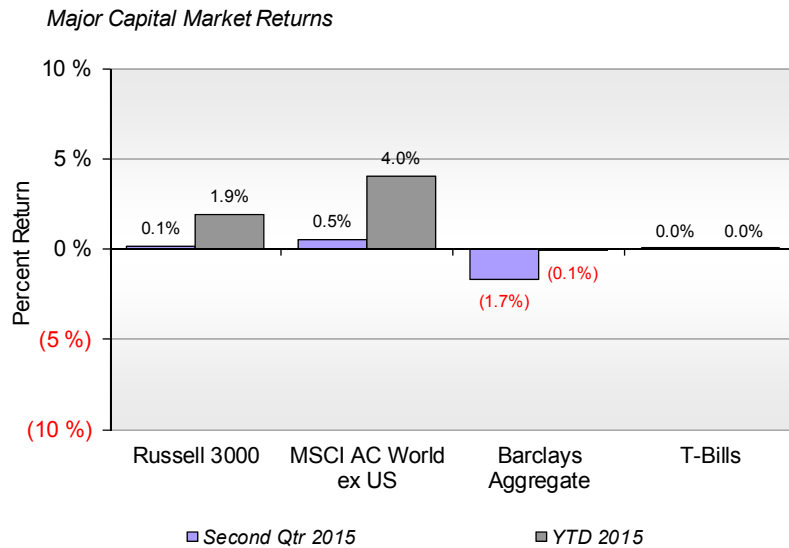
INDEX	PERIOD ENDING JUNE 30, 2015					
	QTR	YTD	1 YR RETURN	3 YR RETURN	5 YR RETURN	10 YR RETURN
<b>U.S. EQUITY MARKETS</b>						
S&P 500 Index	0.28%	1.23%	7.42%	17.31%	17.34%	7.89%
Russell 3000	0.14%	1.94%	7.29%	17.73%	17.54%	8.15%
Russell 1000	0.11%	1.71%	7.37%	17.73%	17.58%	8.13%
Russell 1000 Value	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%
<b>NON-U.S. EQUITY MARKETS</b>						
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%
<b>FIXED INCOME</b>						
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%
<b>REAL ASSETS/NATURAL RESOURCES</b>						
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

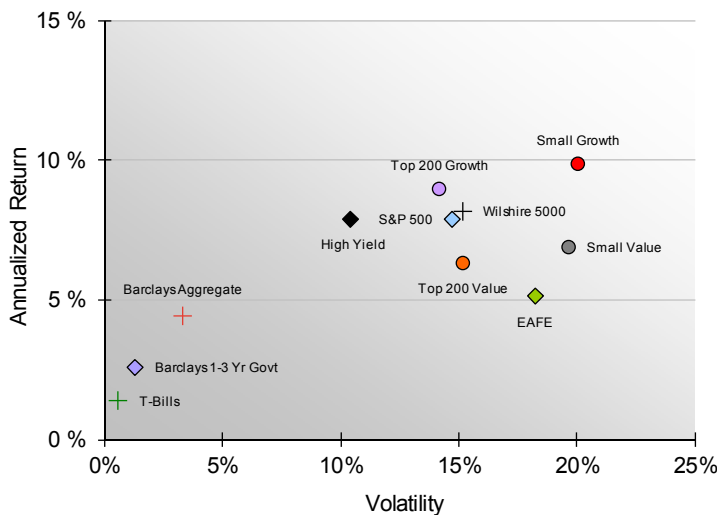
- ❖ U.S. equities were slightly positive in the quarter as a 1-day loss of more than 2% at the end of June offset prior gains. Market strength earlier in the quarter was supported by a favorable revision to the first quarter GDP, healthier consumer sentiment, and improvement in corporate profitability, 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 wide 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*

*This information has been taken from sources we believe to be reliable, but there is no guarantee as to its accuracy. It is not a replacement for any account statement or transaction confirmation issued by the provider. This material is not intended to present an opinion on legal or tax matters. Please consult with your attorney or tax advisor, as applicable.*

## For More Information

For more information on the services offered by FINANCIAL CONCEPTS INC, please contact:

Patrick J. McNamara,  
MSFS  
Firm Managing Principal  
pmcnamara@finconcepts.com

Kathleen M. Garber, CLU,  
CLTC  
Vice President, Case Design  
kgarber@finconcepts.com

Kathy H. Barnett, CLU,  
CHFC  
Vice President, Underwriting & Client Services  
kbarnett@finconcepts.com

Colleen M. Coon, CPA,  
CFP  
Chief Financial Officer  
ccoona@finconcepts.com

or visit our website:  
finconcepts.com



FINANCIAL CONCEPTS INC  
24 Frank Lloyd Wright Drive  
Suite 3050 H  
Ann Arbor, MI 48105  
734.214.9770  
www.finconcepts.com