

THE COMMUNIQUE

August 2017

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2474.92	0.19%	2.13%	10.55%
Dow Jones Industrials	22085.34	0.03%	3.45%	11.75%
NASDAQ Composite	6370.46	0.30%	3.75%	18.34%

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.83%
10-yr Treasury Bond	2.28%
30-yr Treasury Bond	2.85%

Information as of August 8, 2017

Source: Thomson Reuter's Thomson One

MARKET COMMENT

"Consecrated"

What better way to start the August newsletter then to explore the meaning of August itself and, according to the Merriam-Webster dictionary:

"August comes from the Latin word *augustus*, meaning consecrated or venerable which, in turn, is related to the Latin *augur* or *auspicious*. In 8 B.C. the Roman Senate honored Augustus Caesar, the first Roman emperor, by changing the name of their month "Sextilis" to "Augustus."

Upon further investigation, I discovered that the word "auspicious" is quite appropriate for this August and the stock markets' relentless march to new highs. Our good friends at Merriam-Webster define auspicious as "conducive to success, favorable, characterized by prosperity." But there have been other auspicious stock markets in history that made new highs in August – only to see major pull backs or "crashes" in September or October. Perhaps the most famous example in recent history occurred in 1987, when the stock market declined 20%+ in just one day. So, is that where we are heading?

Well, no one can predict the future with 100% accuracy, but we can always review the facts and arrive at an informed conclusion. And, this time, the facts suggest that things are much different than 1987. Without going into great detail of comparing 1987 to 2017, I believe the main difference is the Federal Reserve's direction on interest rates. Back in 1987, fiscal policy and the rising of interest rates was anything but slow and well-communicated. This time around, the Federal Reserve appears to be more tactful and strategic with their policy decisions – and the markets have responded appreciatively. Also, our current economy is continuing to have healthy growth, with low unemployment and low inflation.

I am sure we will experience future corrections and pull-backs in the stock market, but as long as interest rates and inflation stay low, our economy continues to grow, and corporate earnings continue to increase, the market should continue its steady two-steps up, one-step back march. Of course, there will be a time in the future where a major “bear” or declining market begins, but the present facts do not seem to be pointing that direction. The best investor advice I’ve ever heard was to use a “buy and we shall see” approach, thus, changing when the underlying facts and conditions change.

Please let us know your thoughts. As always, thank you for your continued trust and confidence.

PLANNING STRATEGY

Raymond James "Point of View" article. MM17-036914

Debunking Social Security Myths

Myth #1: Social Security Won't Be Around

Social Security is replenished by working Americans, interest on its bonds and taxes on some retiree benefits. Should the existing surplus be depleted, future retirees may be paid a portion of the benefits promised, but not zero.

Myth #2: Social Security Is All You Need

While benefits are adjusted for cost of living increases, they're intended to supplement, not replace, retirement savings. That's why it's important to maximize your retirement savings for as long as possible.

Myth #3: Always File As Early As Possible

Filing before your full retirement age (FRA) will begin benefits sooner but reduce their amount, which may not be optimal. Higher-earning spouses often delay benefits to ensure a higher payout for their widow or widower, who would be eligible for 100% of their benefit.

Myth #4: Always File As Late As Possible

Waiting past FRA to file often makes the most sense financially. But some conditions warrant filing early, particularly if you need the extra income, have health concerns, or want the payments during your younger years.

Myth #5: No Work Experience, No Benefits

Those who haven't worked for 40 quarters can receive half of what a spouse or ex-spouse would receive (if you were married for over 10 years and haven't remarried). Surviving spouses and exes may also be eligible for full benefits on their spouse's record.

Myth #6: Never Work After Filing

If you file early and continue to work, your benefits will be reduced based on your earnings. But those benefits are simply delayed; at FRA, you'll receive increased payments to make up the difference.

Myth #7: Rely Solely On Advice From Friends And Family

Advice from nonprofessionals may not maximize benefits. Feel free to ask us and/or your accountant to help determine your best strategy.

LIFE & LEISURE

Raymond James "Point of View" article MM17-038122

When Natural Disaster Strikes

Preparing for an unexpected storm or fire can help protect both your personal and financial well-being. Consider these recommendations for protecting important documents and making a swift, safe evacuation.

Saving Your Documents

If a fire, hurricane or other natural disaster occurs, the documents needed to rebuild your life should either be with you or stored somewhere safely out of harm's way. Waterproof, fireproof safes offer protection for your most important items, offering a level of security in the event of a last-minute evacuation. For disasters that can be forecasted further in advance (think weather-related events like hurricanes), consider taking important papers with you. When choosing which documents to bring, consider:

- **Identification:** passports, immigration papers, military discharge papers, immunization records, Social Security cards
- **Family records and certificates:** birth, adoption, marriage, divorce, death
- **Home and vehicle:** deeds, titles, registration, loan papers
- **Planning documents:** wills, trusts, powers of attorney, healthcare directives
- **Insurance information:** health, life, home, vehicle

While many of these documents can be replaced, keeping them safe will make insurance claims and other recovery activities easier. Consider placing them in a 3-ring binder with pockets for easy portability, and store within a water resistant bag. Waterproof and fireproof boxes are usually quite heavy, but a heavy-duty waterproof bag from a sporting goods store or large, re-sealable plastic bag can serve as a lighter alternative.

Preparing Your Emergency Bag

Proponents of preparedness recommend keeping a small bag packed with essentials for a quick escape. Your emergency bag should remain ready to go at all times, perfect for an unanticipated evacuation. Your water resistant duffel bag or knapsack can include items such as:

- Your documents binder
- Photos or video of your property for later insurance claims
- Safe deposit box key, if applicable
- Notepad and pen
- Flashlight
- Small first-aid kit
- Bottled water and nonperishable snacks
- Extra re-sealable bags

An additional “quick grab” list will ensure you won’t forget items that would be inconvenient to keep in your emergency bag at all times. Examples include:

- Back-up of your computer, especially if it stores personal information
- Cash for food and gas, as ATMs may not be in service
- Required medications
- Phone or tablet and chargers

Planning for Pets

If conditions are unsafe for you, they’re unsafe for your pets as well. Research in advance which public shelters, lodging facilities or kennels can take care of your pets if you’re unable to bring them with you during an evacuation. If you have an exotic pet, try contacting local pet stores or zoological gardens located in a safe area. Your local SPCA or other pet-oriented organization can also likely provide information.

Additional steps to prepare your pets include:

- Making copies of your pet’s updated immunization records
- Filling out a pet ID card with a recent picture, description, contact information, medical details and care instructions
- Compiling a kit with items like collars, leashes, medications, food, water, treats, toys, litter/pans, first aid supplies, and carriers

Depending on the type of natural hazards your area is prone to, additional provisions might be needed. But regardless of the particular peril, undertaking these precautions can provide a greater sense of security and preparedness in the face of an unexpected disaster.

Quote of the Month: "Honesty is the first chapter in the book of wisdom" – Thomas Jefferson

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