

QUARTERLY PORTFOLIO REVIEW

June 30, 2015

In the summer when the days are hot,
I like to find a shady spot,
And hardly move a single bit
And sit, and sit, and sit,
and sit.

Quarter in Review

The major U.S. markets have been largely quiet so far this year, though short-term headwinds presented by Greece’s financial woes seem to have taken a toll on the markets in the final days of the quarter. It makes sense that the euro would lose strength against the dollar amidst market turmoil like what we’re witnessing in Greece. The euro was actually up by more than 3.5% during Q2, but is down nearly 8% over all this year.

The Dow Jones Industrial Average ended the quarter marginally in the red at negative 0.88%, and down just over 1% for the year.

The S&P 500 index also ended the quarter marginally negative, though only by 0.23%. The index is up 0.2% for the year.

Crude oil has moved largely sideways after its big decline in 2014 and amidst uncertainty about how long this cheap-oil environment will persist.

Gold and silver have traded sideways during 2015. Both commodities closed down for the quarter, with gold down around 1% and silver down nearly 6%. For 2015, gold is down just over 1% while silver is only negative by 0.2%.

BENCHMARK CENTRAL 2015 Q2 YTD

Citi World Gov’t Bond Index 3-7 Yr. Hedged	0.35%
MSCI EAFE (International Stock index)	3.81%
Russell 1000 Value (US Large Cap Value index)	-1.79%
Russell 2000 (US Small Cap index)	4.09%
S&P 500 (US Large Cap index)	0.20%
Wilshire 5000 (US Total Market index)	0.79%

PUTTING GREECE INTO PERSPECTIVE

As most of our clients are aware, Greece is back in the news and not for its beautiful beaches and pristine views. Greece left its European partners empty handed Tuesday after failing to present written bailout proposals at an emergency meeting in Brussels, dealing a possible setback to attempts at salvaging the country’s financial rescue before banks run out of cash. But before everyone gets all worked up, allow us to provide some context:

- Greece’s stock markets have a market capitalization (market cap) of approx. \$18 Billion as of 5/31/2015. This \$18 Billion represents .04% (four one hundredths of one percent) of the total global stock market.
- Greece’s market cap is approx. 0.08% (eight one hundredths of one percent) of the US market cap.
- There are approximately 950 individual companies with larger market capitalizations than the entire Grecian stock market.
- In a \$1,000,000 portfolio invested in AFA’s 50% Stock and 50% Bond portfolio, only \$132 is invested in Greek stocks.

Once you see these numbers, it makes you wonder what the rest of the world is getting so uptight over.

QUARTERLY CLIENT WEBINAR

Date: Thursday, July 23rd, Starting time: 12:30 pm, Eastern Daylight Time

Meeting Number: 195 155 050

Website link: <https://meetings.webex.com/collabs/meetings/view?uuid=M0LZ3HYX5CDO7ERU5PN0YONT74-5MWV&ucs=email>

To join the teleconference only: US TOLL: +1-415-655-0001 Access code: 195 155 050

If you cannot join us for this important webinar, we will post a recording of the entire presentation on our website at www.afadvisors.com.