

WEEKLY MARKET COMMENTARY

For the Week of June 25, 2018

THE MARKETS

A sharp rally in crude-oil prices boosted energy stocks Friday, which led the S&P higher and helped the Dow Jones end an eight-day losing streak. Technology stocks kept the NASDAQ in negative territory. For the week, the Dow lost 2.03 percent to close at 24,580.89. The S&P fell 0.87 percent to finish at 2,754.88, and the NASDAQ dropped 0.69 percent to end the week at 7,692.82.

Returns Through 6/22/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-2.03	0.54	17.53	13.49	13.41
NASDAQ Composite (PR)	-0.69	11.44	23.35	14.28	18.04
S&P 500 (TR)	-0.87	4.01	15.39	11.37	13.93
Barclays US Agg Bond (TR)	-0.01	-1.95	-1.25	1.65	2.27
MSCI EAFE (TR)	-0.96	-1.73	7.87	3.80	6.85

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.

End of This Month — The second longest economic expansion in U.S. history (based upon data tracked since 1854) will reach nine years in length as of June 30, 2018 (source: National Bureau of Economic Research, BTN Research).

Bonds — The U.S. bond market (including treasury, municipal, corporate, mortgage and asset-backed debt) was worth \$41.7 trillion as of March 31. Treasury debt (\$14.9 trillion) makes up the largest piece of the U.S. bond market (source: Securities Industry and Financial Markets Association, BTN Research).

In Nearly a Century — Oil production in the United States reached 10.9 million barrels per day for the week ending June 8, 2018, the highest level recorded for our country per records maintained since 1920 (source: U.S. Energy Information Administration; BTN Research).

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WEEKLY FOCUS – Trusts Can Provide Solutions to Planning Quandaries

Trusts are often associated with end-of-life planning to ensure assets are managed and held for another person's benefit. They're used to ensure assets are distributed exactly the way you want. They can help avoid the headache and expense of probate court, provide protection from lawsuits and creditors, and solve other financial challenges. But trusts can be useful in other types of financial situations as well.

There are basically two types of trusts. **Revocable** trusts can be modified, and the grantor remains in control. Once an **irrevocable** trust is established, it can't be modified, and the grantor gives up control. It's important to be familiar with the pros and cons of each. The following are some situations that might call for a trust.

Special Needs Beneficiaries: A trust can provide protection and income for a loved one who is unable to take care of themselves. An advantage to a revocable trust is the beneficiary can still take advantage of qualified government benefits or assistance, no matter how large the trust. It can also financially support an alternate caregiver if the primary caregiver becomes incapacitated.

Protecting Assets From Theft: Identity theft is a constant and growing problem as cyber criminals go online to gather personal information that can be used to steal funds and hijack identities. Irrevocable trusts usually have their own tax ID numbers. Beneficiaries who become victims of theft may be able to draw funds from the trust while they sort out their financial difficulties resulting from identity theft or fraud.

Divorce and Prenuptial Agreements: A revocable living trust may be in order if you have assets and are planning to marry, but your spouse doesn't want to sign a prenuptial agreement. Property acquired during your marriage is generally considered common property. But what if you inherited property before you married and want to keep that outside of the communal assets? By placing it in a revocable trust, the inheritance could be exempted if the assets in the trust weren't mixed with other marital assets. Courts usually consider assets in a revocable living trust as belonging to the grantor or trustee.

Call our office today. There are many financial situations that could benefit from the creation of a trust. We can work with you and your estate planning attorney to help develop a financial plan that addresses life's expected, and unexpected, challenges.

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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. SAI# 2160511.1