

FOR THE WEEK OF OCTOBER 12<sup>TH</sup> – OCTOBER 16<sup>TH</sup>, 2015

## PORTFOLIO MANAGER'S COMMENTARY

A relatively quiet week in financial markets as traders await the announcement of third quarter earnings. Some early disappointment came from JP Morgan, Walmart, and Alcoa, but it's far too early to tell how this earnings season will play out. Rarely does a single quarter of earnings alter the long-term path for a company, but it's still very important to watch in order to confirm a broader trend in a sector and/or investment theme, so we certainly keep a close eye on what comes out of these reports.

Last week's surge in asset prices across the globe has given hope to many investors that the volatility is coming to an end, since we saw broad-based buying supporting most equity markets. On the other side, there are those who feel that we are in for another leg down. Our view is that either could be right, however these volatility spikes are almost always temporary, and the reasons for the initial sell off bare no indication of the underlying fundamentals that have supported the market rally since the financial crisis.

Therefore, we continue to expect slow and steady growth in our economy, which should translate to slow equity price appreciation. If pressed, we would say that investors should expect to see a range bound market through year-end, since slow growth will limit the ability for markets to move up as quickly as in years past in such a short time span. We are in the camp that believes the downside is likely limited as well; unless we were to see something really unexpected rock markets (terrorist attack, natural disaster, etc.).

No major changes were made to our allocation this week.

## PORTFOLIO ALLOCATION UPDATE

Conservative	No major allocation changes were made.
Moderate	Purchase of Gilead was made in place of IBB which was recently sold. Buying the best of the biotech space.
Growth	No major allocation changes were made.

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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	66.00%	50.00%	35.00%	5.00%
Equity Allocation	Base	30.00%	40.00%	70.00%	100.00%
	Current	30.00%	47.00%	61.00%	95.00%
Alternative Allocation	Base	0.00%	0.00%	0.00%	0.00%
	Current	4.00%	3.00%	4.00%	0.00%

Market Activity Update:	10/07/2015 – 10/14/2015	YTD as of 10/14/2015
S&P 500 Total Return:	-0.06% ↓	-1.55% ↓
Russell 1000 Value Total Return:	-0.36% ↓	-4.98% ↓
U.S. 10 Year Treasury Yield:	-10.00bps ↓	-20.00bps ↓
Crude Oil WTI:	-2.45% ↓	-12.45% ↓
Gold XAU:	+3.37% ↑	-0.02% ↓

Data Source: Bloomberg as of 10/15/2015

*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.*