GATEWAY
INVESTMENT MANAGEMENT
OF
RAYMOND JAMES®

THE COMMUNIQUE

April 2019

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2867.19	1.16%	1.16%	14.37%
Dow Jones Industrials	26258.42	1.27%	1.27%	12.56%
NASDAQ Composite	7828.91	1.29%	1.29%	17.99%

U.S. TREASURIES	YIELD
5-yr Treasury Note	2.32%
10-yr Treasury Bond	2.50%
30-yr Treasury Bond	2.89%

Information as of April 1, 2019　　　Source: Thomson Reuter's Thomson One

MARKET COMMENT

April Fools

March is officially in the books, but its remnants of an inverted yield curve continue to cause quite a clatter in the financial headlines – with many talking heads issuing warnings of a pending recession. In case you forgot, an inverted yield curve occurs when a short-term interest rate exceeds a long-term rate. For example, if the 2-year Treasury note was yielding 2.3%, but the 10-year note was yielding 2.1%, that would produce an inverted curve. Historically, yield curve inversions has a solid track record at forecasting economic slowdowns. However, not every inversion leads to a recession. There is also quite a squabble about which bond maturities should be used in determining a meaningful inversion. Some "experts" believe it is a comparison of the 2-year vs 30-year Treasuries, while other rely upon the 3-month vs 10-year maturities. Some even look at the Federal Funds rate versus the 10-year T-Note.

If you are a bit confused by all this then you are in good company. All the clatter over the yield curve may be a case of form over substance, so the key is simply to focus on each term individually. For instance, consider short term rates (your definition) versus long term rates (again, your definition), and determine how each these rates will affect the general economy. Because the Federal Reserve, as of now, is on hold for future rate increases (and could consider lowering rates), the inversion has "settled down," with short rates declining a bit to bring the curve back to a positive slope. Also, due to Europe, China, Japan, and other global economies slowing, their Central Banks seem to be taking a more aggressive approach to lowering future interest rates.

For now, the stock markets seem to be in a holding pattern keeping their "foolish April eyes" on first quarter earnings reports due out soon and, of course, the yield curve. We too will be closely watching these coming weeks ahead to see if market volatility returns and how the Federal Reserve responds to the market's shouting of "lower rates ahead!"

PLANNING STRATEGY

Raymond James "Point of View" article.

7 Beneficiary Decisions You Might Want to Reconsider

It may sound simple – "who should get my assets?" – but naming beneficiaries is often an underappreciated step in effectively transferring wealth. Making a thoughtful, informed selection when it comes to your beneficiaries can save time, frustration and even money.

Every family and financial situation is unique, but here are a few beneficiary choices that merit an even higher level of consideration:

1. **Naming a minor.** Generally, a minor will inherit when he or she turns 18, so think carefully about whether you're comfortable with an 18-year-old having access to that money. Your advisor can help recommend strategies and structures – such as trusts – that can provide additional guardrails, should you want them.
2. **Naming a disabled or special needs individual.** If your beneficiary receives government aid because of a disability, a large inheritance could unintentionally disqualify him or her from receiving future aid.
3. **Naming an estate.** Distributions to an estate go through probate and carry greater tax burdens than naming an individual beneficiary, so make this choice carefully.
4. **Not considering addiction.** It's a challenging topic, but you should consider how your plan would function if your beneficiary developed a drug or alcohol problem – particularly given a family history of substance abuse. If a possible concern exists, have a conversation with your advisor who can help explain your various options in more detail.
5. **Overlooking international implications.** Due to differences in countries' taxation, reporting and other laws, international families with heirs in the U.S. should take special care when crafting their financial plans.
6. **Taking a "set it and forget it" approach.** There's a chance that the beneficiaries you named 10 years ago are no longer who you'd choose today. Review all beneficiaries regularly – especially in light of life events like marriages, divorces, births, adoptions, deaths and changes in residence – to make sure they still reflect your current wishes.
7. **Leaving it blank.** Without designating beneficiaries, your hard-earned legacy will be divvied up according to federal or state law, or by the default plan document used in your retirement

accounts. Make sure it's *your* wishes that are carried out by appropriately naming and documenting your beneficiary decisions.

LIFE & LEISURE

Raymond James "Point of View" article M19-2460841.

Protect Yourself and Your Parents from Tax Fraud

A disturbing trend may be endangering the financial security of you and your parents: Identity thieves are stealing other people's personal information and using it to file tax returns. These criminals file fraudulent returns, hoping that IRS processing weaknesses will prevent them from being identified before they receive a refund. These scammers are stealing money from the government while also hindering your ability to file a genuine tax return and receive a refund – not to mention creating undue stress as you take efforts to rectify the situation. It's important to be aware of this scheme and take steps to prevent this from happening to you and your loved ones.

