LYKE Financial Inc.

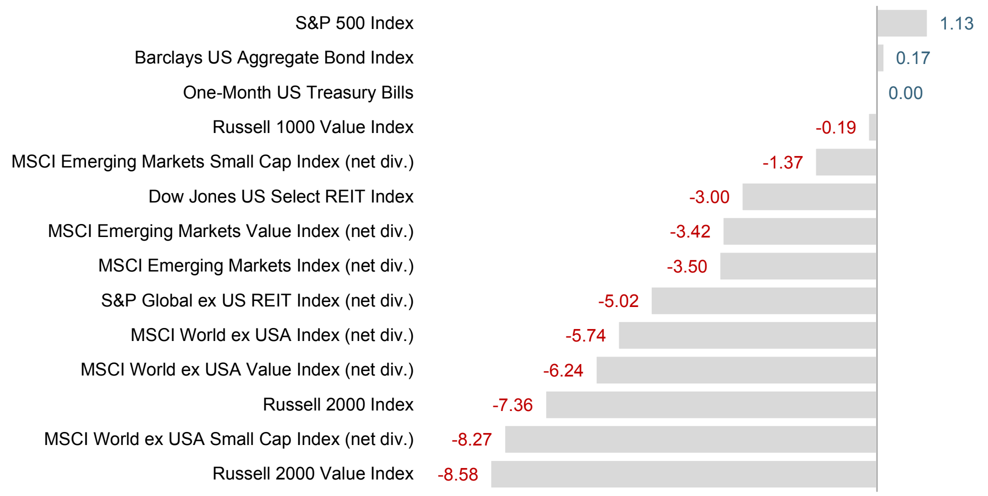
Investing Insight

LYKE FINANCIAL, INC.

World Asset Classes

Third Quarter 2014 Index Returns (%)

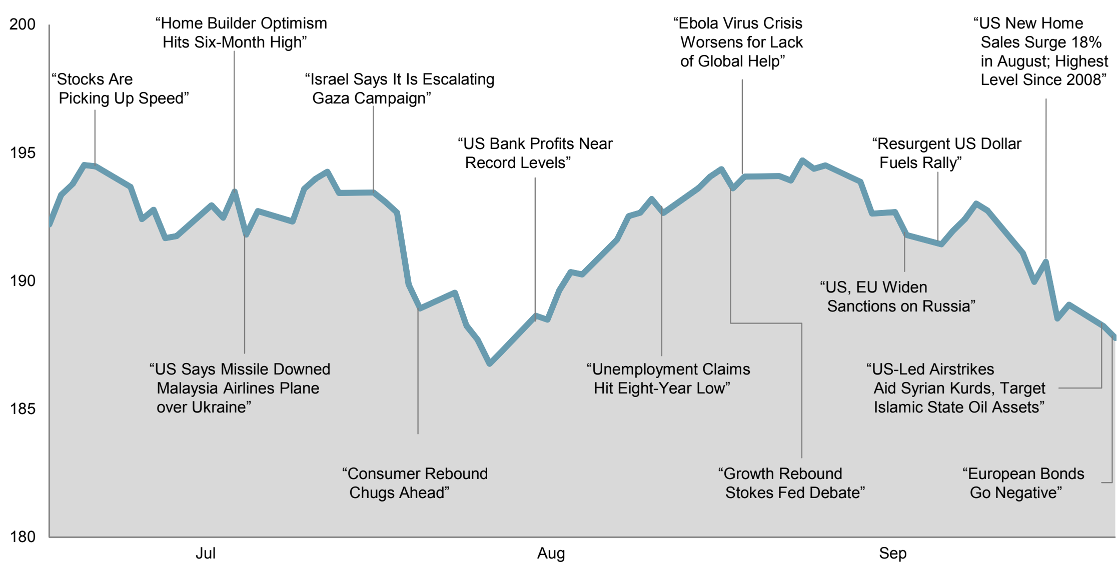
The broad US equity market had flat-to-slightly-positive returns for the quarter. Small cap stocks in the US underperformed large cap stocks, with US small cap indices posting negative returns. Most equity markets outside the US had negative performance in US dollar terms. Currency movements played a role; the dollar appreciated against most currencies. In developed markets outside the US, large cap indices outperformed small cap indices. In the emerging markets, however, small cap indices outperformed large cap indices. Value underperformed growth indices in developed markets across size ranges, but in emerging markets value outperformed growth in large caps but underperformed in small caps. REITs recorded negative returns in the US and in developed non-US markets.



Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. The S&P data is provided by Standard & Poor's Index Services Group. Russell data © Russell Investment Group 1995–2014, all rights reserved. MSCI data © MSCI 2014, all rights reserved. Dow Jones data (formerly Dow Jones Wilshire) provided by Dow Jones Indexes. Barclays data provided by Barclays Bank PLC.

World Stock Market Performance

MSCI All Country World Index with selected headlines from Q3 2014



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a longer-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index. MSCI data © MSCI 2014, all rights reserved.
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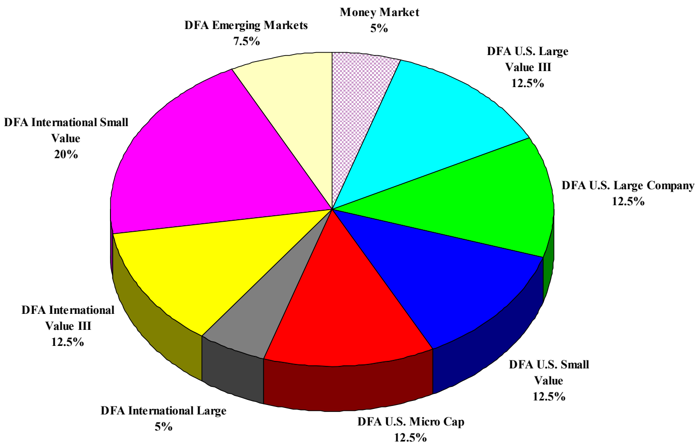
Inside this issue:

Portfolio Returns:
January 1, 2014—September 30, 2014*

AGGRESSIVE GROWTH

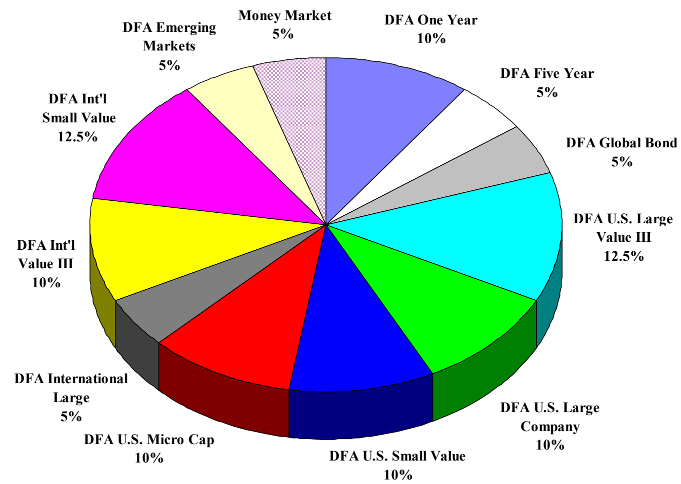
95% Equities/5% Fixed



Rate of Return -0.32%

LONG TERM GROWTH

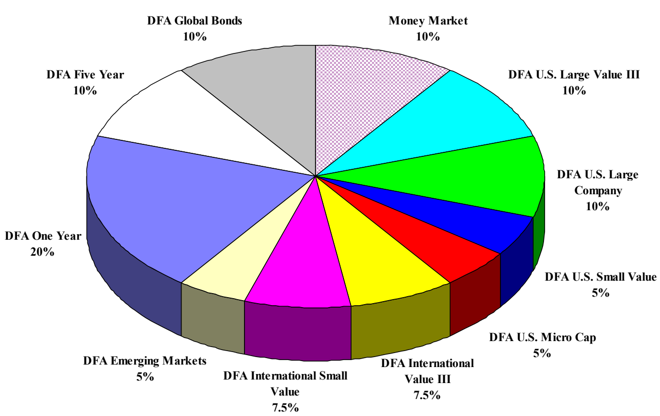
75% Equities/25% Fixed



Rate of Return -0.23%

BALANCED GROWTH

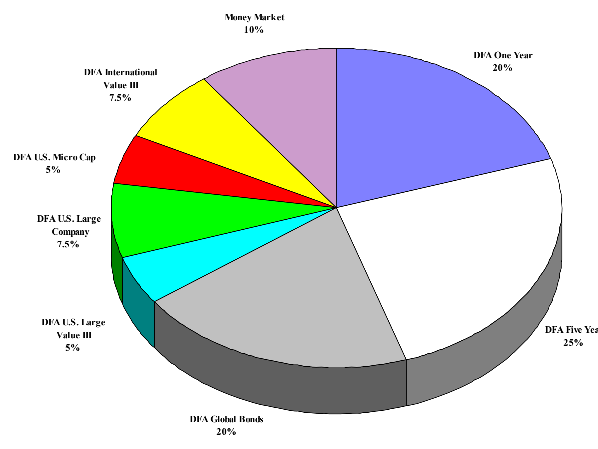
50% Equities/50% Fixed



Rate of Return -0.21%

INCOME & GROWTH

25% Equities/75% Fixed



Rate of Return -0.20%

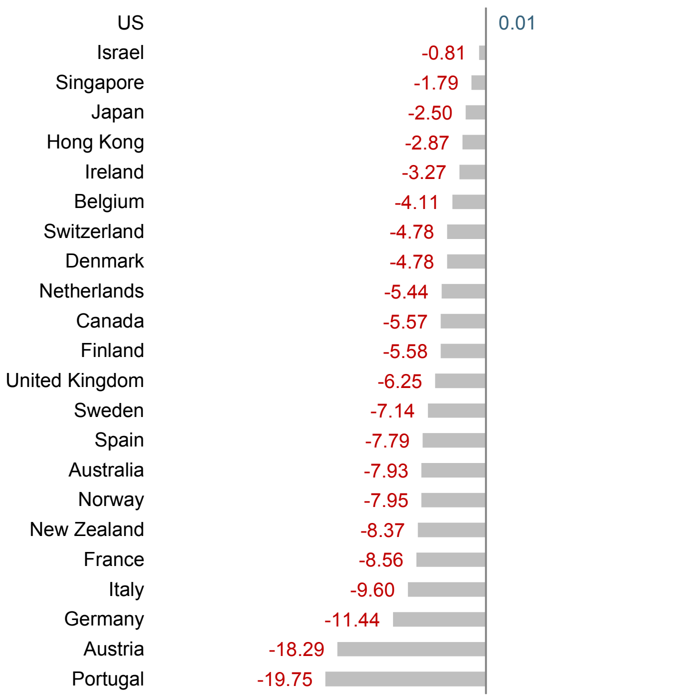
*Individual returns may vary slightly based upon assets, size and fees charged, performance shown is net of fees. Performance shown reflects the reinvestment of dividends and other earnings. The returns shown represent past performance and are not indicators of future results.

