ACTIS WEALTH MANAGEMENT

Simple. Tailored. Financial Freedom.

May 2015 - market performance update & Commentary

Equity Markets

-S&P 500 Index TR +1.29%

-Dow Jones Industrial Average TR +0.95%

-NASDAQ Composite Index +2.60%

-Russell 3000 Index TR +1.38%

-CBOE SPX Market Volatility Index -4.88%

Fixed Income Markets

-Barclays U.S. Aggregate Bond Index -0.24%

-Barclays U.S. 7-10 year Treasury Bond Index -0.19%

Alternative Investments, Commodities & Currencies

-S&P GSCI Total Return Index -1.99%

-GSCI West Texas Intermediate Excess Return -0.53%

-U.S. Dollar Index +2.21%

-Gold Spot +0.94%

-Dow Jones Composite REIT Index TR -0.26%

-CBOE BuyWrite Monthly Index +0.93%

Anchored Growth Benchmark +0.91%

(70% Russell 3000, 25% Barclays U.S. Aggregate Bond Index, 5% Cash)

Foundation Total Return Benchmark +0.60%

(50% Russell 3000, 40% Barclays U.S. Aggregate Bond Index, 10% Cash)

Inflation-Plus Income Benchmark -0.07%

(40% Barclays U.S. Aggregate Bond Index, 40% Barclays U.S. 1-3 Year Treasury Bond Index, 20% Cash)

*Source: Kwanti.com (6/8/15)

ANCHORED GROWTH™ FOUNDATION TOTAL RETURN™ INFLATION-PLUS INCOME™

Looking Forward...

If you haven't been hearing about the rising U.S. Dollar, keep your ears open, as you'll likely be hearing more and more about it. It is generally due to the quantitative easing (money creation) going on in Europe right now. This is putting downward pressure on the Euro currency which, in turn, is causing our Dollar to rise in relation to it. It is becoming a significant problem for U.S. companies that export their goods and services overseas. The conundrum that this is creating for our Federal Reserve is that if they begin to raise interest rates, as they have forecast that they would like to do relatively soon, then the Dollar would most likely rise even more as overseas investors plow into our markets chasing rising interest rates. It's a very unique situation that the Fed has gotten itself into and will likely not be an easy one to get out of.

The recent employment news has been relatively good, but the numbers behind the numbers still give us pause as our labor participation rate is still very low and the amount of jobs created in this recovery is still well below historical norms for a recovery at this point in time. While things could accelerate from here, there isn't any hard evidence leading us to that conclusion.

The market's general breadth (the number of stocks hitting new highs and the number of them that are above their 200-day moving averages) is beginning to raise some red flags about how few stocks are really responsible for the market's recent climb. It's not something that is terribly negative at the moment, but it is definitely continuing to foster our thesis that caution is warranted when it comes to a portfolio's market-based allocation.

As we move forward this year we continue to believe, while our portfolios may underperform the broad market indexes from time to time, that it is still more important to prevent large losses than to capture 100% of the market's upside movements.

Sincerely,

Brian Weckman, RFC
Chief Investment Officer
Actis Wealth Management L.C.

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