

FOR THE WEEK OF MARCH 9<sup>TH</sup> – 13<sup>TH</sup>, 2015

## PORTFOLIO MANAGER'S COMMENTARY

Volatility this week was fueled by continued dysfunction in Greece, but was mostly due to the expectation that interest rates in the U.S. will rise sooner than expected. The employment data released last Friday confirm the longstanding trend that our economy continues to improve, and these data are critical to the interest rate story because wage increases are the precursor to widespread inflation in an economy. The Fed won't raise interest rates until they see green shoots around inflation, so anticipation of a Fed move has risen even higher.

Although this volatility may be unsettling to investors, remind them that a rise in interest rates is not always a bad sign or one that we are headed towards a recession. When rates are at zero, an increase is merely an indication from the Fed that they feel our economy is strong enough to no longer require artificially low interest rates. Therefore, any volatility in the short term should be used as an opportunity to put cash to work. The selling will be from traders and the buyers will be long-term investors who can see past the volatility.

No major allocation changes were made this week, but pay particular attention to the *Thought for the Week*, which gives a deep dive into the reasons why we have increased the use of ETFs in the DIAS portfolios.

## PORTFOLIO ALLOCATION UPDATE

Conservative	Additions were made to preferred stocks, as well as to our multi-asset class income allocation which provides global exposure to sovereign debt, equity, real estate, corporate debt and alternatives.
Moderate	Additions were made to food and beverage, healthcare, financial services, and American tech software.
Growth	Additions were made to retail, industrials, and materials.

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Allocation Summary		Conservative Income	Conservative Income with Growth	Moderate Growth with Income	Focused Growth
Fixed Income Allocation	Base	70.00%	60.00%	30.00%	0.00%
	Current	56.99%	39.55%	22.49%	8.14%
Equity Allocation	Base	30.00%	40.00%	70.00%	100.00%
	Current	33.80%	55.58%	75.71%	91.86%
Alternative Allocation	Base	0.00%	0.00%	0.00%	0.00%
	Current	9.21%	4.87%	1.80%	0.00%

Market Activity Update:	03/04/2015 – 03/11/2015	YTD as of 03/11/2015
S&P 500 Total Return:	-2.73% ↓	-0.48% ↓
Russell 1000 Value Total Return:	-2.38% ↓	-2.18% ↓
U.S. 10 Year Treasury Yield:	-1.00bps ↓	-6.00bps ↓
Crude Oil WTI:	-6.52% ↓	-9.57% ↓
Gold XAU:	-3.75% ↓	-2.45% ↓

Data Source: Bloomberg

*This commentary is not intended as investment advice or an investment recommendation. It is solely the opinion of our investment managers at the time of writing. Nothing in the commentary should be construed as a solicitation to buy or sell securities. Past performance is no indication of future performance. Liquid securities, such as those held within DIAS portfolios, can fall in value. Global Financial Private Capital is an SEC Registered Investment Adviser.*

*S&P 500 Index Total Return: The Standard and Poor's 500 index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Total return includes interest, capital gains, dividends and distributions realized over a given period of time.*

*Russell 1000 Value Index Total Return: The Russell 1000 Value index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. Total return includes interest, capital gains, dividends and distributions realized over a given period of time.*

*U.S. 10 Year Treasury Yield: The on-the-run aggregate yield of 10 year U.S. Treasury bonds.*

*Crude Oil WTI: Crude Oil WTI refers to the front month futures for West Texas Intermediate crude oil. WTI crude oil is the underlying commodity of the New York Mercantile Exchange's oil futures contracts.*

*Gold XAU: Gold XAU is the spot price of 1 troy ounce of gold used for international trade and is denominated in USD.*

*You cannot invest directly in an index.*

*Consult your financial professional before making any investment decision.*

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