

WEEKLY MARKET COMMENTARY

For the Week of December 12, 2016

THE MARKETS

The post-election rally continued as Wall Street saw another day of record highs. The S&P 500 recorded its sixth straight day of gains, and the Dow logged a fifth week of gains. For the week, the Dow rose 3.13 percent to close at 19,756.85. The S&P gained 3.13 percent to finish at 2,259.53, and the NASDAQ climbed 3.59 percent to end the week at 5,444.50.

Returns Through 12/9/16	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	3.13	16.43	16.05	9.95	12.99
NASDAQ Composite (PR)	3.59	8.73	8.39	10.20	15.52
S&P 500 (TR)	3.13	12.87	12.81	10.01	14.92
Barclays US Agg Bond (TR)	-0.26	2.14	1.74	2.79	2.28
MSCI EAFE (TR)	2.91	0.57	0.80	-0.70	6.22

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.

Another Year, Another Trillion — Our nation's national debt was \$18.922 trillion as of Dec. 31, 2015. It reached \$19.898 trillion as of Wednesday, Nov. 23, 2016. (source: Treasury Department, BTN Research).

Losers Last Year — An equal investment at the end of 2015 into the 13 stocks in the S&P 500 that lost at least 50 percent last year was up a collective 60.4 percent YTD as of Nov. 30 (source: BTN Research).

Winners Last Year — An equal investment at the end of 2015 into the seven stocks in the S&P 500 that gained at least 50 percent last year was up a collective 25.0 percent YTD as of Wednesday, Nov. 30 (source: BTN Research).

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WEEKLY FOCUS – Want to Skip the Video Games?

Your kids or grandkids might be hoping for the newest iPhone or video game for Christmas. But what if you gave them a financial or educational gift with future benefits?

Perhaps you have some appreciated stock you could retitle in their name. Since they're likely in a lower tax bracket, you could probably pass more on to them on an after-tax basis than you would realize if you cashed it in yourself.

Setting up a 529 plan will allow other family and friends to give gifts toward a young person's education. Once the plan is set up, sites such as GiftofCollege.com and LeafSavings.com offer gift cards that make it easy to contribute directly to a 529 account.

Have a millennial who doesn't have access to a 401(k) through an employer? Your advisor can help you create an IRA or a new *myRA*® starter account in their name. Both allow account holders to set up automatic contributions, but the *myRA* has a few unique features. Because it is invested in a United States Treasury retirement savings bond, it won't lose money and automatically earns interest at the same rate as investments in the Government Securities Fund (2.375 percent APR for the month of December 2016). Once the balance reaches \$15,000, it is transferred to a private-sector Roth IRA, but it can be moved at any time before that point. Like an IRA, a *myRA* stays with the account holder during job changes.

If a family member dreams of starting their own business, a subscription to Entrepreneur or Inc. could provide great insights on running a business, franchising and meeting startup challenges. Forbes, Bloomberg Businessweek or Money might fuel an interest in investing.

At Stockpile.com, you can purchase \$25, \$50 or \$100 gift cards for fractions of shares from popular companies like Coca-Cola, Facebook, Apple and Toys "R" Us. The site offers physical gift cards you can put in Christmas stockings and e-gifts you can send instantly. Recipients redeem the cards on the site, which is an online brokerage. Twenty-five percent of Stockpile's customers are kids and teens.

While you may be doing your best to teach your children and grandchildren about personal finances, confirmation from an outside source may help reinforce your message. We'd be happy to help educate them on the importance of setting long-term goals, creating a budget and setting up a financial plan.

Securities America and its representatives do not provide tax or legal advice; therefore, it is important to coordinate with your tax or legal advisor regarding your specific situation.

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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 December 2016. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1661667.1