DATE: **April 1, 2015**

TO: **POINT VIEW CLIENTS**

FROM: **David G. Dietze, JD, CFA, CFP™ and President**

I. 2015 First Quarter Performance

- Domestic markets got off to a positive, yet subdued, start to 2015, at least compared to last year's double digit returns. On the positive side were dramatically lower energy prices, an improving economy as job creation accelerates, and a continuing decline in interest rates. Weighing, particularly on large cap multinationals, was an amazing surge in the Dollar's value and a Federal Reserve eager to raise interest rates. Underscoring the virtues of diversification, tax exempt fixed income outpaced both the Dow and the S&P, while global equities outperformed domestics, even after netting out our currency's surge. Bottom line, a blend of domestic stocks, bonds, and international equities reduced risk and enhanced returns.

MARKET DATA	03/31/14 03/31/15	First Quarter
S&P 500 (dividends reinvested)	12.74%	0.95%
NASDAQ (dividends reinvested)	18.12%	3.79%
60/40 S&P 500 / TX-EXEMPT SECURITIES BLEND	10.39%	1.06%
DOW JONES INDUSTRIALS (dividends reinvested)	10.50%	0.34%
INTERNATIONAL STOCKS (MSCI EAFE IX ID)	-3.48%	4.19%
TAXABLE BONDS (Barclay's 1-3 Yr Gov't/Credit)	1.13%	0.59%
TAX-EXEMPT SECURITIES (Barclay's Muni Index)	6.62%	1.01%
YOUR PORTFOLIO (If under management more than 3 months)	*SEE ATTACHED*	

- Healthcare stocks stood out, up 7.2%. Interestingly, although biotechs have received much of the attention, health insurers led the sector, up 13.4%. As the Affordable Care Act was implemented, investors realized that private managed care was part of the solution, not the problem. We also detected a shift in power, as some managed care companies announced the substitution of lower priced medicines for those deemed not efficacious enough to justify the extra expense. **United Heath (UNH)** surged 17.4% while **Anthem (ANTM)** rose 23.4%.

- Energy provided the most challenge, falling 8.9%. That tracked the price of US crude oil futures, down 11%. While forecasts abound about lower energy prices, recognize that fossil fuels are a global commodity. Given the Dollar's 9% rise versus a basket of currencies, it appears that oil did not fall so much as the Dollar rose. **Chevron (CVX)** outperformed the sector (-5.5%), while **BP** actually rose, up 4.2%.

- For overseas stocks, it was all about "quantitative easing" and extreme currency fluctuation. Take Europe, for example. With the European Central Bank pledging to pump $66 billion of money into the systems, analysts saw a new dawn for financial markets there, echoing March of 2009, the start of our own bull market, fueled by the Federal Reserve's aggressive actions. Stocks across the pond responded, with Euro stocks enjoying their best Q1 in 17 years. The blue chip Euro Stoxx 50 rose over 18%, but when you subtract out the near 12% rise in the Dollar versus the Euro you're left with a respectable but lesser near 6% gain.

  Publicly traded companies continued to find ways to unlock shareholder value, buying back their shares and engaging M&A activity at the fastest pace since 2007. With interest rates remaining at low levels and easy access to cheap capital, expect more deals.

- Fixed income continues to remain a conundrum. Interest rates cannot stay at these levels forever. However, bonds continue to serve as a low risk hedge on stock market volatility.

PREVAILING YIELDS AS OF:

FIXED INCOME ASSET	03/31/14	06/30/14	09/30/14	12/31/14	03/31/15
US Government 10 Yr. Note	2.73%	2.53%	2.51%	2.17%	1.93%
5-Year Certificate of Deposit	0.79%	0.78%	0.82%	0.85%	0.87%
Money Market	0.00%	0.01%	0.01%	0.00%	0.00%

II. Looking Forward

We remain bullish longer term amid the continued strength of the US economy and benign interest rate environment. Near term, we remain vigilant: Valuations are elevated versus historic norms, although justified by the low cost of capital. The soaring Dollar hurts our exports and the value of repatriated earnings. Corporate profitability is expected to be in a recession, meaning being down year over year for the first two quarters of 2015. The Federal Reserve is itching to raise rates. To cope, we continue to hew closely to our asset allocation targets, while focusing new purchases in lesser valued sectors, like international, financials, energy plays, and commodity producers.

III. Enclosures

The enclosed shows the recent performance of all of your Fidelity accounts (if under management for more than 3 months), your investment advisory invoice and our annual privacy policy mailing. Our ADV Part II is updated for 2015, and posted on our website.