

WEEKLY MARKET COMMENTARY

For the Week of August 5, 2019

THE MARKETS

Stocks dropped Friday amid renewed trade fears. On Thursday, President Trump announced he would impose a 10 percent tariff on \$300 billion worth of Chinese imports not currently subject to duties beginning Sept. 1. The S&P 500 and the NASDAQ saw their biggest weekly drops for the year, and the Dow had its second-worst week of 2019. For the week, the Dow fell 2.59 percent to close at 26,485.01. The S&P lost 3.07 percent to finish at 2,932.05, and the NASDAQ dropped 3.92 percent to end the week at 8,004.07.

Returns Through 8/02/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-2.59	15.05	7.06	15.81	12.64
NASDAQ Composite (PR)	-3.92	20.63	2.58	15.93	12.96
S&P 500 (TR)	-3.07	18.32	5.83	13.03	11.04
Barclays US Agg Bond (TR)	0.98	7.14	9.00	2.57	3.15
MSCI EAFE (TR)	-2.65	10.61	-2.89	6.62	2.18

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

Home Price — The median sales price of existing homes sold in the U.S. in June 2019 was \$285,700, a record price. However, the median sales price of existing homes sold in July 2006 (\$230,200) is equal to \$289,750 in today's dollars, a record price on an inflation-adjusted basis (source: National Association of Realtors, BTN Research).

Very Different Periods — In the last 25 years, the U.S. suffered just two recessions. In the 25 years before that, the country suffered five recessions (source: National Bureau of Economic Research, BTN Research).

World's Biggest — As of March 31, the U.S. economy was \$21 trillion in size. Fifty years ago, on March 31, 1969, the U.S. economy was \$1 trillion in size (source: Commerce Department, BTN Research).

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WEEKLY FOCUS – Communicate and Plan to Protect Financial Legacy

If you're like many parents and grandparents, you want to leave a financial legacy to your children and grandchildren. It's estimated about \$30 trillion in assets will be transferred from baby boomers to the next generations over the upcoming decades. Unfortunately, research suggests 70 percent of family fortunes will be gone after just three generations. To help ensure your assets live on, there are several steps you should take long before your wealth changes hands.

Communicate carefully: It's never too early to talk to children and grandchildren about wise spending and saving habits. It's good to pay kids an allowance, teach them to save a portion of their earnings and let them spend some of what they earn. But make sure they understand the difference between wants and needs and the importance of saving for a big purchase.

When age-appropriate, introduce them to financial literacy classes and materials that will teach them the importance of saving and investing. Remember, the best financial lessons go beyond wise use of money. They also include talks about the family values, such as giving to charity, that you would like to continue.

Develop a long-term plan: When your kids or grandkids are old enough, introduce them to your financial advisor and have your advisor assess their financial literacy level. If they uncover concerns, you'll still have time to address them before your heirs take control of your assets.

To further protect your assets once they've changed hands, consider developing a trust with detailed provisions outlining how and when the funds will be distributed and what they can be used for. You can also use a trust to delay the transfer of funds until the recipient reaches a specified age or for specified needs, such as health and education. Even if you don't establish a trust, it's important to put your intentions down on paper, so your heirs will have a detailed plan to stick to after you're gone.

Make sure all your estate planning documents are complete and up-to-date. If you pass away with inaccurate or out-of-date estate documents, your plan may not come to fruition. You've worked hard to build a financial legacy that you can share with your children and grandchildren. To start building a plan that fits your family, give us a call today.



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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright August 2019. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2669317.1