

THE COMMUNIQUE

September 2019

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2978.71	1.79%	1.26%	18.82%
Dow Jones Industrials	26797.46	1.76%	0.74%	14.86%
NASDAQ Composite	8103.07	-1.760%	1.30%	22.12%

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.44%
10-yr Treasury Bond	1.56%
30-yr Treasury Bond	2.03%

Information as of September 6, 2019

Source: Thomson Reuter's Thomson One

MARKET COMMENT

See you next month ...

As is becoming our annual tradition, we decided it was a good time to step back and revisit the reliable well of education. As such, we spent the first weekend of September at the Raymond James Regional Conference in Chicago, Illinois, and were enlightened by a slew of portfolio managers, technical analyst, and industry visionaries. Their varying degrees of insights and prognostications were far too vast, and, occasionally, too convoluted to quickly condense into a single newsletter article. So, instead, we decided to take a month off and parse through the piles of information for a few gems. Hopefully, this delay will lead to a far more thoughtful analysis than the firehose of information that would have resulted otherwise ... but only time will tell (next month).

As always, thanks for your continued trust and confidence – it is the fuel that drives us to remain thoughtful and intentional with everything from our market comments to our commitment to client service.

PLANNING STRATEGY

Raymond James "Point of View" article. M19-2704131

Who Should You Choose To Execute Your Estate?

Selecting a personal representative for your estate, also known as an executor, is no easy task. While it's an honor to be chosen as an executor, it's also a demanding commitment consisting of more than two dozen responsibilities and liabilities. For instance, an executor can be held personally liable for improperly spending estate or trust assets or for allowing insurance coverage on the assets to lapse.

Considering the many responsibilities of an executor, it's important to take several factors into account when determining who's right for the role. If you're in the process of choosing your executor, you'll want to consider the following:

- **Trust is key.** It might seem obvious, but it's essential that your executor be someone you trust. Not only will they be held legally liable for any corrupt behavior, but you'll also be putting your legacy intentions in their hands and relying on them to handle important legal documents, such as annual tax returns, honestly and appropriately.
- **Responsible parties only.** Your executor should be a responsible individual who is able to fulfill the time commitment and duties of their role, as well as manage the inherent legal liabilities. For example, if an executor fails to pay taxes or file tax returns in a timely manner, it can throw a wrench in tax-minimization strategies and expose your estate to interest charges and penalties. That's why it's crucial to choose someone you can rely on.
- **Ban biases.** Your first choice for an executor may be a family member or friend. Keep in mind, however, that the person you choose should be able to act in an impartial way. If the beneficiaries of your estate believe that your executor has ulterior motives and don't consider them a neutral party, it can cause unnecessary tensions and legal battles.

Set yourself and your executor up for success

After choosing your executor, you'll want to take certain steps to help set them – and yourself – up for success.

- **Establish realistic expectations.** Once you decide on an executor, it's important to sit down with them and explain why you consider them the best person for the position. You'll want to relay the level of commitment involved and give them time to decide whether they can accept the responsibilities accompanying the role. You'll also want to have a second person in mind in case your first choice is unable to accept your offer.
- **Determine their digital access.** It's important that your executor have access to the digital documents they need to carry out their duties. This can include email or online bank accounts. Without the right passwords or credentials, it can be highly challenging to access digital assets. For instance, Google may provide the contents of a deceased user's account if the family produces proof of death, but Yahoo accounts require a court order to access accounts without a password. To help prevent unnecessary headaches, you'll want to provide your executor with the proper digital access. Fortunately, you have different options for how to store and share your information securely, such as with the help of an online tool like [Everplans](#).

A Final Note

So, who is the most appropriate person to appoint as a personal representative? A digital sleuth with accounting acumen and the skills of a diplomat? Most of us don't have that person on speed dial. Thankfully, there are several ways to help ensure that your estate is settled properly.

If it's impartiality and expertise you're looking for, a corporate personal representative might be an appropriate choice. For instance, a corporate executor can offer their guidance and experience to help ensure assets are distributed according to your wishes, reduce unnecessary expenses, and achieve the most efficient and accurate settlement of your estate with the lowest costs possible. Alternatively, you could appoint both a corporation and an individual to serve as co-executors, or name a corporation as agent for the personal representative, offering an assist to this important role.

Being named a personal representative is an honor, but there's a reason that it's often a paid position: It's a job unto itself. If you want to choose the best fit for the role, it's important to understand the realities of the position and know the steps you can take to help ensure your estate ends up in the right hands.

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LIFE & LEISURE

Raymond James "Point of View" article. M19-2655376

Explore the Innovations Set to Disrupt Their Industries

Innovation is often incremental in nature. But every so often, an invention or discovery unsettles entire industries and changes life as we know it. The discovery of fire, Gutenberg's printing press, Bell's telephone, the internet.

Disruptive innovators are difficult to predict, and the next few decades will deliver on ideas we haven't even begun to imagine – many propelled forward by the promise of 5G technology.

