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THE GLOBAL INVESTMENT PULSE

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U.S. GROWTH STOCKS OUTPERFORM VALUE IN 2015

By Louis P. Stanasolovich, CFP®, CCO, CEO and President of Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc. and Editor of *The Global Investment Pulse*

As you can see by the chart on page 8, so far in 2015 it has been a growth year for U.S. stocks. Small, Medium and Large growth stocks have overwhelmed the performance of value-oriented stocks through May 27th, 2015. Small- and Mid-Cap Blend Stocks (Blend Stocks typically are value-oriented

Growth Stocks, *continued on page 8*

BOND INVESTING IS LIKE RIDING A SEESAW

By Diane M. Pearson, CFP®, PPC™, CDFA™, Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.

Investors need to always be aware that interest rates and bond prices have an inverse relationship. In short, when one rises, the other falls, and vice versa.

However, that's only part of the story. The longer a bond's maturity,

Bond Investing, *continued on page 15*

S&P 500 – 1.4% RETURN OVER NEXT TEN YEARS

Negative Returns Over The Next Eight Years Or Less

By John P. Hussman, Ph.D., Hussman Funds

On the most reliable measures, stocks are about 120.0% to 140.0% above historical valuation norms–yes, more than double the level that one would associate with historically adequate expected returns. On the basis of a broader group of reliable measures, we estimate prospective 10-year S&P 500 nominal total returns of only about 1.4% annually over the coming decade, with negative returns over horizons of eight years or less.

Source: This article was excerpted from, "Does The Recent Decade Prove That Historical Valuation Measures No Longer Apply?" by John P. Hussman, Ph.D., Hussman Funds, (*Weekly Market Comment*, January 12, 2015), www.hussman.com.

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U.S. DOLLAR HAS HURT U.S. INVESTORS INVESTING IN EUROPEAN EQUITIES IN 2015

By James J. Holtzman, CFP®, CPA, Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.

As evidenced by the chart on page 12, so far in 2015 through May 27th, European investors investing in European equities denominated in Euros (local currency) have had excellent returns ranging from a low of 12.25% (large value stocks) to a high of 25.54% [Small Blend (a combination of value stocks with growth traits) stocks]. U.S. investors, due to the rising U.S. Dollar, have now performed

U.S. Dollar, *continued on page 12*

HOUSING NUMBERS IMPROVEMENT MAY HELP BOTH HOUSING STOCKS AND U.S. ECONOMY

By Louis P. Stanasolovich, CFP®, CCO, CEO and President of Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc. and Editor of *The Global Investment Pulse*

Steady recovery in Housing Units Started (see the chart on the top of page 14) and Housing Building Permits (see the chart on the bottom of page 14) may be a precursor of home builder equities performing better as well as other home building related companies' performing better.

Housing Numbers, *continued on page 14*

EQUITY RETURN EXPECTATIONS

By Stephen B. Bluementhal, Founder and CEO, CMG Capital Management Group, Inc.

Missing in the data is the "lost decade" of returns from 2000 to 2009. That decade achieved a total return of just -0.99%–the first negative decade in the series (including the 1930s). Overall, from 1930 to 2009, the annualized return with dividends was 9.37%.

According to Ned Davis Research, Inc., during the average buy-and-hold stock market, an investor spends 77.0% of his or her time recovering from cyclical downturns in the

Equity, *continued on page 4*

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LOUIS P. STANASOLOVICH, CFP®, EDITOR

Louis P. Stanasolovich, CFP® is founder, CCO, CEO and President of Legend Financial Advisors, Inc.® (Legend) and EmergingWealth Investment Management, Inc. Lou is one of only four advisors nationwide to be selected 12 consecutive times by Worth magazine as one of "The Top 100 Wealth Advisors" in the country. Lou has also been selected 11 times by Medical Economics magazine as one of "The 150 Best Financial Advisors for Doctors in America", twice as one of "The 100 Great Financial Planners in America" by Mutual Funds magazine, three times by Dental Practice Report as one of "The Best Financial Advisors for Dentists In America" and once by Barron's as one of "The Top 100 Independent Financial Advisors". Lou was selected by Financial Planning magazine as one of six individuals to receive the inaugural Influencer Awards for 2010. Lou was selected for the Wealth Creator award recognizing the advisor who has made the most significant contributions to best practices for portfolio management. He has been named to Investment Advisor magazine's "IA 25" list three times, ranking the 25 most influential people in and around the financial advisory profession as well as being named by Financial Planning magazine as one of the country's "Movers & Shakers" recognizing the top individuals who have done the most to advance the financial advisory profession.

U.S. HIGH YIELD CORPORATE BONDS:

By Chun Wang, CFA, PRM, Senior Analyst and Co-Portfolio Manager, The Leuthold Group, LLC

The yield on the Barclays U.S. High Yield bond jumped 30 basis points (bps) or 0.30% in March, and the spread (the difference) versus Treasuries widened 39 bps. High Yield spreads are at the approximate historical median. Value is still not compelling and probably won't get compelling anytime soon. High yield bond investors have become much more sensitive to risks. According to Lipper, investors pulled close to $2 billion from high yield funds in March, a reversal from the previous two months.

Source: This article was excerpted from "U.S. High Yield Corporate Bonds: Maintain Neutral", by Chun Wang, CFA, PRM, Senior Analyst and Co-Portfolio Manager, The Leuthold Group, LLC, (*Perception Express*, April 8, 2015), http://leuth.us/bond-market.

