ISSUE 2 - SUMMER 2015

WHAT'S NEW WITH THE WEALTH GROUP

BENCHMARK
PRIVATE WEALTH MANAGEMENT

Our investment outlook remains unchanged from that of the beginning of the year. We anticipate a continuation of the push and pull dynamic in the marketplace that we've seen thus far in 2015 between riskier assets and perceived "safer" or higher-quality assets, such as gold and U.S. Treasury securities.

Major "Influencers" We Are Watching

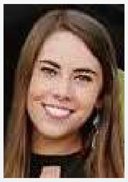
- Keep a close eye on The Federal Reserve in in the second half of 2015; we believe The Fed is in the early stages of a long transition cycle from an easy-to-neutral policy to a higher interest rate policy. It is uncertain to how quickly or how far.
- The U.S. dollar pushes higher versus the world's other currencies, making U.S. assets attractive on a yield basis, and putting downward pressure on U.S. commodity prices such as precious metals, energy and the price of oil.
- Deflation is a larger near-term worry than inflation due to weakening global stability. The recent rally notwithstanding, we foresee the U.S. dollar to remain strong in the future as the ongoing competition among economically mature nations and the European Union to devalue their currencies continues. This should provide a long-term foundation for real estate and hard assets, and thus make them very attractive to those with a patient, long-term mindset.
- Regarding market trends and behavioral finance, we are entering the seventh year of a bull market, and fewer names with higher volatility dominate the market. It has been over three years since the last technical correction- it is not an "if" but a "when".
- The 2016 Presidential election could have market implications. See more on the theories around that issue in our Special Focus section below.

Meet Our Team

Wayne C. McCullough, CFP
Managing Partner

M. Keith Beckman, CFA
Managing Partner

Rawles Bell
Associate Director, Client Advisor

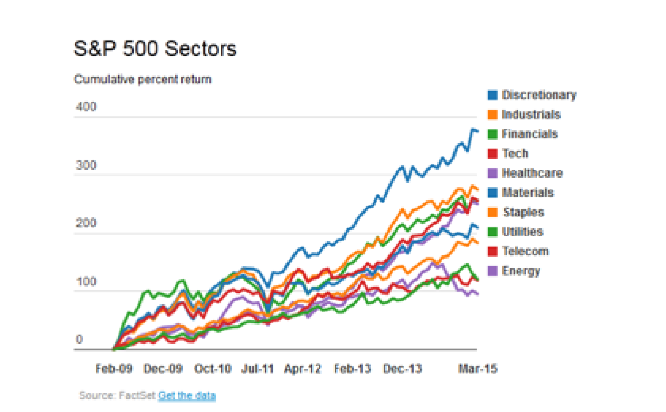


Rachel Miller
Sales Associate and Client Liaison

TRUSTED ADVICE • EXCEPTIONAL SERVICE

7019 Hillcrest Aveue
Dallas, Texas 75205
214.474.2190

Chartworthy



Our Outlook on Markets

OUTLOOK ON U.S. EQUITIES

The market expectation for 2015 seemed to start the year at unsustainable levels. Expectations now seem to have come back to a range that is realistic. We expect that the softness in the first quarter will prove temporary, with stronger growth in the second half of 2015 reinvigorating optimism about the economy. This being said we are cautiously optimistic and look for rays of sunshine, but keeping our raincoat handy in the event of a storm.

Additionally, equities have historically had the potential to outperform over long periods of time. Therefore, we favor long-term growth equities exhibiting strong fundamentals given the global turbulence and sensitive business cycles. Active management and security selection are as important as ever in 2015 for equities.

OUTLOOK ON U.S. FIXED INCOME

Fixed income securities remain highly priced and we see a continued rise in market interest rates from current levels. When does the Federal Reserve's first interest rate hike come...? The bigger question is what to do and how will the market adjust? Are we in for another interest debacle? While a possibility, fundamental analysis indicates that the market is in a stronger position than it was during prior interest rate hikes. We will continue to recommend lower overall duration and higher quality names in U.S. Treasury and bond holdings to mitigate a rising rate environment. Keep the credit strong and the duration short - that is the best plan.

