DATE: **July 1, 2015**

TO: **POINT VIEW CLIENTS**

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

I. 2015 Second Quarter Performance

- Domestic stocks eked out gains for Q2, while fixed income was challenged. The S&P 500 was up 0.28%, including dividends, leaving the index up 1.23% for the first half and up 7.42% for the trailing 12 months. Bonds, however, saw their biggest decline since 2013, as the ten year Treasury yield climbed from 1.9% all the way to 2.3%, while yields on the other side of the pond had an even more dramatic rise: The German 10 year yield soared from a microscopic 0.18% all the way to 0.74%.

MARKET DATA	**06/30/14 06/30/15**	**Second Quarter**	**Year to Date 2015**
S&P 500 (dividends reinvested)	7.42%	0.28%	1.23%
NASDAQ (dividends reinvested)	14.44%	2.03%	5.90%
60/40 S&P 500 / TX-EXEMPT SECURITIES BLEND	5.76%	-0.18%	0.88%
DOW JONES INDUSTRIALS (dividends reinvested)	7.17%	-0.30%	0.04%
INTERNATIONAL STOCKS (MSCI EAFE IX ID)	-6.57%	-0.38%	3.81%
TAXABLE BONDS (Barclay's 1-3 Yr Gov't/Credit)	0.92%	0.13%	0.72%
TAX-EXEMPT SECURITIES (Barclay's Muni Index)	2.99%	-0.89%	0.11%
YOUR PORTFOLIO (If fully invested by Point View)	*SEE ATTACHED*		

- Key Q2 themes included bracing for a rate hike by our Federal Reserve, trying to divine the economy, the Greek financial tragedy as it becomes the first developed market to renege on IMF aid repayment, and the rush to the merge by corporations seeking to jump start growth.

- Healthcare stocks were standouts in Q2, up over 5.6%, led by the insurers, a/k/a managed care companies. **UnitedHealth Group** rose 3.6% and is now up over 21% this year, while peers **Aetna** and **Cigna** saw quarterly climbs of 20% and 25%, respectively. Obamacare has left them with more customers who have greater resources to pay for care. The latest quarterly push came amid an urge to merge: Aetna has just agreed to buy **Humana**, while **Anthem** is pursuing Cigna.

- Financial stocks created wealth in Q2; an index of related funds tracked higher by 3.6% as interest rates ticked up. Standouts included **Citigroup**, up 7.3%, and **Bank of America**, better by 10.9%. Closed end funds, if purchased at a significant discount, can be a savvy way to invest. The **JH Financial Opportunities** fund soared over 17% in Q2, despite the value of its positions rising but 7%, leaving it now at a premium valuation.

- Energy companies struggled in Q2. Blue chips **Exxon** and **Chevron** eased 1.3% and 7.1%, respectively. Oil and gas prices, after a bounce off a bottom in January, remained volatile in the latest quarter. But, the sector offers outstanding value, with the dividends on those two, for example, at 3.4% and 4.4%, substantially over the ten year Treasury, yet offering long term growth potential.

- Fixed income saw a volatile Q2. Many analysts see the Euro Central Bank as now driving the bond scene; its fierce desire to prop up the Euro economies by aggressive quantitative easing pushed yields to well below 0% in many cases. But, as investors saw the Continent get economic traction, a vicious sell off ensued.

PREVAILING YIELDS AS OF:

FIXED INCOME ASSET	06/30/14	09/30/14	12/31/14	03/31/15	06/30/15
US Government 10 Yr. Note	2.53%	2.51%	2.17%	1.93%	2.33%
5-Year Certificate of Deposit	0.78%	0.82%	0.85%	0.87%	0.86%
Money Market	0.01%	0.01%	0.00%	0.00%	0.00%

II. Looking Forward

- Optimism remains for equities despite valuations creeping up to nearly 18 times earnings, the highest in five years. We are nowhere near the nosebleed levels seen in the late 1990s and certainly the low level of interest rates justifies higher, more expensive stock prices.

- Selectivity is key, as corporate earnings have decelerated. Profits for the just concluded Q2 are forecast to drop 4.5%. The bullish counter is that much of the weakness is due to fallen energy prices, which weigh heavily on oil and gas related profits, yet ultimately should spur other sectors, like transportation. The other optimistic spin is that profit weakness is due to the surging US currency and the Dollar's meteoric rise shows signs of slowing.

III. Enclosures

The enclosed shows the recent performance of all of your Fidelity accounts (if under management for more than 3 months) and your investment advisory invoice.