

WEEKLY MARKET COMMENTARY

For the Week of October 15, 2018

THE MARKETS

Following a week of steep losses, stocks rose Friday. Although the technology and other growth sectors rose, advances were restrained by continued concerns over U.S. – China trade tensions and rising interest rates. For the week, the Dow fell 4.17 percent to close at 25,339.99. The S&P lost 4.07 percent to finish at 2,767.13, and the NASDAQ dropped 3.74 percent to end the week at 7,496.89.

Returns Through 10/12/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-4.17	4.29	13.45	16.78	13.42
NASDAQ Composite (PR)	-3.74	8.60	13.74	15.71	14.61
S&P 500 (TR)	-4.07	5.07	10.58	13.42	12.48
Barclays US Agg Bond (TR)	0.44	-2.10	-1.83	1.12	2.06
MSCI EAFE (TR)	-3.93	-7.52	-4.70	4.57	2.98

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.

More Money — In the first quarter of 2018, 618 U.S. employers surveyed anticipated offering a starting base salary of \$65,000 to college graduates with a bachelor's degree, \$85,000 to workers coming direct from industry and \$105,000 to MBA graduates (source: Corporate Recruiters Survey Report 2018, BTN Research).

Healthy Returns — Six of the top 10 performing individual stocks within the S&P 500 during the third quarter of 2018 (i.e., trading from July 1, 2018, through Sept. 30, 2018) are in the health care sector (source: BTN Research).

Skittish — A greater percentage of millennials have all their pretax retirement money invested in cash and bonds (20 percent) than those who have all of their pretax retirement money invested in stocks (19 percent). 2,593 millennials (ages 20-36 in 2017) were surveyed in the fourth quarter of 2017 (source: Transamerica Retirement Survey, BTN Research).

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WEEKLY FOCUS – When You Should Update Your Estate Plans and Will

Estate planning and wills are not a one-and-done affair. They aren't documents you write, tuck away in your important papers, file and forget about. They are subject to inevitable life events and circumstances. Think of them as you would your car. It needs an oil change or maintenance every so often. So, too, your estate plans and will. When is the best time to think about reviewing? Here are some events that may necessitate an update:

- Changes in state and federal laws: Has the state you live in enacted new laws which could impact your will and finances? Have you moved to another state? A new federal tax law doubles the threshold for estate taxes, raising the bar for estate taxes to exclude all but the nation's richest households – those with estates that exceed \$11.18 million per person or \$22.36 million per couple. State tax laws vary.
- Major life events such as the birth of a child or grandchild, an adoption, marriage, divorce or death all affect your will and estate.
- In addition to events in your own life, consider events in the lives of your heirs, representatives, trustees or executors. Have your relationships with the people named in your will changed? Their circumstances may have also changed, which could also impact your estate planning and will.
- A substantial increase or decrease in the value of your estate. Have you bought or sold a major asset? Have you started a new business?
- You're approaching your 70½ birthday and have an IRA, 401(k) or other qualified plan that requires you to begin taking distributions at that age.

These are just some of the things that could impact your future financial plans. But even if you're not aware of anything that could trigger an automatic update, the passage of time alone would matter. You should review your will and estate planning documents every three to five years.

Don't let life hand you unwanted surprises. Contact our office today. We can help you review your finances and determine if your plans need updating.

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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.

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