

FOR THE WEEK OF APRIL 20<sup>TH</sup> – 24<sup>TH</sup>, 2015

## PORTFOLIO MANAGER'S COMMENTARY

We have seen close to 80% of the S&P 500 companies report 1st quarter earnings for 2015, and the story remains the same for the U.S. economy. Earnings continue to surprise to the upside, albeit exceeding pretty low expectations given concerns over bad weather and the strong dollar, but sales remain lackluster. Investors watch sales closely because it's one of the better gauges of consumer demand. A company can engage in a myriad of different ways to manipulate earnings through accounting tactics and removing costs, but it's very difficult to fake sales.

Since we are no longer in a market being fueled by the Fed and their QE program(s), earnings must now push our equity markets higher. Sales will likely continue their slow and steady growth over the next 12 months, which means that the broad-based U.S. equity indices will probably bore those investors who have watched the S&P 500's meteoric climb since 2009. Hence, the key to making money in the U.S. markets going forward will be concentrated positions at the sector, and often stock level.

## PORTFOLIO ALLOCATION UPDATE

|              |   |
|--------------|---|
| Conservative | Cash has been reduced, and the allocations to high yield bonds, preferred shares, and bank loans have been increased. |
| Moderate     | No major allocation changes were made.  |
| Growth       | Cash has been reduced, and an allocation to a broad currency hedged international equity ETF has been 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 | 60.77%              | 46.31%                          | 23.53%                      | 8.03%          |
| Equity Allocation       | Base    | 30.00%              | 40.00%                          | 70.00%                      | 100.00%        |
|                         | Current | 29.83%              | 44.75%                          | 71.98%                      | 91.97%         |
| Alternative Allocation  | Base    | 0.00%               | 0.00%                           | 0.00%                       | 0.00%          |
|                         | Current | 9.40%               | 8.94%                           | 4.49%                       | 0.00%          |

| Market Activity Update:          | 04/15/2015 – 04/22/2015 | YTD as of 04/22/2015 |
|----------------------------------|-------------------------|----------------------|
| S&P 500 Total Return:            | +0.07%                  | +2.98%               |
| Russell 1000 Value Total Return: | -0.37%                  | +0.93%               |
| U.S. 10 Year Treasury Yield:     | +9.00bps                | -19.00bps            |
| Crude Oil WTI:                   | -0.41%                  | +5.43%               |
| Gold XAU:                        | -1.28%                  | +0.23%               |

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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