GATEWAY
INVESTMENT MANAGEMENT
OF
RAYMOND JAMES®

THE COMMUNIQUE

August 2019

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2995.82	-4.55%	-3.30%	13.48%
Dow Jones Industrials	26966.00	-4.27%	-3.32%	10.25%
NASDAQ Composite	8170.23	--5.50%	-3.50%	16.44%

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.52%
10-yr Treasury Bond	1.71%
30-yr Treasury Bond	2.26%

Information as of August 5, 2019 Source: Thomson Reuter's Thomson One

MARKET COMMENT

Harbinger

According to the Merriam Webster Dictionary, a *harbinger* is a "person or thing that announces or signals the approach of another." To many investors, the financial markets – stocks, bonds, currencies, and commodities – serve that role and do a good job of analyzing the current and future economic activity to reflect the a general forecast in the form of current market prices. So what are current markets indicating as we enter the notoriously challenging 3rd quarter?

The current headlines are filled with negative news: longest economic expansion in modern history, wage stagnation, deflation looming, corporate debt at historic highs, U.S.-China trade tensions, Middle East oil shipping conflicts, a rise in nationalism, and mean spirited politics. Yet, the U.S. Stock market intermediate and long-term trends having been moving up since 2009, albeit, not exactly in a straight line. We've certainly experienced some very large interruptions (*e.g.* last December), but the overall trends have continued to rise despite all the negativity surrounding the market and economy.

We know some day that trend will change and a major declining stock market ("bear market") will ensue, but only then will a major economic decline occur. Remember, the stock market is a harbinger of things to come. Until that time, however, we must respect the current trends and look to the positive news of a strong domestic economy including, high levels of employment, low interest rates, rising corporate earnings, and low commodity prices.

PLANNING STRATEGY

Raymond James "Point of View" article. M19-2615391

For Better or Worse, Discuss Your Estate as a Couple

Wedding season, which typically runs from late spring through early fall, is officially upon us. If you are engaged or newly married, consider discussing your estate planning intentions with your partner and a trusted advisor. While it's easy to get wrapped up in finding the perfect dress or finalizing your guest list, you should also be planning for the life changes to come after the ceremony. Not only will this help prepare you for the road ahead, but it can also allow you to begin cultivating your estate as a couple.

Once you and your partner schedule a meeting with your advisor, you can begin by discussing these five estate planning moves, which should be addressed before or as soon as you head down the aisle:

1. **Update your beneficiary designations.** To make your new spouse the beneficiary of your life insurance or retirement accounts, you'll likely need to visit your employer's HR department and complete the necessary forms.
2. **Review your life insurance needs**. Have you spoken to your partner about what would happen if one of you passed away unexpectedly? For instance, if you own a home together and your spouse passed away, could you pay the mortgage with only one income? These questions can be difficult, but it's important to consider whether your current life insurance still meets your needs – particularly if you have children or are planning to start a family in the near future.
3. **Execute your wills**. The last thing on your mind if facing the devastating loss of your spouse is the legal minutiae. But you should know that while many states will rule that, in the absence of a will, all assets revert to the surviving partner, this is not always the case. Sadly, if your spouse

dies without a will, you could endure the delay and expense of probate to determine what assets you may receive, all while you are grieving. In some cases, the state will even designate certain assets to parents or loved ones of the deceased spouse. As tough as it is, these conversations are incredibly important. Keep in mind, too, that your will and estate plan must reflect the same provisions of any prenuptial agreement in the event of your partner's death.

4. **Consider establishing durable powers of attorney and advanced healthcare directives**. Double check to make sure your partner is authorized to make medical, legal, or financial decisions on your behalf – not all states automatically grant spouses that authority. As you move into married life, ask those important questions and understand the decisions you might have to make for one another in the unfortunate event something unthinkable happens.
5. **Discuss your homeownership documents**. Does one of you already own a home you will be sharing? Or, are you thinking about buying a home together? Consider your living situation as a couple and speak with your advisor about investigating strategies that include joint property and tenancy by the entirety, as well as state homestead laws and where to properly record deeds and other real estate documentation.

A wedding is an unforgettable event. But given all the time and expense that goes into preparing for the big day, it's important that you dedicate some of those resources to planning for your future as a couple. These ideas will help you get the ball rolling on these important conversations to have with your financial advisor and your partner.

Raymond James and its advisors do not offer legal advice. You should discuss any legal matters with the appropriate professional.

LIFE & LEISURE

Raymond James "Point of View" article. M19-2573232

5 Reasons Wealth Transfers Fail

Family coach and author Roy Williams surveyed more than 3,000 families and found that **over 90% of family wealth transfers fail** by the end of the third generation. But, in this context, what does "fail" really mean?

A failed wealth transfer can mean several things – a disappearance of the family's financial wealth, the dissipation of important memories and values, and even intense discord among family members. So why is this happening so frequently, and how can you help prevent the same thing from occurring within your own family?

Here are five of the most commons reasons money doesn't survive wealth transfers over multiple generations.

Lack of Meaningful Communication

It's critical for multiple generations of a family to engage in clear, open dialogue, which sets the foundation for successfully passing down both financial assets and important values. Getting to know how each of your family members prefers to communicate can also decrease the possibility of family discord. Encouraging clear communication can mitigate many of the reasons wealth transfers fail, and dialogue should center on aspects that go beyond just financial wealth.

Little or No Shared Vision

Once your family is engaged in meaningful communication, the next step is to define your shared vision. Moving in contradictory directions will eventually seed conflict, so build common ground by identifying what you're all working toward. What do you want your family's legacy to look like? What family qualities do you want your great-grandchildren to still value? Giving each person a chance to clearly communicate his or her interests will increase understanding by all, and it'll help the purpose and positive impact of your family's financial wealth.

Disregard for Intangible Assets

When family communication focuses too much on financial wealth, the opportunity to foster a sense of gratitude can be lost. Be sure you're also communicating about things that go beyond money – like your core values, the experiences that have had the greatest impact on your life, and the philanthropic causes you care about most. Structured communications around these non-financial topics can help refocus everyone on what matters most: your family unit.

Erosion of Trust and Transparency

You may have heard the adage "transparency breeds trust." Well, it also goes the other way: if family members believe transparency is lacking, trust can also erode. Transparency does not necessarily mean disclosing your net worth to every family member, but it does mean including them in discussions around the intended purpose of wealth you'll pass down. Encourage family members to ask questions throughout your family dialogues, and be as open as you can with your answers.

Attitude of Entitlement, Not Gratitude

If there's one emotion that helps support wealth transfer success, it's gratitude. When family members are focused on what money can do for them, overspending and misuse soon follow. But by communicating about both financial and intangible wealth and participating together in charitable events, you can slowly strengthen an attitude of gratitude.

It's not always easy to navigate the complexities of family wealth. But with open communication and the guidance of a trusted financial advisor, you can begin these important conversations and help set your family up for wealth transfer success.

This content was created by More than Money 360. Raymond James is not affiliated with More than Money 360.

Quote of the Month: "Big money is made in the stock market by being on the right side of the major moves. The idea is to get in harmony with the market. It's suicidal to fight trends. They have a higher probability of continuing than not." Martin Zweig

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