North Star Resource Group
Changing Lives, Forever ®

Quarter 3, 2015

Recent reports show that the U.S. economy expanded at an annual rate of 3.9% in the second quarter, higher than previously estimated, due primarily to gains in consumer spending and construction. Higher consumer spending has likely been driven by the continued low cost of gas at the pump with some estimating the annual savings to exceed $100 billion, or more than $750 per American household. Despite some positive economic factors domestically, there remains uncertainty regarding the stability and rate of future economic growth domestically and abroad, notably China which is the world's second largest economy.

For the quarter, large company stocks (S&P 500) declined 6.44% while small company stocks (Russell 2000) declined 11.92%. The weakest sectors were energy, materials and health care while the utility sector stood alone providing a positive return for the quarter.

The U.S. dollar appreciated against most major foreign currencies in the 3rd quarter. A decrease in value of the U.S. dollar enhances returns when investing in foreign securities while an increase in the dollar's value reduces returns for U.S. investors holding foreign securities. For the quarter the MSCI EAFE Index (in U.S. dollars) decreased 10.23% while the MSCI EAFE Index (in local currency) decreased 8.98%.

The demand for intermediate and long-term Treasuries increased during the quarter pushing yields lower with higher bond prices (bond yields move inversely to bond prices). Towards the quarter's end the yield on one and three month bills were at or near 0%. For the quarter the Barclays U.S. Aggregate bond index (a blended composite) increased 1.19%.

On September 17 the Federal Open Market Committee maintained the target range for the federal funds rate at 0% to 0.25%. Many anticipated the possibility of the first rate hike in last month's meeting. However, due to low energy prices and their dampening effect on inflation, global economic developments and the recent correction of equity prices many now anticipate that the first rate hike will not occur until later this year or the beginning of 2016.

Taking the long view, we continue to believe that globally diversified stock and bond portfolios and disciplined investment strategies can continue to provide opportunities for those investors looking for growth.

I welcome your input and, as always, should you have any questions or concerns, or if there is a change in your investment time horizon or financial circumstances that I should be aware of, please contact me at your convenience.

Written and provided courtesy of North Star Resource Group.

Average Annual Returns for Periods Ending 9/30/2015						
Index	3rd Q	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
S&P 500	-6.44%	-5.29%	-0.61%	12.40%	13.34%	6.80%
Russell 2000	-11.92%	-7.73%	1.25%	11.02%	11.73%	6.55%
MSCI EAFE (U.S. dollars)	-10.23%	-5.28%	-8.66%	5.63%	3.98%	2.97%
Barclays US Aggregate Bond	1.19%	1.06%	2.83%	1.67%	3.09%	4.65%
Benchmark Composites	3rd Q	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Aggressive Growth	-8.95%	-5.90%	-2.56%	10.02%	10.13%	5.59%
Growth	-6.96%	-4.51%	-1.56%	8.29%	8.63%	5.36%
Conservative Growth	-4.69%	-2.99%	-0.66%	6.62%	7.21%	5.15%
Income and Growth	-2.70%	-1.60%	0.34%	4.88%	5.71%	4.92%
Income	-0.53%	-0.21%	1.74%	3.48%	4.67%	4.89%

You cannot invest directly in an index. Past performance is not indicative of future results. The S&P 500 Index measures the performance of large capitalization U.S stocks. The S&P 500 is a market-value-weighted index of 500 stocks that are traded on the NYSE, AMEX and NASDAQ. The weightings make each company's influence on the Index's performance directly proportional to the company's value. The Russell 2000 Index measures the total return of small capitalization U.S. stocks. The Russell 2000 is a market-value-weighted index of the 2,000 smallest stocks in the broad-market Russell 3000 Index. These securities are traded on the NYSE, AMEX and NASDAQ. Investments in smaller company and micro-cap stocks generally carry a higher level of volatility and risk over the short term. The MSCI EAFE Index is the Morgan Stanley Capital International Index and is designed to measure the total return of the developed stock markets of Europe, Australia and the Far East. Investment risks associated with international investing, in addition to other risks, include currency fluctuations, political and economic instability and differences in accounting standards when investing in foreign markets. The Barclays US Aggregate Bond Index is a market-weighted index that includes U.S. government, corporate, and mortgage-backed securities, rated investment grade or higher, with maturities up to 10 years. The Benchmark Composite returns are a weighted average of index data comprised in the following manner. Aggressive Growth is 45% S&P 500, 25% Russell 2000 and 30% MSCI EAFE. Growth is 35% S&P 500, 20% Russell 2000, 25% MSCI EAFE and 20% Barclays US Aggregate Bond. Conservative Growth is 30% S&P 500, 10% Russell 2000, 20% MSCI EAFE and 40% Barclays US Aggregate Bond. Income and Growth is 20% S&P 500, 5% Russell 2000, 15% MSCI EAFE and 60% Barclays US Aggregate Bond. Income is 15% S&P 500, 5% MSCI EAFE and 80% Barclays US Aggregate Bond. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding any funds or stocks in particular, nor should it be construed as a recommendation to purchase or sell a security. Past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. Diversification is a method used to manage risk. It does not guarantee against loss. 1315044/DOFU 10-2015
Sources: Bloomberg, Federal Reserve Board, Wall Street Journal, T. Rowe Price, First Trust and JP Morgan.