

**THE COMMUNIQUE**

**September 2017**

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2461.43	-0.43%	1.57%	9.94%
Dow Jones Industrials	21797.79	-0.69%	2.01%	10.30%
NASDAQ Composite	6360.19	-1.07%	3.58%	18.15%

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.64%
10-yr Treasury Bond	2.05%
30-yr Treasury Bond	2.67%

Information as of September 8, 2017

Source: Thomson Reuter's Thomson One

**MARKET COMMENT**

**“Consecrated”**

September is the beginning of my favorite season of the year – fall. Appropriately named for the upcoming “falling leaves” and, of course, the possibility of “falling” stock prices. Historically, September and October have provided some major market declines, so as the temperatures creep lower, the markets might follow suit over the next few months. Nonetheless, the stock market has had a fairly steady and positive year, nothing spectacular, but you can check out the numbers above.

Another natural phenomena taking place this fall will be the great migration of the Monarch butterflies on route to Mexico. Missourians are usually blessed to see thousands of these beautiful, fragile looking insects floating in the air on their southern route, hoping to complete their long flight amid so many risks. Likewise, many investors are also amazed that the market is still positive for the year with so many troubles on the horizon: the U.S. government debt show down in December, North Korea’s nuclear threat, the political “parrying” in Washington D.C. over national healthcare and tax reform, the “ugly” social problems such as the Charlottesville violence, and, now, we are faced with devastating hurricanes. Just like the fragile Monarch, our economy and markets continue to face a slew

of problems, risks, and roadblocks on the journey to either Mexico for the Monarchs, or advancing markets for investors. This doesn't mean corrections and bear markets can't derail us temporarily, and be quite painful with substantial accounts losses (which are fairly fresh in our minds from the bear decline in 2008-2009). But, luckily, markets tend to focus on whether things are getting better or worse – and not necessarily whether instances are good or bad – and that focus now seems to be directed towards the improvements in corporate earnings, low interest rates, inflation, unemployment, and relatively peaceful times for America.

So while markets could decline in September or October, the evidence is pointing to a market correction (temporary time-out) and not the start of a prolonged bear market decline. However, we will keep our eyes out for changes in the “market's focus” ... while also watching for the Monarchs.

We hope you enjoy your September and, if you have any questions, please let us know. Thank you for your continued trust and confidence.

## **PLANNING STRATEGY**

*Raymond James “Point of View” article.*

### **“No Kids” Shouldn't Mean “No Estate Plan”**

Estate planning can sometimes feel overwhelming for individuals without children or close family members. You may not know who should receive your estate, who should be the executor of your will, or whom you should trust with important decisions should you become incapacitated.

Not knowing the “perfect” way to craft an estate plan may lead you to do nothing at all – but this is a huge mistake, regardless of the size of your estate. Remember, if you pass away intestate, or without a will in place, your assets and property may fall to the direction of state statutes and the probate courts.

While estate planning can raise difficult questions – even for people with family ties and close friends – there are a few key decisions you should make right away, even in the face of uncertainty:

**Choose an executor for your estate.** Options exist beyond family members and friends, including lawyers, banks and other planning professionals. While making this choice can be difficult, we can help with the decision or also put you in contact with a Raymond James Trust consultant for additional support.

**Create a living will.** The document states your wishes should you be placed on life support or suffer from a terminal condition. Having it in place ensures that your physicians are aware of the action you want taken in the face of difficult end-of-life decisions.

**Name a healthcare proxy or power of attorney.** He or she will be tasked with making decisions about your health in scenarios not covered by your living will. As with your executor, you have the ability to ask a non-relative, such as a third-party professional or clergy person, if they're willing to accept the

responsibility. Note that we can also help in selecting someone to act on your behalf if you become unable to tend to your finances.

**Select beneficiaries for your 401(k) plans and life insurance policies.** These won't pass through your will, so you need to be clear about where you want your assets to go. Having trouble deciding who should receive your legacy? Think about your passions in life and consider tying your assets to charities for those causes. We are glad to help you consider your options.

Having these decisions in place is an important first step to ensuring your estate is left the way you intend, regardless of familial ties – and be sure to review your selections regularly in case your circumstances change.

## LIFE & LEISURE

*Raymond James "Point of View" article M17-039883*

### **To Be or Not to Be – in Debt**

Life's long and winding road generally includes plenty of side trips on the way to a comfortable retirement. There may be homes to buy, children to raise and educate, careers to pursue, a vacation here and there.

When done strategically, borrowing can help you address those needs – like purchasing a home – without derailing long-term goals, such as a comfortable retirement. The key is to consider how the loan will work within your overall financial picture, taking into account each factor including the interest, duration and regular payments.

For example, while you may be itching to pay off a low-interest loan you have on your home, doing so could mean using investments that are likely to appreciate over time, if left untouched. Given that returns on investments may be higher than the interest on a loan, keeping your assets invested may give you a bigger head start on a comfortable retirement down the road. Conversely, high-interest debt such as credit card debt should be paid off as soon as possible.

As you make your decisions, think about:

- How much debt you're willing to take on
- Whether you prefer to sell assets or borrow
- The anticipated rate of return on your investments
- The anticipated cost of borrowing
- If it makes sense to borrow in the name of a trust or business
- What loan structure makes the most sense: traditional, adjustable-rate or collateral-based loan, among others
- Whether you prefer to use securities, your home or some other asset as collateral
- Tapping into the equity in your house, especially if rates are attractive
- The tax ramifications of a loan compared to selling investments

- How quickly you need the money
- How long you'll need the loan, particularly a mortgage
- How you'll pay off a loan and when

Feel free to give us a call for guidance as you weigh your options. We are happy to help you map out a plan to strategically manage your debt while pursuing your long-term goals.

**Quote of the Month:** "Patience is the companion of wisdom" – Saint Augustine

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