

## MARCH 2017 - ADVISORY COMMENTARY

AS WE KEEP MOVING FURTHER INTO 2017, THE MARKET CONTINUES TO BE FULL OF CONTRASTS AND CONTRADICTIONS. WE'VE SEEN THE S&P 500 RUN UP NEARLY 12% SINCE THE ELECTION, ALL THE WHILE PUSHING THE ALREADY HISTORICALLY HIGH VALUATIONS TO EVEN HIGHER LEVELS. AFTER AN INITIALLY ROBUST SELL-OFF IN BONDS POST-ELECTION, INTEREST RATES HAVE LEVELED OFF AS INVESTORS HAVE ONCE AGAIN MOVED INTO THE PERCEIVED SAFE HAVEN OF GOVERNMENT-ISSUED FIXED INCOME INSTRUMENTS.

IN A UNIQUE TWIST, AND KEEPING WITH THE THEME OF MARKET CONTRADICTIONS, IN FEBRUARY WE ADDED EXPOSURE TO U.S. SMALL AND MID-CAP STOCKS, INTERNATIONAL DEVELOPING MARKET STOCKS AND GOLD. WE REMOVED A SMALL PERCENTAGE OF OUR MARKET-HEDGED INVESTMENTS AND ALSO REDUCED OUR CASH ALLOCATION SLIGHTLY.

SMALL AND MID-CAP U.S. STOCKS, WHILE HIGHLY VALUED, HAVE THE POTENTIAL TO SEE A GREATER BENEFIT FROM THE LESS ONEROUS REGULATORY ENVIRONMENT THAT IS BEING USHERED IN BY THE TRUMP ADMINISTRATION. IT IS ALSO ONE AREA WHERE HIGHER EARNINGS GROWTH RATES CAN BE FOUND. EMERGING MARKET STOCKS HAVE GENERALLY LAGGED BEHIND THE GAINS OF THE REST OF THE WORLD SO FAR. THEY COULD SEE A BIT OF A CATCH-UP SCENARIO AS INVESTORS LOOK FOR AREAS OF RELATIVE UNDERPERFORMANCE TO TAKE ADVANTAGE OF.

WE BELIEVE THAT WE ARE FINALLY CLOSING IN ON THE TIME WHEN GOLD WILL BEGIN TO ACT AS THE HISTORIC HEDGE ON MONETARY CHICANERY THAT IT HAS OFTEN BEEN IN THE PAST. HOWEVER, THIS DOES NOT MAKE US TRADITIONAL "GOLD BUGS" THAT SO OFTEN POPULATE LATE-NIGHT TV INFOMERCIALS. IT IS SIMPLY A REPRESENTATION OF OUR OPINION THAT THE ODDS HAVE FINALLY BECOME IN THE FAVOR OF GOLD HAVING A POSITIVE RISK-REWARD POTENTIAL MOVING FORWARD. THIS SMALL INITIAL POSITION IN GOLD CAN ALLOW OUR MODEL PORTFOLIOS TO TAKE ADVANTAGE THE POTENTIAL VOLATILITY AND UNCERTAINTY THAT IS SO LONG-OVERDUE IN THE CURRENT MARKET ENVIRONMENT.

SINCERELY,



BRIAN WECKMAN, RFC  
CHIEF INVESTMENT OFFICER  
ACTIS WEALTH MANAGEMENT L.C.

THE OPINIONS VOICED IN THIS MATERIAL ARE FOR GENERAL INFORMATION ONLY AND ARE NOT INTENDED TO PROVIDE SPECIFIC ADVICE OR RECOMMENDATIONS FOR ANY INDIVIDUAL. THE ECONOMIC FORECASTS MAY NOT DEVELOP AS PREDICTED AND THERE CAN BE NO GUARANTEE THAT STRATEGIES PROMOTED WILL BE SUCCESSFUL.