OUTLOOK ON WORLD MARKETS

The first quarter saw European equities rise, as investors focused on value available in their market, and with the earnings environment beginning to improve, the ensuing three months were sieged by profit taking. Continued uncertainty with Greece's future in the euro zone accelerated dropping equity prices during June, while globally markets also began to adjust to the idea of a U.S. interest rate hike. While emerging markets are always intriguing, staying with established names and managers in the developed economies should prove a safer play for now.

Special Focus Area – 2016 Presidential Race

Rest assured the Presidential race should prove for excitement, high drama and comedy in general (see most recent Republican Presidential debate). That being said, we are at an important crossroad in our country's history and people are taking note (24 Million viewers for the first Republican debate as opposed to 3.2 million viewers in year 2011). While many prognosticators like to predict market returns on election cycles, we stand by long term investing and proper allocation for your long term financial plan. There is always plenty of conjecture as to whether election cycles affect market return. It is hard to determine whether the data is statistically sound or a statistical fluke. Regardless, it is worth noting the nature of the theory.

The following excerpt is from Investopedia:

> *Do you think who you vote in for president will affect the economy? According to the election cycle theory, it may not make a difference. History suggests that the stock market and the four-year presidential election cycle follow strong, predictable patterns. So, whether you're voting Democrat, Republican or just staying home, find out what these patterns can tell you about the stock market - and perhaps even the next presidential race.*

WHAT IS THE PRESIDENTIAL ELECTION CYCLE THEORY?
The presidential election cycle theory, which was developed by Yale Hirsch, is based on historical observations that the stock market follows, on average, a four-year pattern that corresponds to the four-year election cycle. The theory suggests that on average, the stock market has performed in the following manner in each of the four years that a President is in office:

YEAR 1: THE POST-ELECTION YEAR
The first year of a presidency is characterized by relatively weak performance in the stock market. Of the four years in a presidential cycle, the first-year performance of the stock market, on average, is the worst.

YEAR 2: THE MIDTERM ELECTION YEAR
The second year, although better than the first, also is noted for below-average performance. Bear market bottoms occur in the second year more often than in any other year. The "Stock Trader's Almanac" (2005), by Jeffrey A. and Yale Hirsch, Hirsch notes that "wars, recessions and bear markets tend to start or occur in the first half of the term."

YEAR 3: THE PRE-PRESIDENTIAL ELECTION YEAR
The third year or the year preceding the election year is the strongest on average of the four years.

YEAR 4: THE ELECTION YEAR
In the fourth year of the presidential term and the election year, the stock market's performance tends to be above average.

Although the numbers will change somewhat depending on the exact time frame used, the basic pattern has persisted - a weaker first half and a stronger overall second half of a 4-year presidential term.

**STOCK MARKET RETURN
BY U.S. PRESIDENTIAL TERM YEAR, 1948-2008**

YEAR	AVG ANNUAL RETURN *
1	7.41%
2	10.21%
3	22.34%
4	9.79%

** S&P 500 TOTAL RETURN INDEX*

Quotable

> *"Trying to predict market cycles can lead to oversimplification, which most behavioral finance experts agree, tends to hurt individual investors. Rather than attempt to predict investment performance for a market that is unpredictable, it is better to focus on elements of investment planning within your control such as diversification, costs and how investments are taxed"*
>
> – FORBES MAGAZINE 2012

The Bottom Line

Regardless of market conditions, world influencing events, or presidential races, please remember that we are always focused on your overall financial well-being. As holistic wealth managers, we need to consider college planning, retirement planning, estate planning, insurance planning and many more details of your financial landscape. We have solutions for all areas of your financial life. We are here ready to work on the tenets we were founded on - respect, honesty, integrity and family.

Events & Sponsorships

TEXO Investment Panel (Co-Hosting) -
Friday, September 18th

Benchmark Bank The Woodlands Grand Opening -
Wednesday, September 23rd

BPWM & Briggs Freeman Happy Hour @ 18th and Vine -
Thursday, October 1st

PCDC Teacher's Cup Golf Classic -
Monday, October 12th

BMB & BPWM Happy Hour @ Coal Vines in Plano -
Wednesday, October 21st

Remembering Fred Vehon – A Memorial Golf Tournament -
Friday, October 30th

References/Sources used: Investopedia, WSJ.com, JP Morgan, Lazard Asset Management, Hennessy Funds, Smith Group.