Identity thieves often file fraudulent tax returns as early as possible in an effort to have the bogus return processed before you can file your own legitimate return. You may therefore be unaware you've been victimized – until you attempt to file your taxes.

Warning Signs

It's important to be on the lookout for IRS notices that appear to be inaccurate. Warning signs may include notices indicating that more than one tax return was filed with your Social Security number, you owe an additional tax that appears to be inappropriate or records show you have received wages from an unknown employer. These warnings may indicate that you or your parents may have been defrauded in a tax scheme.

Prevention Tips

There are several ways to reduce your family's chances of becoming a victim of tax return identity fraud:

- Keep your Social Security number, as well as other personal information, stored in a secure place (i.e., not your wallet), and avoid mentioning it on the phone or online unless absolutely necessary
- Consider installing extra security on your computer
- Be sure to check your credit report and Social Security Administration earnings regularly, looking for anything suspicious or irregular
- Be aware that the IRS does not routinely email, make phone calls or communicate through social media. Any communication from those sources is likely to be fraudulent and should immediately be reported to phishing@irs.gov.

- Assume that unexpected calls from the IRS urging you to give or confirm financial information are fraudulent and should be reported to treasury.gov/tigta/contact_report_scam.shmtl

Consider an IP PIN

In some instances, you may be eligible for a number called an Identity Protection PIN (IP PIN). An IP PIN is a six-digit number given to qualified taxpayers to help prevent the filing of false tax returns. Once a taxpayer obtains his or her unique IP PIN, all of his or her tax returns must be filed using this number, which can help ensure that no other fraudulent returns are filed. Please note that this PIN is different than the four-digit e-file signature PIN, which is used for filing online returns.

If you are interested in obtaining an IP PIN, you can register your PIN by following the steps at irs.gov/Individuals/Get-An-Identity-Protection-PIN.

For more information on IRS tax return fraud and prevention methods, visit irs.gov.

UPCOMING EVENT

Raymond James & Associates Shred Event

Saturday, May 11th, 2019
9:30 am – 12:30 pm

The Raymond James & Associates Shred Event is a great way to remove unnecessary and outdated documents from your file cabinets. In addition to shredding, you may recycle unused electronics. On shred day, there will be both a shred drop off station and an electronic drop off station within the Raymond James parking lot. Associates will be on hand to direct and assist you with your drop off. There will also be a canned food drive at the shred event to benefit the St. Louis Food Pantry and canned food donations will be collected at the drop off station. See enclosed flyer for more details.

Quote of the Month: "One of the funny things about the stock market is that every time one person buys, another sells, and both think they are astute." - William Feather

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Planning - https://www.raymondjames.com/pointofview/7-beneficiary-decisions-you-might-want-to-reconsider
Life & Leisure - https://www.raymondjames.com/pointofview/protect-yourself-and-your-parents-from-tax-fraud

Disclaimers & Disclosures

Don't Toss Your Identity…
SHRED IT!

Join us for a complimentary shredding and electronics recycling event.*

Saturday, May 11th, 2019
9:30am-12:30pm

Raymond James & Associates

9900 Clayton Road St. Louis, MO 63124

**Due to the cost of recycling the items, we ask that you limit monitors and televisions to one per car.*
We also cannot accept washers/dryers, microwaves, refrigerators, thermostats or smoke detectors.

Please call or email to RSVP.
Family/Guests welcome!

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Because May is "RJ Cares Month," we're sponsoring a Food Drive for the St. Louis Area Foodbank. We invite you to join us by dropping off non-perishable food items while shredding and recycling!

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Protect Your Identity

with this Shredder-Approved Document Checklist

Use this checklist to identify which financial records and family documents you should keep and which ones you should safely dispose of in a subsequent year.

Keep 1 Year or less

☐ Credit card statements – one month for reconciliation purposes

☐ Household bills – one year, unless used as support for tax deductions

☐ Bank statements – one year

☐ Pay stubs – save one year's worth to check against W-2, then dispose

☐ Canceled personal checks – one year unless needed for taxes, warranty or insurance

If you receive credit card statements, bank statements and household bills electronically, it is recommended that you also clean out your inbox and delete them as noted above.

Keep 3 Years

☐ Expired insurance policies

Keep 7 Years

☐ Investment account summaries, particularly if there are gains and losses (dispose of monthly or quarterly statements once you receive your annual summary.)

☐ Tax returns and supporting papers

Keep Indefinitely

☐ Trusts, deeds, auto titles and wills

☐ Estate planning

☐ Medical history details

☐ Social Security / pension documents

When trusts, deeds, wills and similar documents are updated, properly dispose of outdated documents.

Other

☐ Dispose of product warranties after expiration

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