## FEBRUARY 2017 - MARKET UPDATE

### EQUITY MARKETS

- S&P 500 INDEX TR +3.97%
- DOW JONES INDUSTRIAL AVERAGE TR +5.17%
- NASDAQ COMPOSITE INDEX +3.75%
- RUSSELL 3000 INDEX TR +3.72%
- CBOE SPX MARKET VOLATILITY INDEX +7.76%

### FIXED INCOME MARKETS

- BARCLAYS U.S. AGGREGATE BOND INDEX +0.67%
- BARCLAYS U.S. TREASURY BOND INDEX +0.49%

### ALTERNATIVE INVESTMENTS, COMMODITIES & CURRENCIES

- S&P GSCI TOTAL RETURN INDEX +0.23%
- GSCI WEST TEXAS INTERMEDIATE EXCESS RETURN +1.27%
- U.S. DOLLAR INDEX +1.48%
- GOLD SPOT +3.53%
- DOW JONES COMPOSITE REIT INDEX TR +4.14%
- CBOE BUYWRITE MONTHLY INDEX +1.39%

ANCHORED GROWTH BENCHMARK +2.77%

(70% RUSSELL 3000, 25% BARCLAYS U.S. AGGREGATE BOND INDEX, 5% CASH)

FOUNDATION TOTAL RETURN BENCHMARK +2.13%

(50% RUSSELL 3000, 40% BARCLAYS U.S. AGGREGATE BOND INDEX, 10% CASH)

INFLATION-PLUS INCOME BENCHMARK +0.29%

(40% BARCLAYS U.S. AGGREGATE BOND INDEX, 40% BARCLAYS U.S. TREASURY SHORT INDEX, 20% CASH)

\*SOURCE: KWANTL.COM (3/6/17). INDEXES ARE UNMANAGED AND CANNOT BE INVESTED INTO DIRECTLY. UNMANAGED INDEX RETURNS DO NOT REFLECT FEES, EXPENSES, OR SALES CHARGES. INDEX PERFORMANCE IS NOT INDICATIVE OF THE PERFORMANCE OF ANY INVESTMENT. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.



The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Dow Jones Industrial Average is the most widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue chip stocks, primarily industrials. The 30 stocks are chosen by the editors of the Wall Street Journal. The Dow is computed using a price-weighted indexing system, rather than the more common market cap-weighted indexing system.

The NASDAQ Global Market Composite consists of 1,450 stocks that meet NASDAQ's strict financial and liquidity requirements, and corporate governance standards. The Global Market Composite is less exclusive than the Global Select Market Composite.

The Russell 3000 Index is a market capitalization weighted equity index maintained by the Russell Investment Group that seeks to be a benchmark of the entire U.S. stock market. More specifically, this index encompasses the 3,000 largest U.S.-traded stocks, in which the underlying companies are all incorporated in the U.S.

The CBOE SPX Market Volatility Index shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The VIX is a widely used measure of market risk and is often referred to as the "investor fear gauge."

The Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

The Barclays US 7-10 Year Treasury Bond Index measures the performance of U.S. Treasury securities that have a remaining maturity of at least seven years and less than 10 years.

The S&P GSCI is recognized as a leading measure of general price movements and inflation in the world economy. The index – representing market beta – is world-production weighted. It is designed to be investable by including the most liquid commodity futures, and provides diversification with low correlations to other asset classes.

The GSCI West Texas Intermediate Excess Return Index reflects the returns that are potentially available through an unleveraged investment in the West Texas Intermediate (WTI) crude oil futures contract plus the Treasury Bill rate of interest that could be earned on funds committed to the trading of the underlying contracts.

The U.S. Dollar Index is a measure of the value of the U.S. dollar relative to majority of its most significant trading partners. This index is similar to other trade-weighted indexes, which also use the exchange rates from the same major currencies.

Gold Spot refers to the price paid for current delivery of 1 ounce of physical gold.

The Dow Jones Composite REIT Index contains all publicly traded U.S. REITs in the S&P Dow Jones Indices U.S. stock universe that are classified into one of three subcategories—equity, mortgage or hybrid—as defined by the REIT/RESI Industry Classification Hierarchy.

The CBOE S&P 500 BuyWrite Index (BXM) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index.



SECURITIES AND ADVISORY SERVICES OFFERED THROUGH LPL FINANCIAL, A REGISTERED INVESTMENT ADVISER, MEMBER FINRA/SIPC.