

WEEKLY MARKET COMMENTARY

For the Week of June 19, 2017

THE MARKETS

Amazon's deal to buy Whole Foods stirred Wall Street Friday, rocking shares of a range of retail companies, including Wal-Mart, Target, Costco and Walgreen Boots, while Amazon and Whole Foods' stock surged. The NASDAQ declined; the S&P finished slightly higher; and the Dow Industrials set a record close. For the week, the Dow rose 0.59 to close at 21,384.28. The S&P gained 0.12 percent to finish at 2,433.15, and the NASDAQ fell 0.92 percent to end the week at 6,151.76.

Returns Through 6/16/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.59	9.52	23.69	11.18	13.69
NASDAQ Composite (PR)	-0.92	14.27	26.96	12.49	16.45
S&P 500 (TR)	0.12	9.74	19.56	10.19	15.06
Barclays US Agg Bond (TR)	0.26	2.69	0.61	2.79	2.29
MSCI EAFE (TR)	0.02	14.31	23.97	1.47	9.55

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.

Good Results Lately — The S&P 500 was down on a total return basis in 9 of the 13 years from 1929-1941. The S&P 500 has been down on a total return basis in just 1 of the last 14 years from 2003-2016, i.e., down in calendar year 2008 (source: BTN Research).

Not Worth It — Of millennials who have student debt, 23 percent believe the college education they received "will never be worth" the debt they incurred. Millennials are defined as the 75 million Americans ages 20-36 in 2017, i.e., individuals born from 1981-1997 (source: TD Ameritrade, BTN Research).

Required Help — Six banks have failed this year through Friday, June 9. Five banks failed in all of 2016. In 2010, 157 banks failed (source: Federal Deposit Insurance Corporation, BTN Research).



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WEEKLY FOCUS – Famous Fathers as Financial Role Models

Fathers teach us to honor commitments, stand by friends and serve those we love. They also pass on financial attitudes and education, as the following well-known dads illustrate.

Business magnate and former politician H. Ross Perot taught his young children self-discipline by providing a small allowance. A reporter once asked Ross Perot Jr. how it felt to be the son of the richest man in Texas.

“Mister, all I know is I get 25 cents a week,” said Perot Jr., who recently reflected that his father motivated by showing he cared.

“Kids have to know you’ve made them your No. 1 priority,” said Perot. “Even when Dad was busy traveling around the country on business, he would fly back to see us if we were in a school play. He always made sure we knew how special we were to him.”

At 12, future actor Matt Damon started sending part of his allowance to one of his mother’s favorite causes. Now a powerhouse in philanthropic circles and founder of a safe water initiative and a humanitarian aid organization, he hopes to pass his passion for philanthropy on to his children.

Screen star Matthew McConaughey demonstrated the importance of taking some short-term risks to accomplish a long-term strategy by turning down some big paychecks for movies he didn’t think would strengthen his career. The plan eventually paid off; he’s now reported to be worth \$95 million.

Throughout their lives, the two richest men in the world, Bill Gates (\$89 billion) and Warren Buffet (\$76.8 billion), have modeled a passion for work and support for charitable causes. They have also been transparent with their children regarding future inheritance. Both plan to leave the bulk of their estates to charity. Buffet explained why:

“I still believe in the philosophy,” he said, “...that a very rich person should give his kids enough to do anything but not enough to do nothing.”

Good fathers provide for their families. Great fathers provide examples and lessons to equip their loved ones to live productive, secure and meaningful lives. If you’d like help teaching your children or grandchildren the importance of saving, investing and sharing, contact our office today.

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1753 Dollar Street, West Linn, Oregon 97068.

* 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 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SA# 1823877.1