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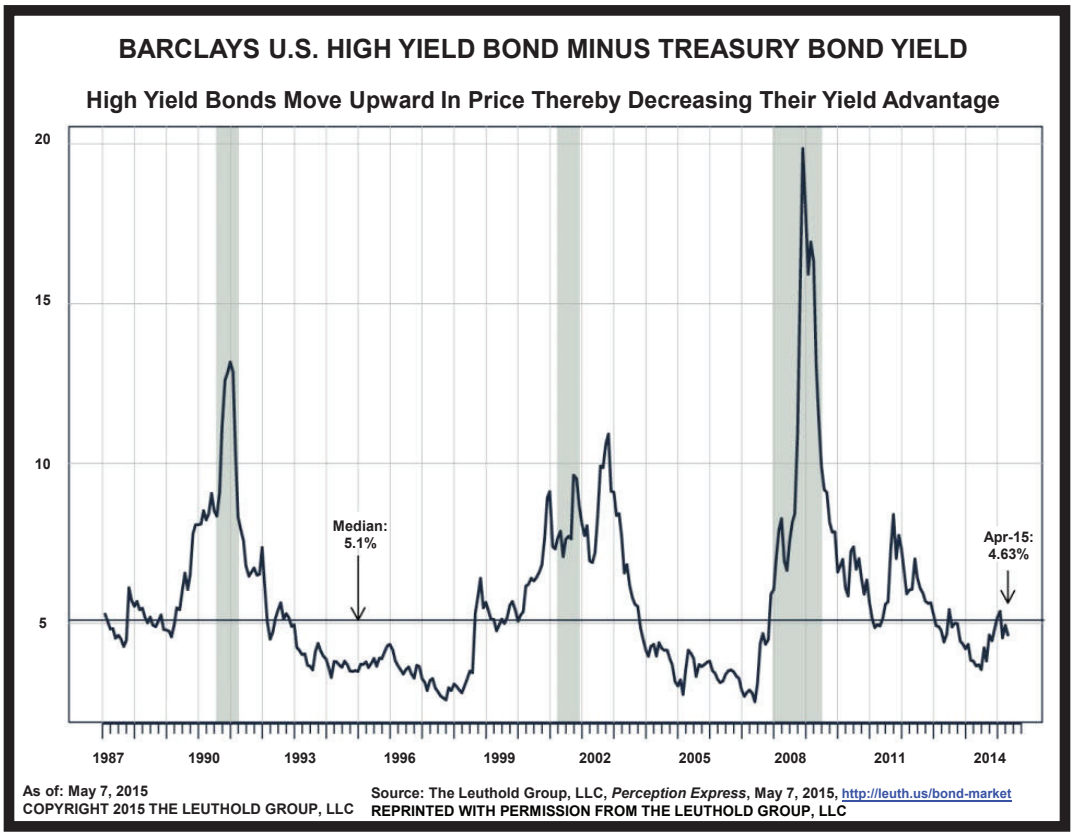
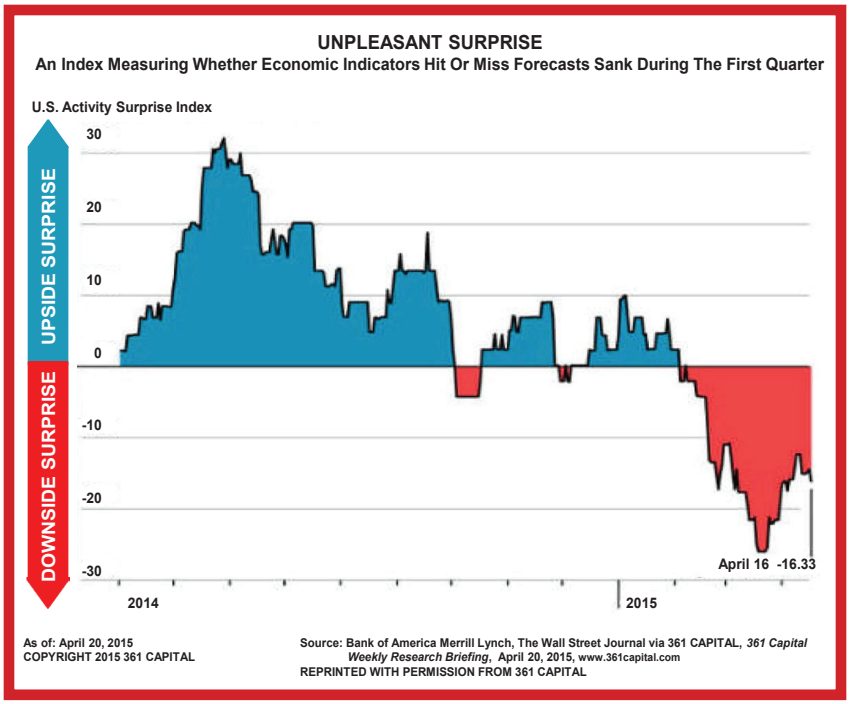


PULSE

ECONOMIC SURPRISE

By Blaine Rollins, CFA, 361 Capital, LLC



A patch of soft economic data has created uncertainty inside the Federal Reserve about when to start raising short-term interest rates, dimming the chances of a move as early as June. Recent reports showed a slowdown in U.S. hiring in March, tepid growth in consumer spending at retail stores, a big drop in industrial output and softer-than-expected home building, reinforcing a view the economy downshifted in the first quarter and didn't have great momentum moving into the second. Fed officials want to see continued improvement in the job market and want to be confident inflation is rising toward their 2.0% goal before they raise rates from near zero. Most of them see the first-quarter growth slowdown as indicated in the chart to the left as temporary, but they will need time to make sure a rebound is in store.

Source: This article was excerpted from "It Can Be Tough Work...", by Blaine Rollins, CFA, 361 Capital, LLC, (*361 Capital Weekly Research Briefing*, April 20, 2015), www.361capital.com

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Equity, *continued from page 1*

market. 77.0% of the time–that's telling. It's in the mathematics of loss. Remember that it takes a 100.0% gain to overcome a 50.0% decline.

Many investors still expect 9.0% to 11.0%; yet, we currently live in a world of 4.0% to 5.0%. Back in 1999/2000, it was not unusual for clients to expect 18.0% per year or more.

As a quick aside: Do you remember those NASDAQ gains in 1998 and 1999? An interesting data point is that more than three quarters of all the money invested in Fidelity mutual funds was concentrated in their technology funds. The NASDAQ crashed some 75.0% by mid-2002 and has only just recently crossed back above 5,000. It took about 15 years to get back to even, but who was really able to ride that bumpy ride back. The bigger question is: Who took advantage of the buying opportunity that crash created?

Editor's Comment: Once again, those investors with high expectations will be disappointed—especially those that buy and hold the indexes.

Source: This article was excerpted from "Rut Ro Rastro", by Stephen B. Bluementhal, Founder and CEO, CMG Capital Management Group, Inc., (*On My Radar*, March 6, 2015), www.cmgwealth.com

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As Long As: Inflation Remained Reasonable, Deflation Was Absent, Gross Domestic Product And Earnings Growth Remained Positive—Market Was Either Bull Or Range-Bound

Decade	Nominal Gross Domestic Product	Real Gross Domestic Product	S&P 500 EPS	Inflation (Deflation)	S&P 500 Total Return
1930 – 1940	-1.4%	0.5%	-5.0%	-1.9%	0.0%
1940 – 1950	11.2%	5.9%	7.7%	5.0%	8.9%
1950 – 1960	6.3%	3.8%	5.4%	2.1%	19.3%
1960 – 1970	6.6%	4.5%	5.6%	1.9%	7.8%
1970 – 1980	9.7%	3.2%	7.9%	6.3%	5.8%
1980 – 1990	8.3%	3.1%	5.5%	6.3%	17.3%
1990 – 2000	5.6%	3.0%	7.1%	3.4%	18.0%

Secular Trend	Decade	Nominal Gross Domestic Product	Real Gross Domestic Product	S&P 500 EPS	Inflation (Deflation)	S&P 500 Total Return
Range-Bound	1936 – 1950	9.4%	5.3%	7.9%	3.9%	6.9%
Bull	1950 – 1966	6.4%	4.1%	4.8%	1.9%	13.7%
Range-Bound	1966 – 1982	9.3%	2.7%	6.1%	7.0%	7.7%*
Bull	1982 – 2000	6.3%	3.7%	7.5%	3.3%	16.7%

Bull Market Average	6.4%	3.9%	6.2%	2.6%	15.2%
Range-Bound Market Average	9.4%	4.0%	7.0%	5.5%	7.3%*

*** The return was barely above inflation before income taxes.**

As of: March 6, 2015
Source: CMG CAPITAL MANAGEMENT, INC. *On My Radar*, March 6, 2015, www.cmgwealth.com

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EMERGING MARKETS: CLOSE... BUT NOT QUITE

By Doug Ramsey, CFA, CMT, Chief Investment Officer, The Leuthold Group, LLC

Emerging Market stocks are probably the cheapest equity subgroup in the world today, trading at 13.0x the Five-Year Normalized Earnings Per Share (EPS) Estimate–much lower than that of Foreign Developed Markets (17.6x) and the S&P 500 (21.3x). However, Emerging Market stocks have languished near these valuation levels for almost three years. In addition, historically, the low Price-To-Earnings Ratio (P/E) assets that still exist late in any liquidity-driven bull market are just as prone to be value traps (Investors could get suckered in) as true opportunities.

