NEW ENGLAND GUILD WEALTH ADVISORS
INVEST IN CONTEXT

Market Spotlight

Returns as of 03/31/15

Index	YTD	Annual 1 YR	3 YR	10 YR
S&P 500 (inc. div.)	1.0%	12.7%	16.1%	8.0%
Russell 2000	4.3%	8.2%	16.3%	8.8%
MSCI AC World xUS	3.5%	-1.0%	6.4%	5.5%
MSCI AC World	2.3%	5.4%	10.8%	6.4%
REITs	4.3%	22.0%	13.2%	8.3%
Barcap Agg. Bond	1.6%	5.7%	3.1%	4.9%
90 Day T-Bills	0.0%	0.1%	0.1%	1.6%

Volatility continued to rule the domestic equities markets. After losing ground in January, the major indices had a strong February. March saw early losses, then solid gains, with the Dow industrials, S&P 500, Russell 2000 all hitting closing highs. But these gains were tempered by a late-month downturn, with all the major indices losing ground in five of the last seven trading days as investors, jittery about corporate earnings, took profits. The small caps of the Russell 2000, which are seen as having less international exposure, saw March's only gains, and also led most indices for the quarter, up 4%. Domestic large cap and international equities trailed, up 1.0% and 3.5% respectively, while the Dow industrials slipped into negative territory for the year. REITs gained 4.0%.

The Fed's slower-than-expected approach to interest rate hikes due to more moderate growth expectations caused a sharp but temporary drop in the U.S. dollar. However, throughout the quarter the dollar continued to gain strength against the currencies of its major trading partners. While a strengthening dollar was good news for Americans traveling abroad, it added to investor angst because of the potentially adverse effects on the global profits of U.S. multinational corporations. In January, the benchmark 10-year Treasury note dropped below 2.0% for the first time since May 2013, with demand for the 10 Year Treasury driving yields to as low as 1.68% that month, before stabilizing to end the quarter just under 2.0%. Bonds as measured by the Barcap Aggregate Index returned 1.6% for the quarter

Domestically, all eyes will be on first quarter earnings and, equally important, any forward-looking guidance, to gauge the strong dollar's impact on future overseas profits.

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Saving for College without Sacrificing for Retirement

"For most American families, the three most important financial goals are (1) owning a home, (2) educating their children, and (3) saving enough for retirement. And for many, these three are connected. How we handle our home equity and mortgage may be tied to how, and how much, we pay for our children's college educations. Whatever assets remain after college expenses, then contribute to retirement." This is where Tim Higgins, author of *Pay for College Without Sacrificing your Retirement*, reminds us that: "You can borrow for college; but you can't borrow for retirement".

As parents think about retirement and how they will pay for daily expenses, mortgages, car payments, and vacations through combined savings, social security and perhaps pension income, the question we often hear is "will we have enough?" Therefore, we believe that it is important to address preparing for retirement and college simultaneously, as they are linked. Whatever plans you have regarding your future can be significantly affected by how you pay for college.

With the cost of higher education rising well ahead of inflation, starting to save early can help position you well financially by the time your child is ready to head off to college. At the same time, saving enough money for your own retirement is even more essential. With careful planning, there are means that may be available to you that can help bridge the gap so that you don't have to bear the entire cost of four years of college and sacrifice retirement savings in the process. In addition to investment vehicles such as 529 plans, Coverdells, custodial accounts such as UTMAs and UGMAs, there are other resources such as financial aid, loans, education credits, scholarships, work study programs, grants, deductions, and home equity loans.

Establishing a plan for college savings for children is essential - and the sooner the better. Yet data indicates that 48% of high-income families and 54% of middle-income families don't have a plan to pay for college. It costs less out-of-pocket if you invest now rather than borrow later. When you borrow for college, you pay interest. When you invest, you earn interest and other forms of investment returns. It's not just students who are facing debts from college; the average parental debt loan has more than doubled in the last decade to $33,800 in 2012.

As we work with families to achieve their financial goals, we hear understandable concern over saving for retirement and paying for college. For example, we get questions such as "if you put money away in your 401(k), will that be an obstacle to your child receiving financial aid?" "If you put money away in your child's name, will that work against you?" "If grandparents contribute to college tuition from a 529 plan in their grandchildren's early years of college, will that negatively impact eligibility for financial aid?" We hear myths like "financial aid is free money" or "saving for college will hurt my chances for financial aid". Good questions and legitimate concerns. Therefore...

