

WEEKLY MARKET COMMENTARY

For the Week of June 4, 2018

THE MARKETS

After a downbeat day Thursday, the market indexes bounced Friday. Gaining more than 200 points, the Dow recouped most of its losses for the week. Positive factors included the May jobs report, which showed unemployment fell to an 18-year low and news the North Korean summit was back on and Italian parties agreed to a coalition government. For the week, the Dow fell 0.59 percent to close at 24,635.21. The S&P gained 0.54 percent to finish at 2,734.62, and the NASDAQ climbed 1.62 percent to end the week at 7,554.33.

Returns Through 6/01/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.59	0.69	19.98	13.80	12.99
NASDAQ Composite (PR)	1.62	9.43	20.93	14.12	16.93
S&P 500 (TR)	0.54	3.14	14.75	11.30	13.22
Barclays US Agg Bond (TR)	0.16	-1.85	-0.64	1.43	1.91
MSCI EAFE (TR)	-1.42	-1.23	8.30	4.43	6.00

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

A Lot In a Little — The top 10 percent of American households, i.e., 10 percent of 120 million U.S. households, own 84 percent of the stock market wealth in the country (source: Federal Reserve Bank of New York, BTN Research).

Falling Behind — Over the last 20 years, i.e., April 30, 1998, to April 30, 2018, inflation in the United States (using the Consumer Price Index) has increased 54.2 percent or 2.2 percent annually. As of April 30, 2018, an individual living on a fixed income who has not benefited from cost-of-living increases would have only 65 percent of the purchasing power they had 20 years earlier (source: Department of Labor).

Historical Struggles — Three of the upcoming four months rank as the bottom three performers for the S&P 500 over the last 25 years, i.e., 1993-2017. June is ranked 10th of the 12 months (average total return loss of 0.13 percent). September is ranked 11th of the 12 months (average total return loss of 0.15 percent). August is ranked last of the 12 months (average total return loss of 0.56 percent) (source: BTN Research).

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WEEKLY FOCUS – When Alzheimer’s Hits the Family

June is Alzheimer’s and Brain Awareness Month – a good time to consider what you will do if you or your loved one is diagnosed with Alzheimer’s or another dementia.

Alzheimer’s is a tremendous burden. According to the Alzheimer’s Association, in 2018, the direct costs to caretakers of those who have Alzheimer’s will total an estimated \$277 billion. Without adequate long-term care insurance, a diagnosis of Alzheimer’s can mean losing most, if not all, financial assets. What are the first steps you should take to prepare for your and your family member’s financial future?

Begin sensitive and respectful conversations about finances well before you see signs of mental decline. Let your loved one know you don’t want to take control. You just want to ensure they are protected and their wishes honored in the years to come.

Ask for information you’ll need in case it becomes necessary to manage their finances: names and contact information of their financial planner, accountant and attorney; financial records and where they are kept; their monthly income and the sources; insurance policies; the location of financial accounts; regular bills and how they are paid; and log-in information for online accounts.

Suggest meeting together with their financial advisor and/or other family members. Find out what will be important to them. What assets matter most to them? Do they want to continue supporting their favorite causes or nonprofits? Should they update their will?

If your loved one becomes unable to make decisions for themselves, legal documents and worksheets can help you or another family member plan and make decisions for them. These documents can include: a health care power of attorney (POA) or a more limited living will, either a limited or durable power of attorney for finances, an authorization to disclose account information and a form authorizing a financial institution to contact you if they become concerned about your loved one’s ability to manage their finances.

Call our office today. We can provide more information on protecting your loved one or help you create a plan to care for them.

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* The Standard & Poor’s 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright June 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SA# 2139653.1