Source: This article was excerpted from "Emerging Markets: Close... But Not Quite", Doug Ramsey, CFA, CMT, Chief Investment Officer, The Leuthold Group, LLC, (*Perception Express*, May 7, 2015), www.leutholdgroup.com

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BOND BOOSTERS

By Blaine Rollins, CFA, 361 Capital, LLC

Bonds are becoming more difficult to find and trade these days. Prudential Investment Management Chief Executive Officer, David Hunt, says the number one concern among bond buyers globally is liquidity and its rapid disappearance.

The biggest worry of the buy side around the world is that there has been a dramatic decline in liquidity from the sell side for many fixed income products, said Hunt, 53, who heads Prudential Financial, Inc.'s investment management unit, which had $934 billion in assets at the end of 2014. "It's a big risk and is one of the unintended consequences of regulators trying to prevent another financial crisis," he said. While the size of the U.S. bond market has swelled 23.0% since the end of 2007 through the end of last year, trading has fallen 28.0% in the period, Securities Industry & Financial Markets Association data show, as regulators, seeking to reduce risk, have made it less attractive for banks to hold an inventory of tradable bonds.

Source: This article was excerpted from "It Can Be Tough Work...", by Blaine Rollins, CFA, 361 Capital, LLC, (*361 Capital Weekly Research Briefing*, April 20, 2015), www.361capital.com

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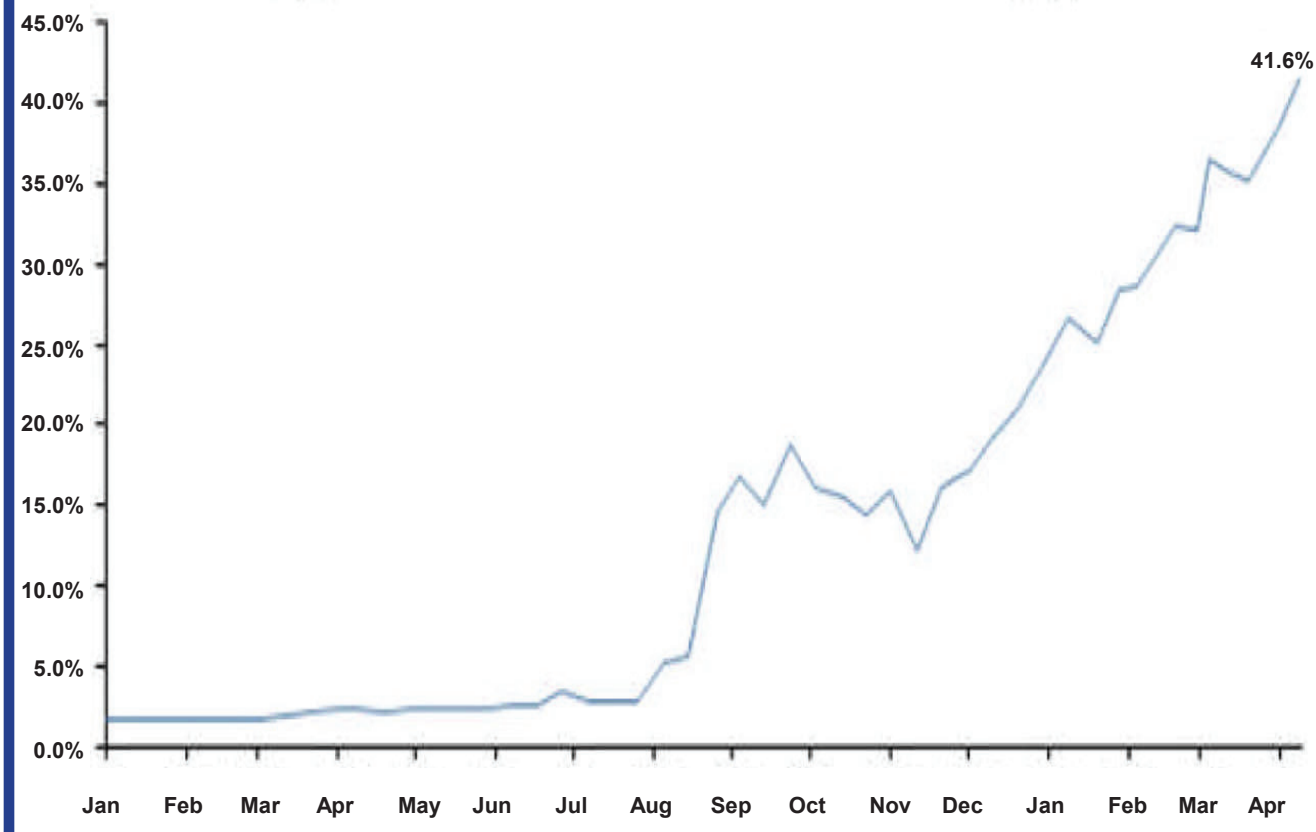
EUROPE'S FASTEST GROWING ASSET CLASS: NEGATIVE YIELD BONDS
PERCENT OF SOVEREIGN BONDS WITH NEGATIVE YIELDS



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Source: RBS Credit Strategy, Bloomberg via 361 CAPITAL, *361 Capital Weekly Research Briefing*, April 20, 2015, www.361capital.com
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SECULAR BEAR MARKET WATCH

April 1, 2000 to April 30, 2015
(15 years and 1 month)

	Annual Compound Return	Total Return
Consumer Price Index (Inflation)	2.17%	37.92%
90-Day Treasury Bills Index-Total Return	1.74%	29.67%
Barclays Aggregate Bond Index-Total Return	5.60%	127.50%
HFRX Global Hedge Fund Index	2.85%	52.85%
S&P 500 Index (U.S. Stock Market)	4.19%	85.67%
MSCI EAFE Index (Developed Foreign Equities)	3.82%	76.08%
MSCI Emerging Market Index (Equities)	7.76%	209.00%
Newedge CTA Index (Managed Futures)	5.69%	130.63%
Dow Jones–UBS Commodity Index-Total Return (USD)**	0.34%	5.30%
Dow Jones U.S. Real Estate Index-Total Return (USD)**	11.26%	400.04%
Gold Bullion	10.06%	324.71%

* Compound and Total Returns include reinvested dividends. MSCI Indexes do not include dividends prior to 2002. Newedge Index is equally-weighted.
** USD = U.S. Dollar

Source: Bloomberg Investment Service

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Note: During Secular Bear markets U.S. Stocks have historically returned a little more than inflation or a little less than inflation—plus or minus 1.50%—and generally last between 15 to 25 years. The last Secular Bear market (1966 to 1982) lasted 17 years and underperformed inflation by approximately one-half of one percent per year. The other Secular Bear markets since 1900 were 1901 to 1920 and 1929 to 1949. In both cases, the U.S. Stock market outperformed inflation by approximately 1.50% per year. All of the aforementioned performance numbers are pre-tax.

The performance of the U.S. Stock market so far in the current period (April 1, 2000 to the present) certainly appears to indicate that we are in a Secular Bear market. Long-term returns (over the next 10 years) for the S&P 500 will probably be slightly worse than the last 15 years and 1 month. Current 10 year normalized P/Es (long-term valuations) indicate approximate annual compound returns of slightly less than 3.00% over the next 10 years. Of course during the next 10 years, returns during various periods will be significantly higher and lower than the expected return. For example, the more the stock market rises in the near term, the less returns after that period will be and vice versa.