Take a look at what's brewing across different industries and what historical innovations rocked the status quo.

Cars

The speed of progress has rapidly made cars lighter, faster, smarter, safer, more efficient and much more complex. They can even warn you should you start to drift or nod off. Fasten your seatbelts, because the next wave will likely involve artificial intelligence, voice connectivity, biometrics and, of course, electrification and self-driving capabilities. The connected car of the future will optimize operations and maintenance, while delivering convenience and comfort.

Historic game changers:

- Wheel, 3,500 BC
- Ford assembly line, 1913
- Three-point safety belts, 1959
- Hybrids, 1997
- On-demand car sharing, 2009

Healthcare

Healthcare has a history of disruption, but the future will involve artificial intelligence (AI), robotics, precision medicines, nanotechnology, 3D printing, as well as re-coding and editing genes. Data will help medical professionals make smarter care decisions and make health records much more accessible. AI, for example, will help tailor treatment to a patient's unique genetics, lifestyle and family history. Predictive technologies could offer insights into global health patterns and possible preventive measures.

Historic game changers:

- Surgical handwashing, 1867
- X-rays, 1880s
- Penicillin, 1928
- Gene editing, 1972
- Sequencing DNA, 2000

Energy

The majority of those surveyed by GE believe the energy sector can benefit from a spark of innovation (61%). Within two decades, new energy sources could power the global economy, including fuel cells; modular nuclear-fission reactors; and even nuclear fusion. As dependence on fossil fuels wanes, renewables and modular, grid-scale storage are likely to become more competitive. In the near future, off-grid energy and smart energy grids could add efficiency and greater access to power.

Historic game changers:

- Battery, 1800
- Nuclear fission, 1930s
- Solar energy, 1970s
- Smart energy grids, 2003
- Smart energy storage, 2015

Tourism

Hotels and tourist destinations will offer immersive, virtual reality experiences and curated packages as competition from aggregators like Booking.com and Airbnb heats up. Picture virtually exploring neighborhoods in your destination before you arrive and tours, dining and activities tailored to your interests. Digital empires like Amazon and Google are monetizing customer profiles, and hotel brands may seek to keep pace to ensure the loyalty they've enjoyed in the past.

Historic game changers:

- Steam engine, 18th century
- Jet, 1958
- 9/11, 2001
- Mobile booking, 2008
- Sharing economy, 2008

Shopping

Personalization, convenience and price continue to drive brand loyalty. Consumers are also looking for speedy fulfillment, think curbside service, in-store pickup and same-day delivery. Retailers will offer self-checkout devices to circumvent long lines; touchscreen fitting-room mirrors that offer immediate help; augmented reality and other options. Like hotels, it's about creating a user-friendly, personalized experience that engages the ideal shopper on and offline – identified through data mining, of course.

Historic game changers:

- Department stores, 1890
- Big-box retail, 1962
- Bar code, 1974
- E-commerce, 1991
- Omni-channel, 2013

Financial Services

FinTech is bridging the gap between the under-banked and the rest of the world, extending access to credit far and wide. Expect financial institutions to become even more agile, collaborative and transparent as the digitally savvy customer seeks an integrated, seamless experience when conducting financial transactions – including a plethora of payment options (e.g., Blockchain, direct and mobile). All of this is driving investment in more robust security (e.g., biometrics and artificial intelligence to help identify fraud).

Historic game changers:

- Credit card, 1950s
- Magnetic stripe, 1960s
- Mobile payments/digital wallets, 1998
- Mobile banking, 1999
- Cryptocurrency, 2008

Media & Entertainment

Subscription to over-the-top (OTT) video services is driving trends in the pay-TV landscape, while super-platforms, like Google and YouTube, are enabling user-generated content and saturating the media space via a variety of devices. IT and data collection and analysis will drive the next evolution of personalized content and consumption.

Historic game changers:

- Printing press, 1440
- TV, 1934
- Internet, early 1990s
- Streaming, 1999
- Social media, 2004

Communication

More than ever, communications service providers (CSPs) need to turn to technological innovations, such as cognitive computing to augment human expertise. They'll also expand cloud capabilities, data analytics, mobility and network virtualization to become digital service providers. One day, Li-Fi may replace the ubiquitous Wi-Fi, transmitting through household LED lightbulbs, providing internet users with more efficient connections – up to 100x faster than what we have now.

Historic game changers:

- Telephone, 1876
- Modem, 1959
- Email, 1971
- Mobile phone, 1979
- Smartphones, 2007

Sources: Macquarie Group; Raymond James, Investment Strategy Quarterly, "Byte-Size Economy"; GE Global Innovation Barometer 2018; Wikipedia; livescience.com; resultist.com; bloomberg.com; tribalscale; World Economic Forum; mckinsey.com; energygamechangers.org; CMO by Adobe; hotelmanagement.com; pwc.com; lightspeedhq.com

Quote of the Month: "Real knowledge is to know the extent of one's ignorance." Confucius

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