To address these issues, we are pleased to announce that we will be hosting a **College Planning Seminar and Luncheon at the Guild on Wednesday, May 6th from 12-2 p.m**. for our clients, their families and guests. Two excellent speakers from J.P. Morgan Asset Management will discuss the college savings landscape and costs; debunk financial aid myths; outline strategies to avoid financial aid traps for both parents and grandparents; and review the pros and cons of a variety of college investment savings tools. We hope you can join us.
Please reply to: info@neguild.com or call (860) 404-5900 if you would like to attend.

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Oil prices, GDP, housing, and labor data will be watched closely to glean any possible clue about the timing of Fed interest rate hikes. Overseas, the Yemen situation, nuclear negotiations with Iran, and Greece's ongoing negotiations with its creditors will be monitored. Finally, as the "sell in May, go away" season approaches, equities could see continued market turbulence.

Data Source: Broadridge Investor Communication

E-Mail Security

We would like to thank our clients for all the helpful feedback from the recent Questionnaire we circulated. Clearly, e-mail security is a topic on everyone's mind. Due to the proliferation of threats to privacy and computer health arising from e-mail, New England Guild Wealth Advisors will be implementing an encrypted e-mail service to better safeguard our clients' interests. This service will encrypt sensitive content and file attachments from accidental exposure, theft, or misuse, while also ensuring compliance with privacy regulations.
Some details regarding the service:

- Simple to use with virtually any e-mail service
- Quickly encrypts even the largest file attachments
- Easy access for message recipients
- Tracks all messages and attachments
- Cloud Based

How They Attack	How You Know	What To Do
Malware (hostile or intrusive software)	May appear to come from someone you know or trick you into opening May be silently gathering information without showing signs of infection Some may reduce performance or cause strange behaviors	Scan email with antivirus software prior to opening Delete all unwanted messages without opening Keep security patches up to date
Spam (irrelevant or inappropriate messages)	Spam is a serious concern Some spam can contain offensive language or inappropriate content	If you suspect an email is spam, do not respond, just delete it
Phishing (the act of defrauding by posing as a legitimate company)	Requests for confidential information via email are not legitimate Phishing attacks may use scare tactics to entice a response Phishing attacks may consist of groups of similarly formatted emails	Be extremely wary of emails asking for confidential information Confirm the authenticity of a suspicious request before responding in email

Data Breach at Anthem Blue Cross and Blue Shield strikes close to home...

On a personal note, two of us here at the Guild were among the 80 million current and former members of Anthem Blue Cross and Blue Shield whose data was recently targeted by a cyber-attack. The breach included names, dates of birth, Social Security numbers, home addresses, email addresses, healthcare ID numbers, employment info and income data. It is not likely that investment or bank accounts are at risk (since they didn't have that info on record).

If you also were impacted and haven't done so already, we encourage you take steps to guard against identity theft or fraud as a result of this breach. Those of us here at the Guild who were involved have filed Identity Theft Affidavits with the IRS. We would be glad to discuss this with you if you have questions. We also would refer you to Anthem's website: https://anthemfacts.com for specific details.

You will note that Anthem has arranged to have AllClear ID protect your identity for two (2) years at no cost to you. This service is automatically available to you with no enrollment required. If a problem arises, call 1-877-263-7995. In addition, you can report suspected incidents of identity theft to local law enforcement, Federal Trade Commission, or your state attorney general. To learn more, you can go to the FTC's website, www.consumer.gov/idtheft, or call the FTC at (877) IDTHEFT (438-4338).

In the meantime, we encourage you to be vigilant for scam email campaigns targeting current and former Anthem members. These scams, designed to capture personal information (known as "phishing"), may appear as if they are from Anthem, and the emails include a "click here" link for credit monitoring. These emails are NOT from Anthem.
- DO NOT reply to the email or reach out to the senders in any way.
- DO NOT supply any information on the website that may open, if you have clicked on a link in email.
- DO NOT open any attachments that arrive with email.

OUR FIRM CONTINUES TO GROW BY REFERRALS FROM OUR CLIENTS. THANK YOU FOR RECOMMENDING US.

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