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Growth Stocks, *continued from page 1*

stocks with growth characteristics–predominantly faster earnings growth rates than value stocks or are growth stocks at a cheap price) have performed almost as well as growth stocks this year. Large Blend Stocks have performed very similar to their value brethren. This type of performance is not unusual near the end of a cyclical bull market. The growth emphasis historically has lasted anywhere from six months to three years.

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U.S. DOMESTIC EQUITY MARKET PERFORMANCE 2015 YEAR-TO-DATE AS OF MAY 27, 2015

Capitalization Size	Style: Value	Style: Blend	Style: Growth
Large-Cap	1.99%	1.96%	7.92%
Mid-Cap	3.42%	6.32%	8.26%
Small-Cap	1.24%	5.40%	7.51%

All performance based on Morningstar U.S. Style Indexes

As of: May 27, 2015

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GROWTH REMAINS CHEAP

Historical Valuations, Growth Versus Value... Large, Mid And Small Caps

	Median P/E		Historical Averages 1982 to Date		Pct Above/Below Hist. Avg. Valuation		Today's G/V Ratio	Historical Average G/V Ratio	2000 Extreme G/V Ratio
	Growth Stocks	Value Stocks	Growth Stocks	Value Stocks	Growth Stocks	Value Stocks			
Large Cap	20.7x	13.9x	19.8x	10.7x	5%	30%	1.49	1.99	1.99
Mid Cap	24.0x	14.9x	23.3x	11.9x	3%	25%	1.61	2.1	2.1
Small Cap	28.5x	14.2x	27.5x	11.9x	4%	19%	2.01	2.45	2.45

Growth stocks have narrowed the valuation gap since the last half of 2014, but remain relatively cheap.

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2015 PERFORMANCE YEAR-TO-DATE

January 1, 2015 to May 27, 2015
(4 months)

	Year-to-Date Total Return
Consumer Price Index (Inflation)*	0.76%
90-Day Treasury Bills Index-Total Return*	0.01%
Barclays Aggregate Bond Index-Total Return	0.80%
HFRX Global Hedge Fund Index	2.75%
S&P 500 Index (U.S. Stock Market)	4.00%
MSCI EAFE Index (Developed Foreign Equities)	9.90%
MSCI Emerging Market Index (Equities)	7.28%
Newedge CTA Index (Managed Futures)	2.39%
Dow Jones–UBS Commodity Index-Total Return (USD)**	-4.15%
Dow Jones U.S. Real Estate Index-Total Return (USD)**	0.21%
Gold Bullion	0.13%

Compound and Total Returns include reinvested dividends. Newedge Index is equally-weighted.
* Performance is through April 30, 2015 due to monthly reporting
** USD = U.S. Dollar

Source: Bloomberg Investment Service

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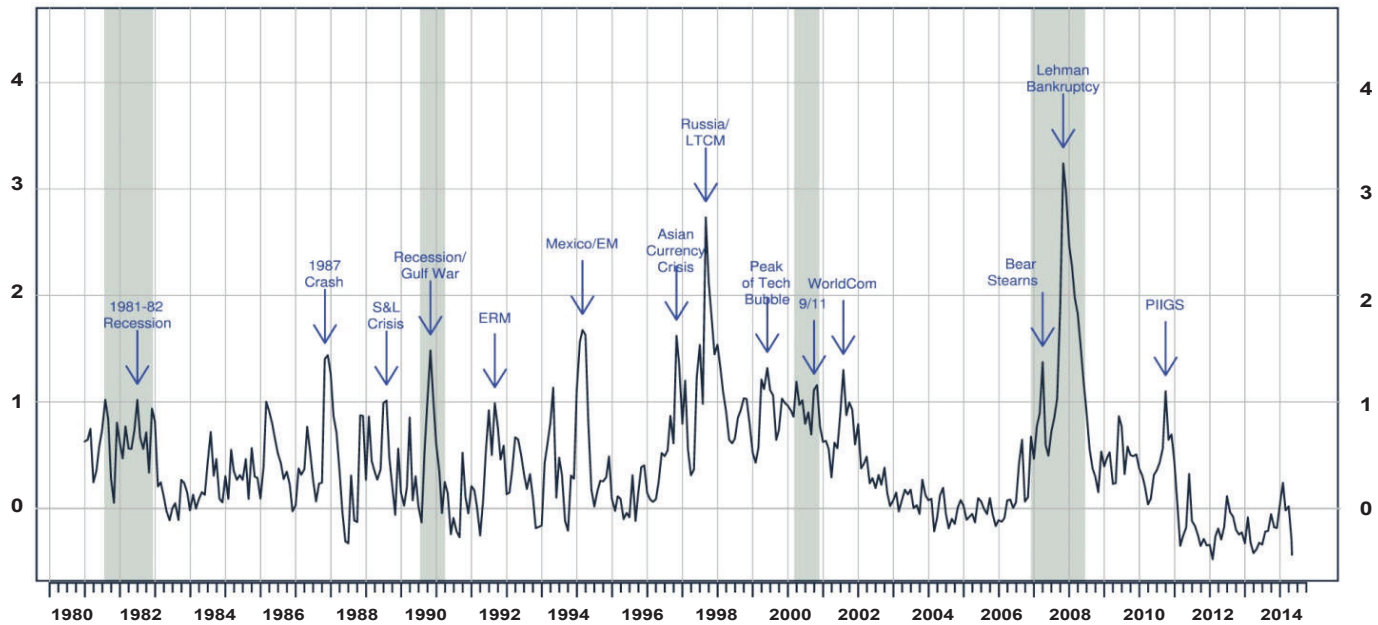
RISK DECREASES TO RECORD LOW LEVELS

MONTHLY RISK AVERSION INDEX (RAI)

Note: The Risk Aversion Index combines ten market-based measures including various credit and swap spreads, implied volatility, currency movements, commodity prices and relative returns among various high- and low-risk assets.



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WHERE ARE WE IN THE CYCLE?—THINKING INSIDE THE BOX
United States: S&P 500

(Average Annual Returns Under Each Scenario)

	RECESSION SCENARIOS	EXPANSION SCENARIOS
FED EASES	S&P 500 -2.0% Recession + Fed Eases	S&P 500 +11.0% Expansion + Fed Eases
FED TIGHTENS	S&P 500 -34.0% Recession + Fed Tightens	S&P 500 +8.0% Expansion + Fed Tightens

Note: Data goes back to July 1954

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Source: Bloomberg, Haver Analytics, Gluskin Sheff via CMG CAPITAL MANAGEMENT, INC. *On My Radar*, March 6, 2015, www.cmgwealth.com
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BULL MARKETS AND ECONOMIC EXPANSIONS END AFTER THE TIGHTENING CYCLE – NOT WHEN THE FED BEGINS TO TIGHTEN

This Chart Shows The Bull Market's Peak 38 Months After The First Hike And 11 Months After The Last. Recession's Begin 44 Months After The First And 17 Months After The Last.

	Average (Months)	Median (Months)
Peak in S&P 500		
After First Rate Hike	38	40
After Last Rate Hike	11	12
Recession		
After First Rate Hike	44	35
After Last Rate Hike	17	8

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Source: Federal Reserve Board, National Bureau for Economic Research, Haver Analytics, Gluskin Sheff via CMG CAPITAL MANAGEMENT, INC. *On My Radar*, March 6, 2015, www.cmgwealth.com
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RIG COUNT HITS BOTTOM, OIL PRICES RISING

By Frank Holmes, CEO and Chief Investment Officer, U.S. Global Investors

The oil rig count continued to drop in April and is now at a five-year low. According to Baker Hughes, 976 rigs were still operating at the end of the month, down 11.0% from 1,100 in March and 47.0% from 1,835 in April 2014. This spectacular plunge has had the obvious effect of curbing output and helping oil begin its recovery from a low of $44.00 per barrel in January. Production appears to have peaked in mid-March at 9.42 million barrels per day and is now showing signs of declining.