Select Country Performance

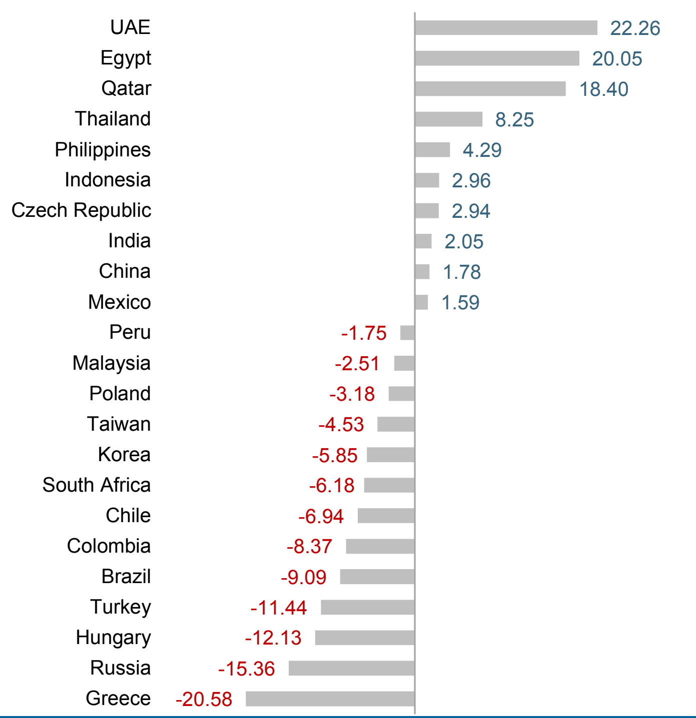
Third Quarter 2014 Index Returns

In US dollar terms, the US recorded the highest performance in developed markets as the dollar rose. European countries recorded some of the lowest performance among developed market countries. In emerging markets, Middle Eastern countries posted strong positive returns. However, relative underperformance in the materials and energy sectors negatively affected some of the larger emerging markets countries, which had a bigger impact on emerging markets indices.

Developed Markets Returns (%)



Emerging Markets Returns (%)



Meeting Expectations

All DFA portfolios are designed to deliver "market rates of return." DFA is not trying to "beat" the market by employing crystal ball type strategies, only working to achieve market returns, historically outpacing 90% of the active managers who attempt to beat the market.

To evaluate your portfolio, it is helpful to look at the various DFA funds and **compare them** to the specific markets in which they are invested:

	01/01/14 through 09/30/14 Return*
DFA U.S. Large Co.	**8.25%**
S&P 500 Index	8.34%
DFA U.S. Large Value	**7.28%**
S&P 500 Value	5.56%
DFA U.S. Micro Cap	**-5.82%**
Russell 2000	-3.39%
DFA U.S. Small Value	**-3.03%**
Russell 2000 Value	-3.03%
DFA Emerging Markets	**2.91%**
MSCI Emerging Market Idx	0.11%
DFA Int'l Large Company	**-1.01%**
MSCI EAFE Large Co Idx	-5.79%
DFA Int'l Large Value	**-1.51%**
MSCI EAFE Value	-5.26%
DFA Int'l Small Value	**-1.06%**
MSCI EAFE Sm Cap Index	-8.76%
DFA One Yr. Gov't Bond	**0.28%**
BarCap 1-3 Yr. Gov't	0.93%
DFA Short-Term Gov't Bond	**0.76%**
BarCap 1-5 Yr. Gov't	1.55%
DFA 5 Yr. Global Bond	**1.88%**
Citi World Bond Index	2.61%

**Morningstar 09/30/14*

“The Perspective”

Ok, it’s gut check time. These are days that we have prepared you for. The Market is getting hit hard right now. There are triple digit losses on the front page of every news outlet, but it’s ok. Remember markets go up and down. We have had a pretty good stretch where things have looked good, and the global markets have been up all year, but currently the global market is going through a correction. Corrections and pull backs are normal. Nobody likes to see their investments go down, but this is not the time to do the wrong thing at the wrong time. This is not the time to panic, and sell out to cash. If you pull out of the market now, you will miss the recovery, that will follow.

This is a normal market cycle; **this is not 2008 all over again**. Keep the following items in mind in comparing 2014 to 2008: unemployment is down, companies have more cash on their balance sheets, the fed rate is low allowing for additional lending, and the deficit is at its lowest point since 2009.

We invest based on your personal risk level. As your advisors, **we discussed that your investments will move within a certain range.** We have designed and built portfolios based on our low cost passive philosophy in conjunction with the three factor model. During times like this it is important to stick to your investment philosophy and stay the course. We don’t want to fall prey to the detrimental affects of market timing and stock picking in volatile markets.

