

ASSET CLASS RETURNS

Year-to-date 2015
As of 9/30/15

Fixed Income	1.1%
Cash	0.0%
High Yield	-1.9%
Asset Allocation	-4.4%
REITs	-4.5%
International Equity	-4.9%
US Large Cap	-5.3%
US Small Cap	-7.7%
Emerging Markets	-15.2%
Commodities	-15.8%

Market declines have affected all asset classes.

Recent Stock Market Drop-More Opportunity?

On Friday August 21st and Monday August 24th, the stock market two day sell-off was a serious 7.3% loss leaving it more than 10% off the market high in May.



Gary Webb RFC®

While corrections can be scary and increase nervousness, volatility is expected to continue. We strongly believe in our strategy of broad global diversification; and that diversified well balanced portfolios are appropriate to our clients' individual financial plans. Though market drops are worrisome, in the long-term it's only noise and should have no major impact on your life plans.

Since 1900, there have been 35 corrections of 10% or more in the S&P 500. Of those 35 corrections, the index fully recovered after an average of approximately 10 months. There is no guarantee that the length of future recoveries will happen in a similar time frame. Unless you have a need for all of your investment money in the short-term, wise investors will follow the virtue of being patient and think long-term.

The S&P 500 more than doubled in value from March, 2009 through the end of 2013. With long-term historical returns of the S&P 500 as a precedent, keep in mind that results like that may be unsustainable. Opportunities abound since market corrections take prices below their intrinsic values which can set the stage for rallies.

The Fed made it clear: The current level of short-term rates is too low and rates will be heading higher. Only the data will determine when and how much. Fed Reserve Chair, Janet Yellen's comments recently left the door open for a rate increase in 2015, which would be good news for equities. Though market volatility may persist for some time, we still have a favorable view towards equities. With that, U.S. economic growth and corporate earnings trends will hopefully improve some.

The client portfolios we manage are diversified intentionally to enable reduced volatility compared to the market. We will be rebalancing and creating tax loss harvesting opportunities (for taxable accounts) between now and the end of this year. Reduced prices create a buying opportunity. A wise action at this point might be to increase your contributions to your 401K because everything is currently on sale!

Market corrections occur when you don't expect them, *not* when experts predict them. The future is always uncertain, but by disciplined diversification and following sensible rules, we continue to enhance the odds of being successful investors.

Web Portal

Using your Webb Portal, we have been able to post important quarterly documents for you to have continuous access to. What you may not have known is that we also have the ability to receive documents through the portal as well. To send documents with sensitive information electronically, in the past we would do it with a password protected email or by regular mail. Today, by using your Webb portal we can send and receive information sensitive documents, with more security and hopefully make it less cumbersome. We can also keep important Estate & Tax planning documents secured and in a place where they will always be accessible when you need them!



Attention Snowbirds:

Be sure to call us with your winter address so you are able to receive your mail during the winter months.

Webb Financial Group provides comprehensive wealth management solutions to individuals and businesses. For over thirty years, we have helped our clients achieve financial security.

Michael Bischoff, CFP® & COO

Gary Webb, RFC® & CEO

Dave Verbeke, Financial Advisor

Crystal Enderson, Financial Advisor

Leslie Webb, Investment Advisor

Michelle Brennan, Registered Paraplanner, RP®

Tim Greife, Financial Management Assistant

Jerry Webb, CFP® & Founder (retired)



Kids 'n Kinship Testimonial by Tim Greife

Our own Tim Greife was the feature speaker at the Kids 'n Kinship 3rd Annual Gala on September 27th. Tim shared his personal experiences as a kid who was mentored by Bob and Jan Menne through the Kids 'n Kinship program. He talked about how the Mennes invited him to be a part of their family as Tim was growing up in a single-parent home. Through the mentorship program, Tim joined the Menne family in their regular activities that included baking christmas cookies, visiting museums, hay rides, snowmobiling and even helping construct a playground. "They definitely helped make me the person I am today," Tim said. Tim's mother Ann was also at the Gala. You could see how proud she is of her son, and credits the Mennes and Kids 'n Kinship for the positive influence they had on Tim growing up. Tim's speech was very moving to everyone; not a dry eye in the house. In part, his speech helped the program exceed their donation goal & motivate families to become mentors. We too are very proud to have Tim as a member of our Team here at Webb Financial Group.



Mutual Funds and Exchange Traded Funds (ETF's) What's the Difference?

Mutual funds currently have \$9 trillion in assets and ETF's have now over \$1 trillion in assets. Both investments have their specific advantages that can be important to an individual's portfolio. We have the ability to use either type of investment or a combination. Ask your Investment Advisor which investment type is best for your portfolio.



Michael Bischoff, CFP®

Benefits of Mutual Funds

- *Active Management:* Professional management with individual security selection
- *Sector Specific Markets:* Allows exposure into alternative investments for diversification
- *Access:* Available on most brokerage platforms with no transaction fees or front-end loads
- *Liquidity:* Can be sold and redeemed for cash in one day

Benefits of ETF's

- *Passive Management:* Tracks a specific financial market similar to index investing
- *Tax Efficiency:* Control of when you take gains and losses
- *Internal Fees:* Lower management costs
- *Transparency:* No overlap you'll always own different market indexes

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