A price reversal historically has occurred between six and nine months following a drop in the rig count. The number of rigs operating peaked in October and oil started to bottom in January.

Even though domestic oil inventories still stand at near-record levels–according to the Department of Energy's weekly report, they are at their highest level for this time of year in at least 80 years–the rate at which storage facilities are being filled is beginning to slow.

For the first time since November 2014, stockpiles declined at Cushing, Oklahoma, the nation's largest storage facility and the pricing point for West Texas Intermediate.

Source: This article was excerpted from "Americans Take 3-Trillion-Mile Road Trip, Dollar Corrects and Commodities Rebound", Frank Holmes, CEO and Chief Investment Officer, U.S. Global Investors, (*Advisor Alert*, May 12, 2015), www.usfunds.com

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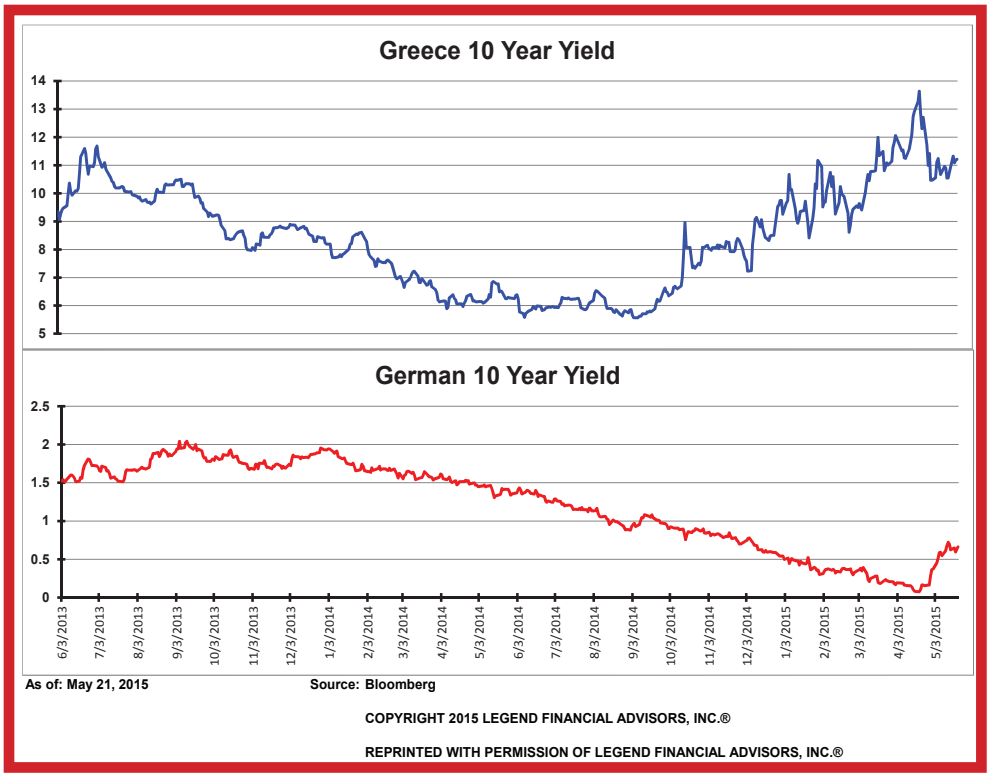
GREECE ANYONE?

By Louis P. Stanasolovich, CFP®, CCO, CEO and President of Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc. and Editor of The Global Investment Pulse

As you can see from the chart to the right, 10-Year Greek Bond Yields are currently significantly higher (above 11.0%) than 10-Year German Bond Yields, which reached a low of almost zero percent in April, 2015. Why is this? Greece's renewed financial problems have pushed yields steadily upward starting last September, 2014.

Germany, which is considered one of the more financially stable countries in today's financial world, has had their 10-Year Bond Yields decline since September of 2013 as the European Central Bank (ECB) has forced interest rates lower in an effort to stimulate the European economy. Germany is unlike several other European countries. Those countries now offer negative 10-year bond yields.

Negative bond yields imply that the European economy is expected to experience deflation. If interest rates are negative, in theory, bonds would increase their purchasing power so long as deflation was even more negative than those countries' negative yields. Since there are no returns, the negative yields would not be taxed. This scenario is exactly what happened in the United States during the Great Depression.



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PUERTO RICO IN AS BAD SHAPE AS GREECE

By James J. Holtzman, CFP®, CPA, Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.

Standard & Poor's, the bond rating agency, downgraded Puerto Rico's general obligation rating to CCC+ (Currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments.) from a rating of B on April 24, 2015, dropping them to the same credit rating as Greece (Source: S&P).

PULSE

INVESTMENT LOSERS BECOME WINNERS AND VICE VERSA

Twenty-two individual stocks in the S&P 500 that finished in the bottom 20.0% of performers in 2014 (i.e., the bottom 100 of 500 stocks) are in the top 20.0% performers (i.e., the top 100 of 500 stocks) year-to-date through April 30, 2015 (Source: Several Mutual Fund Firms).

THE MAGIC OF COMPOUND INTEREST

$1.00 growing at 8.0% on a tax-deferred basis will accumulate to $10.06 over 30 years. $1.00 growing at 4.0% on a tax-deferred basis will accumulate to $3.24 over 30 years. Thus, achieving a return two times as great will produce a balance more than three times as large over 30 years. This mathematical calculation ignores the ultimate impact of taxes on the account, which are due upon withdrawal, is for illustrative purposes only and is not intended to reflect any specific investment or performance. Actual results will fluctuate with market conditions and will vary.

U.S. Dollar, *continued from page 1*

nearly as well. In U.S. Dollar terms, (U.S. based investors invest this way) their returns have ranged from a low of 5.53% (large value stocks) to a high of 13.60% (small growth stocks). These numbers, despite being lower than the ones based in the Euro currency, are still quite good. However, it should be noted that the results, due to the high valuation level of the U.S. Dollar, have changed dramatically for the better in the last month or so due to the U.S. Dollar falling in value from its peak.