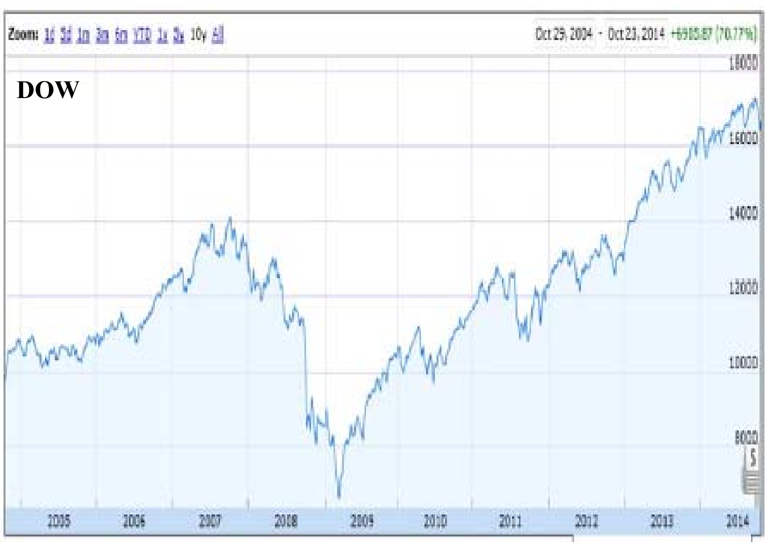
Let’s add some perspective to this most recent example of market fluctuations by looking at two of the major US indices over the past 10 years; the Dow Jones Industrial Average (Dow) and the S&P 500 (S&P).

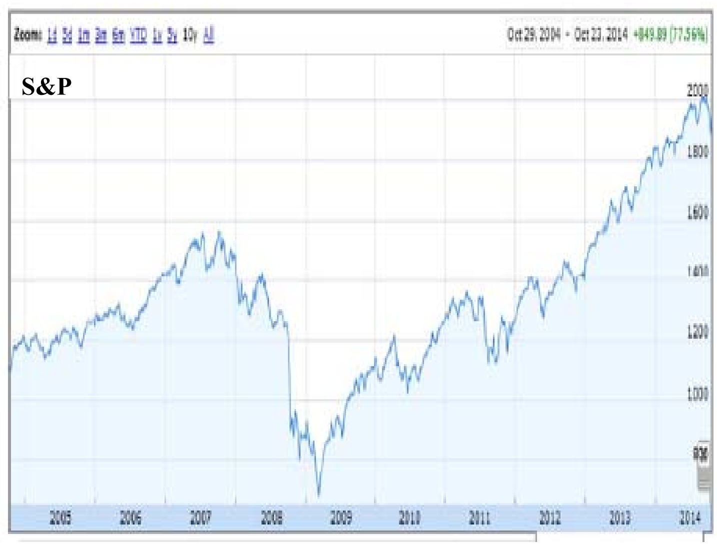
The Dow was at 15,168 on October 15, 2013 and climbed an astounding 1,273 points in the fourth quarter 2013 to start the year on January 2, 2014 at 16,441. By February 3, 2014, the Dow pulled back more than 1,000 points to 15,372. Since February the Dow has climbed back up to an all time high of 17,279 on September 19, nearly a 2,000 point move since February.

Just three years ago, on September 23, 2011, the Dow was at a mere 10,771. **In three years the Market has climbed 6,508 points**. That is simply incredible. And five years ago at this time, the Dow was at 9,995. As you can see by the chart below, **we have come a long way since 2009, but we have also had a ride that has included these pullbacks before.**

The S&P tells the same story. In September 2014 it hit an all-time high. In January 2014, the S&P started the year at 1,831, but in February had a significant pullback. Three years ago, the S&P was 1,224, and five years ago at 1,087.

These are normal market movements and should be expected. Remember, if you are feeling uncertain or have questions, don’t hesitate to reach out to us. We are hear to help.





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A copy of Part 2 Form ADV for Lyke Financial is available upon request.