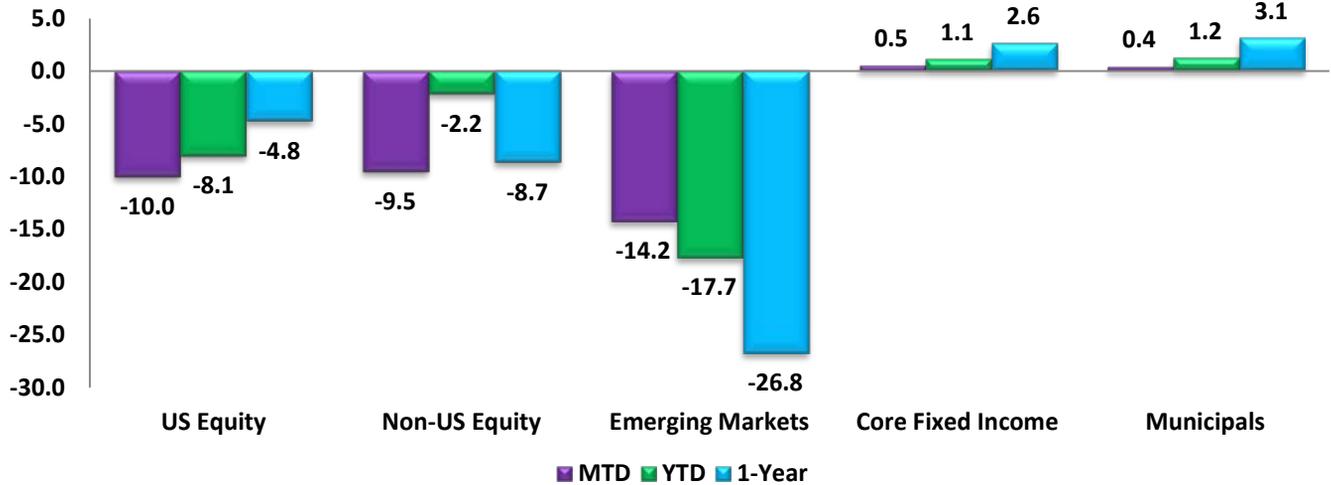


CAPITAL MARKETS RECAP

Market Returns as of August 24, 2015



Source: S&P, MSCI, and Barclays Capital. Core fixed income and Municipal returns are through 8/21/15. Returns are preliminary.

China's slower than expected growth, coupled with its unexpected move to devalue its currency, sent stocks globally into a tailspin. Following Friday's sell off, major indices continued their sharp descent today. However, a significant portion of the intra-day losses were recouped as investors began bargain hunting. Bonds rallied and the U.S. dollar weakened, as investors began to believe that a September rate hike by the Fed may be off the table.

As uncomfortable as they may be, stock market declines are a normal part of equity investing. Further, the timing and duration of stock market corrections are exceedingly difficult to predict. According to a J.P. Morgan study, 5% declines occur approximately four times per year with a typical recovery time of 2 to 3 months, while 10% declines occur about once per year and have had around an eight month recovery period. The S&P 500 is up 180% since the trough in 2009, so a correction of 8% year-to-date seems small in comparison.

Taking a step back, economic fundamentals are improving, albeit slowly. In the U.S., unemployment continues to decline and consumer spending is showing signs of improvement (housing and auto sales). Economic data out of Europe show improvement as well. These factors provide a buffer to help withstand volatility from emerging markets.

As an investor, what should you do now?

- The first thing to do is not panic. Behavioral biases tend to lead to overreacting to bad news and herd mentality.
- Be sure your liquidity needs are met. Having adequate cash on hand to cover your short-term expenses will protect you from selling into a weak market. You lock in your losses if you sell.
- Stay focused on the long-term. Being a successful investor takes patience and willingness to stay invested during volatile markets.

www.acaciawealth.com

Meloni M. Hallock
310.246.0570

mhallock@acaciawealth.com

Alev Lewis
310.246.0530

alewis@acaciawealth.com

Amy Born
310.246.0520

aborn@acaciawealth.com

The information and opinions contained in this publication are intended for educational purposes and should not be construed as investment advice. Further, the data was obtained from sources believed to be reliable, however accuracy cannot be guaranteed.