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EUROPEAN EQUITY MARKET PERFORMANCE
2015 YEAR-TO-DATE AS OF MAY 27, 2015

	Style		
Capitalization Size	**Value**	**Blend**	**Growth**
Large-Cap	In Local Currency: 12.25% In USD: 5.53%	In Local Currency: 14.31% In USD: 8.22%	In Local Currency: 16.49% In USD: 11.07%
Mid-Cap	In Local Currency: 17.78% In USD: 10.57%	In Local Currency: 17.40% In USD: 10.51%	In Local Currency: 17.16% In USD: 10.45%
Small-Cap	In Local Currency: 18.54% In USD: 12.04%	In Local Currency: 25.54% In USD: 11.49%	In Local Currency: 20.17% In USD: 13.60%

All performance based on MSCI EUROPEAN Style Indexes

As of: May 27, 2015

SOURCE: BLOOMBERG INVESTMENT SERVICE
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SUMMARY OF MUTUAL FUND CONFERENCE CALLS AND MEETINGS

MAY 1, 2015 THROUGH MAY 29, 2015

Legend's Investment Team had conference calls
as part of their due diligence process with the following fund management teams:

Investment Management Private Meetings	Ticker	Date
1. Loomis Sayles Floating Rate Strategy	LSFYX	May 13, 2015
2. Eventide Gilead Institutional	ETILX	May 15, 2015
3. TFS Small Cap	TFSSX	May 22, 2015
4. Emerald Growth Institutional	FGROX	May 29, 2015

Investment Management Conference Calls		
1. JOHCM Emerging Markets Opportunity	JOEMX	May 28, 2015

As of: May 29, 2015

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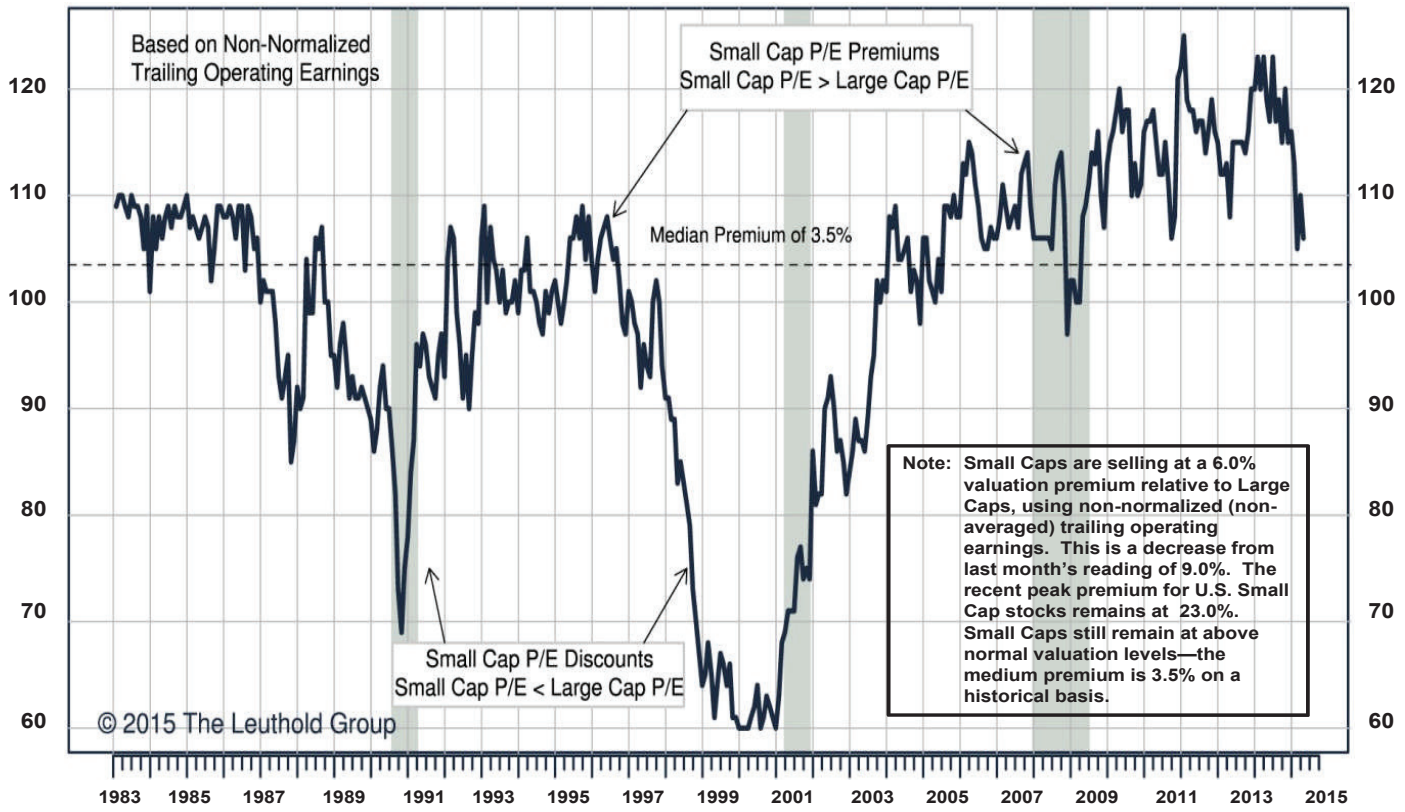
PULSE

SMALL CAP TO LARGE CAP HISTORICAL PRICE TO EARNINGS (P/E) RATIO
Small Caps Are More Expensive But Barely So



As of: May 7, 2015

Source: The Leuthold Group, LLC, *Perception Express*, May 7, 2015, http://leuth.us/market-internals
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PULSE

Housing Numbers, *continued from page 1*

Examples include forestry companies, lumber itself, appliance makers, retailers, etc.

Homebuilding is important to the growth of the U.S. Economy. Prior to the downturn in housing (2007) as a percentage of Gross Domestic Product (GDP) residential fixed investment (the actual cost of building a home) exceeded 6.0% of GDP. At the bottom of the downturn, it was a little above 2.0% of GDP. Presently, housing construction is a bit over 3.0% of GDP. Historically, it has averaged roughly 5.0% of GDP. Therefore, a pick up to 5.0% to normal levels would be a huge increase in growth for the United States economy.

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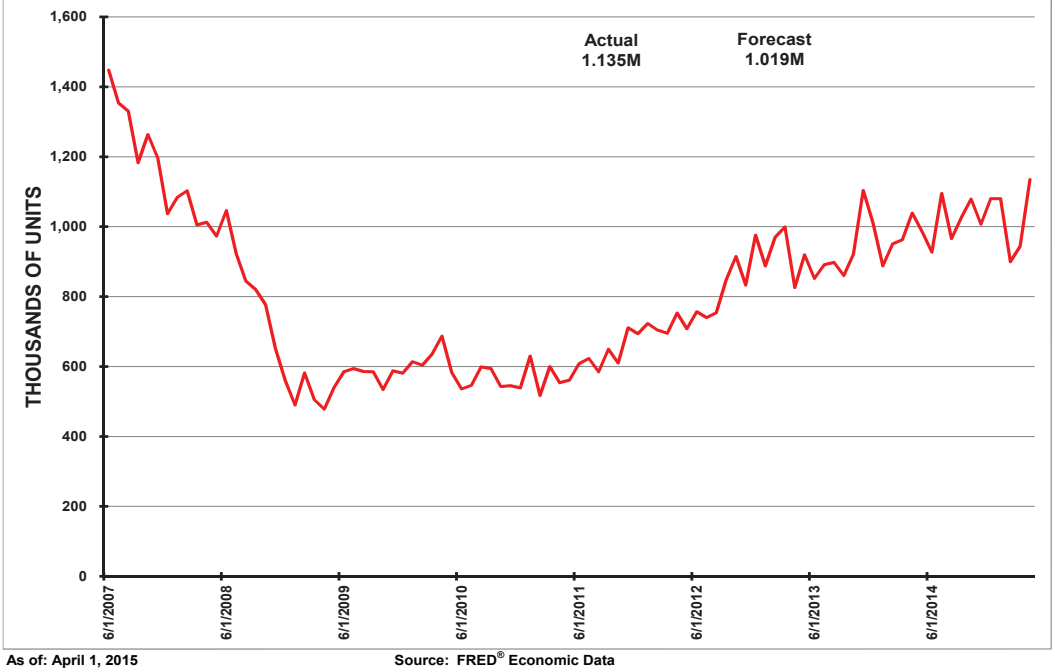
HOUSING STARTS: TOTAL: NEW PRIVATELY OWNED HOUSING UNITS STARTED
JUNE 1, 2007 TO APRIL 1, 2015



