

# the market at a glance

## MARCH

**U.S. Large Cap**  
(Dow Jones Industrial Average)

**17,776.12** (-1.97% ▼)

**U.S. Mid/Small**  
(Russell 2000)

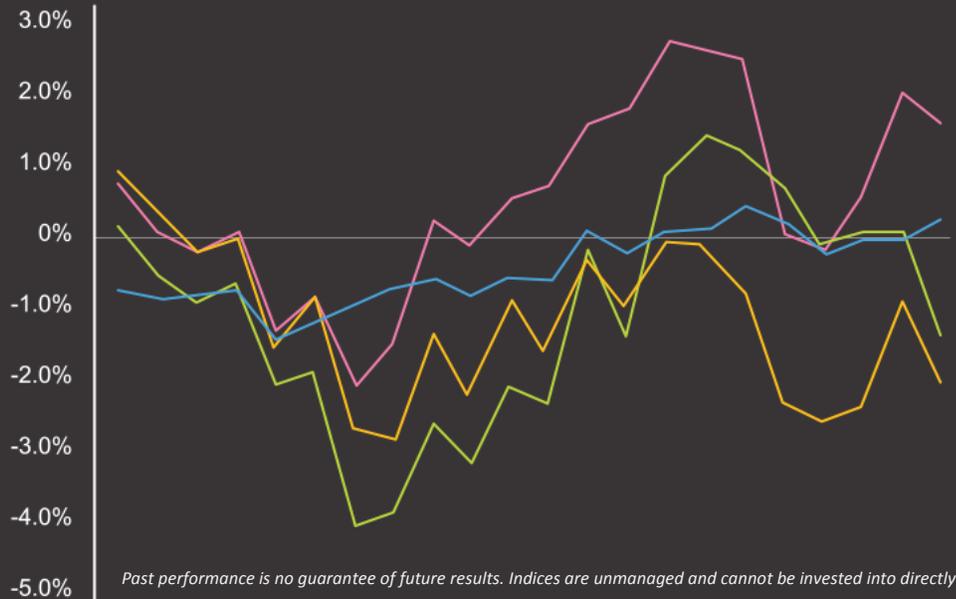
**1,252.77** (1.57% ▲)

**Foreign Large**  
(MSCI EAFE Index Fund)

**64.17** (-1.43% ▼)

**Bond Market**  
(Barclays Aggregate Bond Fund)

**111.43** (0.21% ▲)



## the market in action

- The Nasdaq composite closes above 5,000 for the first time since the height of the dot-com bubble in 2000.
- H. J. Heinz Co. sets plans to merge with Kraft Foods Group Inc. in a deal engineered by Berkshire Hathaway and 3G Capital. When complete, the merger will create North America's third-largest food company. Berkshire and 3G acquired Heinz jointly in 2013.
- The Federal Reserve posts a \$101B profit for 2014—a 30 percent increase from its 2013 profit. The gains stem from the Fed's massive balance sheet of more than \$4.5T in assets, most of which were purchased during its three bond-buying "quantitative easing" programs.



## April is Mathematics Awareness Month... Do you know your Financial Math?

$$\frac{72}{\text{Rate}} = \text{Years to Double \$}$$

Have you ever wanted a quick estimate of how long it takes for money to double? Try the "Rule of 72." Just divide 72 by the annual growth rate of your account and you get an approximation of how many years it takes to double. (Example: 6 percent growth would be  $72/6 = 12$  years to double). *If using this formula for investment account, remember that the market is unpredictable and average market performance does not guarantee future returns. Investments can be subject to losses, which will greatly change their nominal rate of return.*

$$\frac{(\text{Years} + 1) \times .10}{\text{Car Value}} = \text{Car Value Depreciation}$$

Although there are some major outliers, most new cars depreciate around 10% when driven off the lot and another 10% each year they are driven (for the first 5 years). So when looking at new cars, remember that most lose their value fast. Without a down payment, you'll likely be underwater on the loan for the first year or two.

$$\text{Mortgage} \times (.03 + (\text{Rate} \times .75)) = \text{Annual Mortgage Cost}$$

This equation is a bit more complex, but it's pretty handy for people wondering how their rent cost compares to a 30-year mortgage. Take 75 percent of the expected mortgage interest rate and add 3 percent to get the annualized rate of repayment. If you multiply this number by the initial mortgage amount, you get the annual cost. (Example: A 30-year mortgage issued at 4 percent would have an annual repayment rate of  $(3+4 \times .75) = 6\%$ . If the mortgage was for \$200,000, you'd pay  $(\$200,000 \times 6\%) = \$12,000$  a year (\$1,000 a month) to stay on the 30 year schedule.) Keep in mind that this is an estimation of the mortgage costs only and does not include home insurance, mortgage insurance, property expenses or any of the other various costs of owning a home.



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