

THE COMMUNIQUE

September 2022

MAJOR INDICIES	LAST	MTD	QTD	YTD
S&P 500	3937.62	-0.44%	4.02%	-17.38%
Dow Jones Industrials	31438.19	-0.23%	2.15%	-13.48%
NASDAQ Composite	11659.71	-1.32%	5.72%	-25.47%

U.S. TREASURIES	YIELD
5-yr Treasury Note	3.31%
10-yr Treasury Bond	3.20%
30-yr Treasury Bond	3.34%

Information as of September 2, 2022

Source: Thomson Reuter's Thomson One

MARKET COMMENT

History as a Reference

In October of 2019, we wrote a piece about market seasonality and the historically challenging months of September and October. We noted that “despite October’s notoriety for some of the largest market declines in U.S. history (e.g. 1907 Panic, 1929 Black Tuesday, 1989 Black Monday, and, course, the Financial Crisis in 2008), September is historically [and statistically] the worst month of the year for equity market in terms of consistency.” At the time, markets faced challenges from Brexit, President Trump’s impeachment hearings, Hong Kong protests, and an escalation in trade tensions between the United States and China – it was also pre-pandemic. The primary question was whether the seasonally weak period of September and October would give way to extended market volatility as these headwinds created angst with investors.

Ultimately, we concluded that despite the market headwinds, “it is challenging to not remain somewhat optimistic due to (1) the long running economic growth in the United States, (2) strong employment, (3) moderately increases wages, and (4) **the most important factor, The Federal Reserve remaining accommodative in the interest rate cycle.** As Marty Zweig, a well know investment manager from the 1980’s famously said, “never fight the fed”. We went on to note that “if the Federal Reserve is lowering interest rates, then the positives effects would quash the wide array of negatives worrying the markets – essentially allowing the market to climb the proverbial wall of worry.” Well,

this analysis ended up proving true as the S&P 500 index notched a 6.3% gain through September and October in 2019.

However, when we apply the same analysis to the current market environment, the picture is certainly bleaker. The long running economic growth in the United States has come under pressure this year as supply chain disruptions and geopolitical strife fuel inflation and, thereby, reduce Gross Domestic Product (GDP). You don't have to search too hard to find rumbles of recession. Although employment remains strong, and workers have seen significant wage growth, high inflation has eroded their buying power. Simultaneously, the higher cost of labor continues to fuel the inflationary fire while eating into the profit margins of businesses. Finally, the Federal Reserve has aggressively raised interest rates and continues to promote a hawkish tone as a large gap remains between current inflation readings and the Federal Reserve's long-term goal.

It is certainly more challenging to remain optimistic than it was in 2019. If lowering interest rates does in fact create "positive effects that quash the wide array of negatives" then the Federal Reserve's aggressive rate increases this year may stand to exacerbate the current negatives facing the market. As always, time will tell. Perhaps the bottom is established, and the June lows will stand as support for a new bull market rally, but the juxtaposition between 2019 and the current market environment could create an eventful time in the equity markets as we enter the seasonally weak months of September and October.

Now, let's all repeat together, "never fight the Fed."

As always, we thank you for your continued trust and confidence. It is deeply valued and appreciated.

PLANNING STRATEGY

Raymond James "Point of View" article. M22 – 4322438

Make Your Files Findable When You Leave Them to Your Heirs

Depending on the source, about half of Americans know they should have a will but don't. And a National Library of Medicine study found that in 2017 only a third of us had completed end-of-life forms that outline our wishes for comfort and care during that final transition. Not surprising, maybe, since the process can be confusing and perhaps distressing when considering our own mortality. What may be surprising is the fact that the unpredictable pandemic may have shifted Americans' attitudes toward codifying our wishes in a very practical sense.

The Why

It seems, despite living through a once-in-a-century pandemic, our interest in actually completing the task still wavers. However, top of the list of benefits is peace of mind – saving cost, time and heartache. Doing the work to have everything in place means medical professionals will be guided by your voice, your loved ones won't have to bear the burden of guessing what you would want, and you'll know that your heirs will receive the accounts and assets that you intended for them. It may not make it easier to say goodbye but should make the aftermath a lot easier.

Another beautiful potential benefit, perhaps even the most important one? Quelling the potential for intra-family strife during an already stressful time. Proper planning could help protect sibling and family relationships, which can get ugly when it comes to medical and financial matters. Experts recommend making your wishes clear and communicating them well before your passing, particularly if you're part of a blended family.

The What

You'll want to put some strong safeguards in place. Ask your medical and financial professionals if you need any or all of these documents. Don't be intimidated. You don't have to codify everything at once, and many are fairly straightforward. The more emotional tasks like writing letters of love or an ethical will, which outlines your values, may actually be the hardest.

Financial power of attorney. Durable powers of attorney give someone permission to make decisions on your behalf – anything from communicating with your cable company to dealing with banking, real estate, business and legal matters.

POLST forms outline physician orders for life-sustaining treatment for those with serious conditions, indicating things like whether you'd like CPR, mechanical ventilation, feeding tubes or ICU treatment.

Medical power of attorney. Sometimes called a living will or advanced directive, this outlines medical treatments you want and those you don't and authorizes a proxy to make decisions for you.

A last will and testament.

Beneficiary forms. For insurance policies, retirement accounts and some other assets, the beneficiary form prevails over the will.

A declaration of guardian appoints someone to look after your minor children.

A trust. In many states, a living trust can be used to transfer assets and personal property in an orderly and more private manner than a will and can even stipulate special provisions such as age-based distribution so young adults don't inherit all at once.