As of: April 1, 2015 Source: FRED® Economic Data

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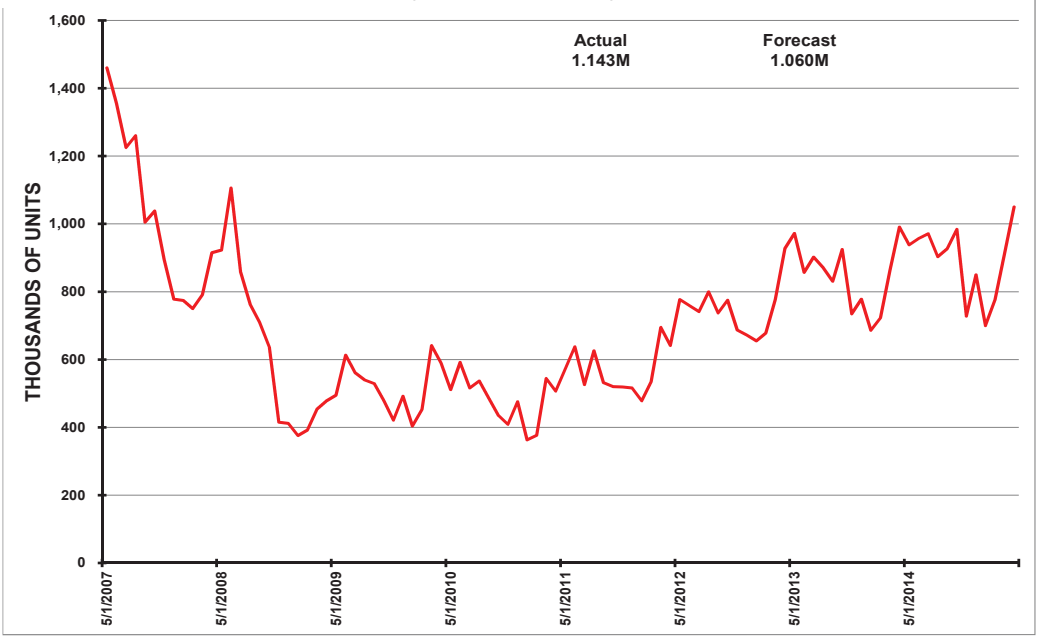
NEW PRIVATE HOUSING UNITS AUTHORIZED BY BUILDING PERMITS
MAY 1, 2007 TO APRIL 1, 2015



As of: April 1, 2015 Source: FRED® Economic Data

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Bond Investing, *continued on page 1*

the greater its interest rate sensitivity. In other words, bond prices will fluctuate more to an even greater degree the longer the maturity of the bond. Bonds that have shorter maturities have smaller fluctuations in price.

Should investors be concerned that interest rates will rise, they should consider positioning their portfolios to focus on bonds with shorter maturities. Historically, shorter maturity bonds have less volatility than bonds with longer maturities.

As can be seen below in the hypothetical example using two-year, 10-year and 30-year Treasury maturities, the further out the maturity date and higher the rate hike, the more a bond's price would be affected. The illustration below depicts Treasury securities, but similar movements would apply for corporate and municipal bonds.

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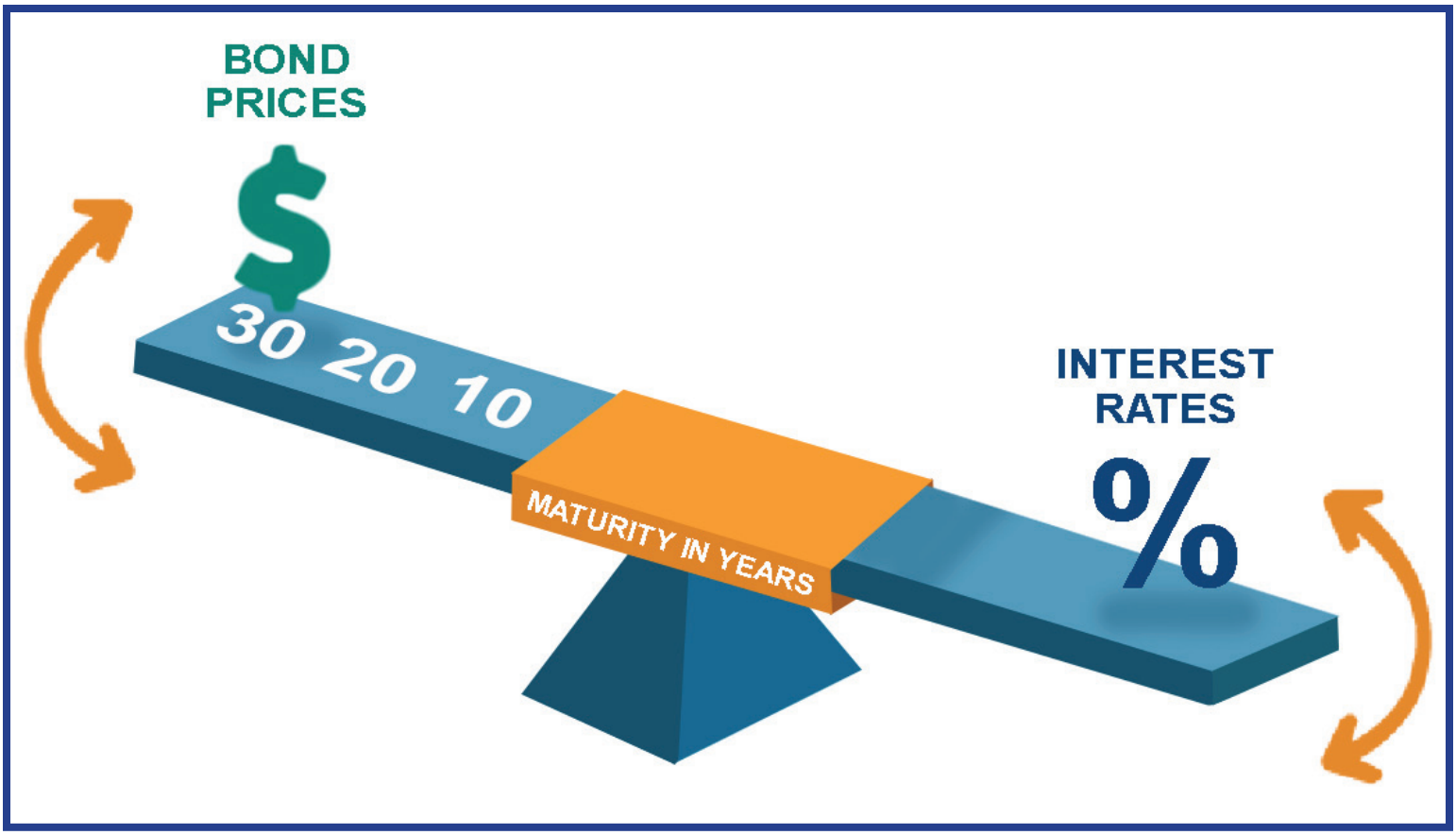

THE LONGER THE MATURITY THE GREATER THE PRICE VOLATILITY

Potential Interest Rate Increase Of…		Potential Price Movement		
		2-Year Treasury	10-Year Treasury	30-Year Treasury
0.25%	=	-0.48%	-2.23%	-4.92%
0.50%	=	-0.96%	-4.49%	-9.84%
1.00%	=	-1.92%	-8.93%	-19.68%

As of: May 22, 2015
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Source: Bloomberg via U.S. Global Investors, *Advisor Alert*, May 22, 2015, www.usfunds.com
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LEGEND FINANCIAL ADVISORS, INC.® & EMERGINGWEALTH INVESTMENT MANAGEMENT, INC.'S

INVESTMENT MANAGEMENT SERVICES

Legend Financial Advisors, Inc.® (Legend) and EmergingWealth Investment Management, Inc. (EmergingWealth) offer Personalized Investment Management Services to individuals and institutions. Investment portfolios are developed to match the client's return and risk requirements, which are determined by the clients' completion of a Risk Comfort Zone Questionnaire, with the guidance of a Legend Wealth Advisor or EmergingWealth Advisor, respectively. Each type of investment portfolio is managed to achieve the short, intermediate and long-term investment objectives of the client, as may be applicable.

