



## 2015 Q2 MARKET RECAP

We close the first half of 2015 with a lot of volatility and concerns about whether Greece will stay in the Euro or if it will go a different route. As we have said so many times, Greece is a pretty small player in the global picture and, in many ways, they should have control over their own currency. The bigger question is what happens to the European Union should Greece leave. The answer – probably nothing. But ask any politician what might happen and you will get all sorts of doomsday scenarios. At Madison Park Capital Advisors, we subscribe to the adage “never let a good crisis go to waste” when it comes to politics. We don’t think this time will be any different.

The same could be said for many issues here in the US, whether we are talking about unemployment, Social Security, Medicare or our federal budget deficit (and debt). Many of these issues which have been lingering for decades are not likely to be tackled until we have some sort of crisis and have no other choice but to find a solution. That being said, some of these issues are completely solvable if we, as a country, have an honest conversation about what is right for the US as a whole rather than special interests. That means that no one party or interest will get everything that they want.

The Federal Reserve, after much discussion about will they or won’t they raise short term interest rates, have continued to sit on the sidelines without making any changes to Fed rate policies. There is still significant talk about a September rate increase, but with current issues surrounding Europe and China, that may be pushed off as well.

The international stock markets have generally outperformed the US markets, but as always each market is not ubiquitous. Japan is returning 10%+, while Greece is -20%+. US Large Cap stocks (S&P 500) are flat for the 1st half, while mid-caps are up 3.25% and small-caps up 3.18%.

From a portfolio perspective, we have been underweight international equity (stocks) and underweight fixed income (bonds). We have been overweight US equity, mostly mid and small cap stocks. It’s not hard to see why we have been outperforming through the first half of the year with our overweights to mid and small cap stocks. In addition, our non-traditional fixed income funds have added value by being less sensitive to rising interest rates. We would expect our portfolios to continue these allocations with the possible exception of an increasing

INDEPENDENT TRUSTED PERSONALIZED



## 2015 Q2 MARKET RECAP

weighting to international investments, should relative strength continue in the international space.

We continue to be vigilant and unemotional regarding our portfolio allocations, and relative strength attributes continue to show beneficial characteristics in relationship to portfolio risk and returns.

### DISCLAIMER

This commentary is a service provided to you by Madison Park Capital Advisors, LLC (MPCA). This document does not constitute an offer of services in jurisdictions where MPCA is not authorized to conduct business. All information provided herein by MPCA is impersonal and not tailored to the needs of any person, entity or group of persons. Past performance is not a guarantee of future results. Inclusion of any individual security within this commentary is not a recommendation by MPCA to buy, sell or hold such a security, nor is it considered to be investment advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public from sources believed to be reliable. The Content shall not be used for any unlawful or unauthorized purposes. MPCA and its third-party data providers and licensors do not guarantee the accuracy, completeness, timeliness or availability of the Content, and are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. The Content is provided on an "as is" basis.

INDEPENDENT TRUSTED PERSONALIZED