The Where and How

If you need help getting started, first get organized.

Discover what you already have. For example, you may already have a healthcare proxy. From there, make an appointment with an attorney who specializes in estate or elder care law to review what you have and help you fill any gaps. Include your financial advisor to ensure you've made a plan for all relevant assets.

You may want to also make an advanced care planning appointment with your doctor. Often this can be done remotely (two 30-minute appointments are covered by Medicare, as is advanced planning for a cognitively impaired patient). Be sure to ask so you'll know what your financial liability may be.

Once gathered, store all relevant paperwork in one place. Some prefer a binder in a safe deposit box, but another secure way may be an online vault that allows you to grant differing levels of access to those you trust most. Just make sure your family members and righthand professionals know where to find these important documents and how to access them.

The Who

Last, but certainly not least, make time to share your decisions with those they'll affect. Talk to your loved ones about your healthcare and financial plans and preferences, where important documents live and how to access them. Your advisor can help you set up regular family meetings to address who inherits what and why, as well as other details. Of course, the most important thing is to take the time to tell your family just how much you love them.

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Sources: vox.com; theatlantic.com; compassionandchoices.org; CentersforDiseaseControlandPrevention.org; HealthAffairs.org; nytimes.com; time.com

LIFE & LEISURE

Raymond James "Point of View" article. M22 - 4322438

A Subterranean Spectacle and Fantastical Travel Destination

With its ancient cities, fairytale castles, Gothic churches and diversified geography, Poland has inspired wanderlust among countless travelers. But what if we told you one of the country's most unforgettable spectacles lies underground?

The Wieliczka Salt Mine, begun in the 13th century and located less than 10 miles from the historic city of Krakow, descends almost 450 feet into the earth. A UNESCO World Heritage Site since 1978, the mine houses nine levels and 152 miles of passageways brimming with countless natural wonders and manmade marvels – from saline lakes to elaborate salt-carved chapels and chandeliers. Its walls have hosted royalty, international leaders, a windsurfer who was propelled across still saltwater, a bungee jumper who took a subterranean plunge, and even a Guinness World Records achievement for underground ballooning in 2000.

Diving into a buried treasure

A typical visit to the Wieliczka Salt Mine begins in the Paderewski Shaft, where you'll be met with an array of chambers, including the heart of the mine: St. Kinga's Chapel. Complete with intricate woodwork, ornate chandeliers made of salt crystals, and devotional carvings – including one of Leonardo da Vinci's "Last Supper" – this centuries-old chamber honors the patron saint of miners. Legend says the mine miraculously appeared when St. Kinga asked for her wedding dowry in salt.

Off the upper gallery of the chapel, travelers choose between the Miners' Route, offering a technical history of mining, and the more scenic Tourist Route, which takes you more than 800 steps down (an elevator makes the return journey so you don't have to climb all those steps) and covers nearly two miles of winding galleries and caverns. Astoundingly, the salt labyrinth is so massive that only about 2% is open to the public.

Traversing the Tourist Route

Your underground adventure is set to be a feast for the senses. You'll begin the Tourist Route nearly 70 yards deep at the mine's first level. Take a deep breath, taste the salt lingering on your lips and feel the silence surrounding you as you immerse yourself in a 700-year treasure.

Along the route, you'll find stunning saline lakes and over 20 chambers surrounded by salt in shades of gray, black, white, green and honey. You'll also see the St. Anthony and Holy Cross chapels, both featuring beautiful altars and freestanding salt and wooden sculptures of religious, historical and mythical figures created by miners over the past 300 years. Keep your eyes peeled and you'll even catch a statue of Snow White's seven dwarves hauling salt from the site. In other chambers, you'll explore methods of extracting salt over the centuries through dioramas, along with digging tools and salt transportation devices that double as decor.

Nestled among the Tourist Route is the Stanislaw Staszic Chamber. With soaring 118-foot ceilings, the cavern is among the mine's largest and reached a world record when one balloonist managed to float seven feet off the floor, 410 feet underground.

The route concludes on the third level, where you can quench your hunger in the Karczma Górnicza restaurant, buy souvenirs, send a postcard using the underground post services, or explore a multimedia exposition and the first underground 5D cinema, which combines 3D technology with the seat movements of 4D cinema and adds exciting special effects such as smoke and water droplets. You can even visit a submerged health resort that has capitalized on the mine's allergen- and pollution-free air to pioneer a treatment called subterranotherapy said to alleviate respiratory problems. Those who aren't ready to reenter the world above can stay overnight, as long as they don't have children younger than age 4.

Tours come in a variety of languages, including English. They start at 10 a.m. and last until 5 p.m. on weekends and 3 p.m. on weekdays. Should you embark on this subterranean escapade, expect to have between 20 and 30 people in your tour and to stay for upward of three hours.

The roots of the mine

Looking at its colorful history, it's clear the Wieliczka Salt Mine is more than a crystalline spectacle. It is a cultural trove and one of the world's oldest continually operating mines, having produced table salt from the 1200s until 2007. It's a place where love and labor and art have collided for centuries. And while the mine has ceased production, hundreds of miners work each day to preserve the popular attraction, helping ensure it survives for generations to come and immortalizing a crucial part of Polish history with it.

Sources: discovercracow.com; thedailybeast.com; wieliczka-saltmine.com; visitworldheritage.com; insider.com; whc.unesco.org; poland.travel/ee

Quote of the Month: "History is a vast early warning system" – Norman Cousins

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