

WEEKLY MARKET COMMENTARY

For the Week of August 20, 2018

THE MARKETS

The three major indexes gained Friday following a Wall Street Journal report of planned talks between Beijing and Washington regarding their trade dispute and promising comments from Mexico's economy minister about resolving outstanding issues on the North American Free Trade Agreement. For the week, the Dow rose 1.48 percent to close at 25,669.32. The S&P climbed 0.66 percent to finish at 2,850.13, and the NASDAQ dropped 0.29 percent to end the week at 7,816.33.

Returns Through 8/17/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.48	5.36	20.71	16.37	13.95
NASDAQ Composite (PR)	-0.29	13.22	25.63	15.36	16.75
S&P 500 (TR)	0.66	7.92	19.57	13.00	13.80
Barclays US Agg Bond (TR)	-0.02	-1.10	-0.78	1.62	2.56
MSCI EAFE (TR)	-1.10	-4.05	2.80	4.38	4.55

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.

Not as Optimistic — Sixty-five percent of Americans surveyed in July 2018 think it's a good time to buy a house. That percentage was as high as 83 percent in December 2014 and hasn't been as low as 65 percent since December 2008 (source: University of Michigan Surveys of Consumers, BTN Research).

The American Dream — Twice as many American homeowners were created in the last year as had been created in the previous 10 years. The number of U.S. homeowners grew by 1.8 million (to 77.9 million) over the 12 months ending June 30, 2018, double the 0.9 million new homeowners that were added over the decade ending June 30, 2017 (source: Census Bureau, BTN Research).

Up This Year — Of the 15 stocks in the S&P 500 index that lost at least 30 percent in calendar year 2017, 12 have a positive return YTD through July 31. Four of the 12 up stocks have gained at least 28 percent YTD in 2018 (source: BTN Research).

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WEEKLY FOCUS – Estate Planning for Family Member With Special Needs

Estate planning is important to any family. But if your family includes a loved one with special needs, it's even more critical to have a detailed plan that covers issues, such as housing, medical care, services for your disabled family member and how these necessities will be paid for. The first step to ensuring you have an estate plan that will meet the needs of a family member with an emotional, behavioral or physical disability or impairment is to hire an estate planning attorney with expertise in government regulations and health care. In addition to having a qualified attorney in your corner, your estate plan should include:

- **A letter of intent.** This document makes caregivers aware of details, such as preferences, routines and abilities.
- **A special needs trust.** This specialized trust allows you to pass along assets without disqualifying your loved one from government programs.
- **A trustee.** This individual or corporate entity will ensure the details of your special needs trust are executed to your wishes.

Establishing a special needs trust and naming someone to oversee it are just the first steps toward an effective estate plan. It's also vital to ensure other pieces of your plan, such as powers of attorney, work in conjunction with the trust.

An ABLÉ account may be another option to help meet your loved one's need. An ABLÉ account is similar to a Roth IRA or a 529 college savings plan in that it is funded by after-tax money but income earnings aren't taxed when used for qualified disability-related expenses. Eligibility is limited to individuals who were disabled before age 26. Anyone who meets this age criteria and receives SSI or Social Security Disability (SSDI) benefits is automatically eligible for an ABLÉ account. An individual who does not receive SSI or SSDI but meets the age requirement may still be eligible for an ABLÉ account if they meet Social Security's criteria for limitations and receive a letter of certification from a physician. Anyone can contribute to an ABLÉ account, but contributions are limited to \$15,000 per year and must be made using post-taxed dollars. Contributions are not federally tax deductible, but some states allow them to be used for state-level tax deductions.

To learn more ways to prepare an estate plan that will benefit a loved one with special needs, call our office today. We will work with you and your estate planning attorney to develop a plan that's right for your family.

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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 August 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2216539.1