INVESTMENT PROCESS

Investment Portfolios:

Unlike most financial advisory firms that offer one style of investment or portfolio type, we offer a wide array of investment portfolios that usually fit with the large majority of client needs. If necessary, we will create customized solutions as well. For the types of investment portfolios, please see our Investment Portfolios, Potential Return and Risk Spectrum Chart on the next page. For a detailed description of our portfolios, please contact Louis P. Stanasolovich, CFP®, founder, CCO, CEO and President of both firms for a confidential discussion at (412) 635-9210 or e-mail us at legend@legend-financial.com.

Investment Research:

Our Investment Committee performs extensive research to identify opportunities, mitigate risks and structure investment portfolios. Emphasis is placed on developing portfolios that maximize the potential return relative to the amount of risk taken.

In-depth due diligence including face-to-face interviews in many instances with portfolio managers for open-end mutual funds is performed on each investment we select for a portfolio. Factors (both from a qualitative and quantitative standpoint) that we conduct a thorough analysis of each investment include, but is not limited to, liquidity (including the primary investment and/or the underlying investments, if utilizing pass through vehicles such as open-end mutual funds or exchange-traded products), income taxation, all related costs, return potential, drawdown potential (historical declines from peak-to-trough), volatility and management issues (Anything having to do with the management team of a stock, open-end mutual fund or an exchange-traded product.).

All portfolios for EmergingWealth are subadvised by Legend.

Client Education:

Education is very important to us. We are dedicated to educating each client about the different investment portfolio types and how they relate to market volatility, time horizons, and investment returns. It is our goal to ensure that the client understands and agrees with our investment philosophy. Furthermore, we assist each client in selecting a risk tolerance level with which they are comfortable. Ultimately, an investment portfolio is designed to meet the client's objectives.

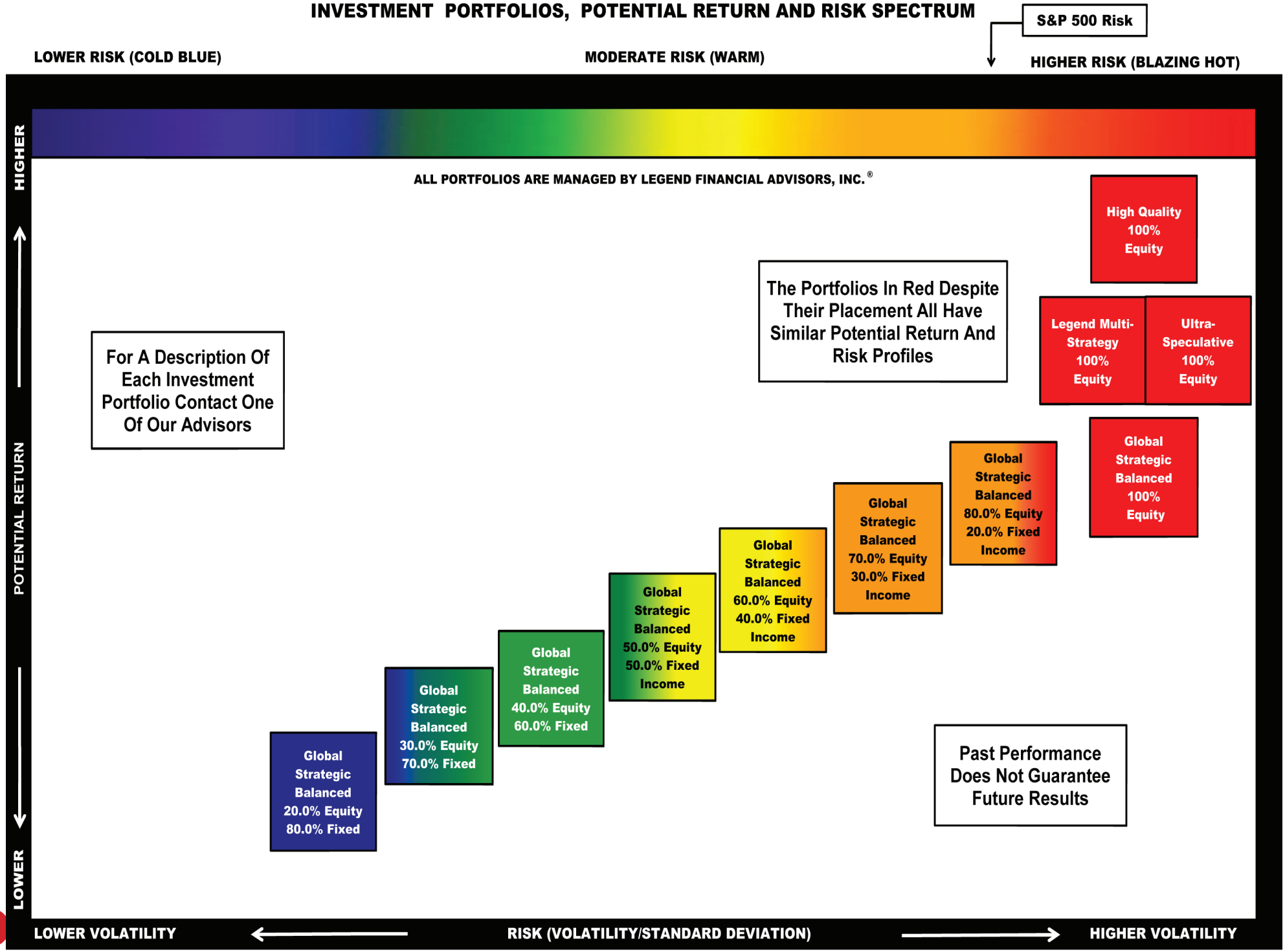
PERFORMANCE REPORTING

Many investment firms only offer monthly brokerage statements, which provide minimal information; typically only account and investment balances. We, on the other hand, provide detailed quarterly reports that outline performance, income and management fees (among other items) in a simple, easy-to-read report. In addition, each performance report is sent with an extensive index page that illustrates the investment environment during the reporting period.

FEES

To find out more about the fees for either Legend or EmergingWealth's Investment Management services, please contact Louis P. Stanasolovich, CFP®, founder, CCO, CEO and President of both firms for a confidential discussion at (412) 635-9210 or e-mail us at legend@legend-financial.com.

LEGEND FINANCIAL ADVISORS, INC.®, AND EMERGINGWEALTH INVESTMENT MANAGEMENT'S INVESTMENT PORTFOLIOS, POTENTIAL RETURN AND RISK SPECTRUM



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