

WEEKLY MARKET COMMENTARY

For the Week of July 3, 2017

THE MARKETS

All three major indexes closed lower for the week. Despite the first half's sour ending, it treated investors well with the Dow and the S&P posting their best first-half gains since 2009. For the week, the Dow fell 0.21 percent to close at 21,349.63. The S&P lost 0.58 percent to finish at 2,423.41, and the NASDAQ dropped 1.99 percent to end the week at 6,140.42.

Returns Through 6/30/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.21	9.35	22.12	11.01	13.45
NASDAQ Composite (PR)	-1.99	14.07	26.80	11.68	15.91
S&P 500 (TR)	-0.58	9.34	17.90	9.61	14.63
Barclays US Agg Bond (TR)	-0.57	2.27	-0.31	2.48	2.21
MSCI EAFE (TR)	-0.26	13.81	20.27	1.15	8.69

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.

Population Growth — Between 2014 and 2060, the U.S. population is projected to increase by 98 million. This will be achieved via 197 million births less 163 million deaths plus 64 million immigrants (source: Census Bureau, BTN Research).

The Home Stretch — The S&P 500 has closed at its calendar year high in the second half of the year (i.e., during the six months of July-December) 73 percent of the time since 1950. In 15 of the last 26 years, the index's calendar year high has occurred during the month of December (source: BTN Research).

Good Results — With one week remaining in the first half of 2017, 235 individual stocks in the S&P 500 were up at least 10 percent YTD through Friday, June 23. There are 503 stocks in the index today (source: BTN Research).

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WEEKLY FOCUS – Financial Freedom Isn't Free

Most workers hope to attain freedom to follow their passions in retirement. According to a multi-year study from Transamerica Center for Retirement Studies®, 65 percent hope to travel; 56 percent want to spend more time with family and friends; and 49 percent want to pursue hobbies. Twenty-eight percent look forward to doing some type of work in retirement.

Frequently, those dreams are interrupted by concerns. Eighty-two percent of workers believe their generation will have a much harder time achieving financial security than their parents did. Specific concerns include: outliving their savings (51 percent), Social Security payments being reduced or eliminated (47 percent) and a health decline requiring long-term care (45 percent).

The median figure workers believe they will need at retirement to feel financially secure is \$500,000; 36 percent believe they will need \$1 million or more. Despite having definite targets, only 16 percent have a written retirement strategy for achieving their goals. This is unfortunate since written goals provide focus and encourage discipline to stay on course.

Psychology professor Dr. Gail Matthews recently gathered 267 people from all walks of life and divided them into two groups, those who wrote their goals down and those who didn't. Based on observations, she concluded people who regularly write goals out are 42 percent more likely to achieve them.

Chicken Soup author Jack Canfield agrees. From the beginning of his writing career to today, Canfield has kept written goals in front of himself and credits that habit with helping him sell over 500 million books worldwide. Now a sought-after success coach, Canfield recommends those written goals be SMART goals.

The first two letters in the acronym represent Specific and Measurable. For example, "I will put 10 percent of my income in my retirement account this month." The A and R remind us to ensure goals are Attainable and Realistic. With retirement savings, this requires creating a budget to determine whether you can achieve the goal and how you will do so. The final letter stands for Time-bounded. Setting a target date for completion provides motivation and accountability. Without a date, it's easy to think you'll catch up after Christmas, your vacation or your next raise.

If you'd like help creating or reviewing a written strategy for retirement saving, investing or distribution, contact our office today.

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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 July 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1838017.1