



WEEKLY MARKET COMMENTARY

For the Week of August 27, 2018

The Markets

Friday was a record-setting day on Wall Street. The NASDAQ reached an all-time high. The S&P also broke a record and clinched its longest bull market run. Comments by Federal Reserve Chairman Jerome Powell that described the economy as strong and predicted continued gradual rate increases, contributed to the market's positive performance. For the week, the Dow rose 0.51 percent to close at 25,790.35. The S&P gained 0.88 percent to finish at 2,874.69, and the NASDAQ climbed 1.66 percent to end the week at 7,945.98.

Returns Through 8/24/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.51	5.90	21.09	20.50	14.16
NASDAQ Composite (PR)	1.66	15.10	26.70	20.63	16.78
S&P 500 (TR)	0.88	8.87	20.16	17.34	13.89
Barclays US Agg Bond (TR)	0.26	-0.84	-0.58	1.53	2.60
MSCI EAFE (TR)	1.56	-2.55	4.73	7.79	4.98

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.

What We Spend — National health expenditures were \$3.34 trillion in 2016, projected to grow to \$5.70 trillion by 2026. Thirty-seven percent of the \$3.34 trillion are Medicare and Medicaid expenditures (source: Centers for Medicare & Medicaid Services, BTN Research).

Increasing Costs — Inflation (using the consumer price index) advanced 2.95 percent on a year-over-year basis ending July 3, inflation's largest annual increase since Dec. 2011. The consumer price index is a measure of inflation compiled by the U.S. Bureau of Labor Studies (source: Department of Labor, BTN Research).

The Back End — The highest closing value during the year for the S&P 500 has occurred in the final four months of the year (i.e., September-December) in 12 of the last 15 years or 80 percent of the time (source: BTN Research).



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WEEKLY FOCUS – Will Aretha Get the “Respect” She Desired?

Throughout her life, Aretha Franklin closely guarded her private life, particularly her finances. In fact, she sometimes asked to be paid in cash. The Queen of Soul’s real estate holdings alone made her a multimillionaire, but her debts and her musical rights make it difficult to estimate the value of her estate.

Although she battled pancreatic cancer, she left no will according to documents filed following her death earlier this month. Twice divorced, Franklin’s four sons are her likeliest heirs. But shirt-tail relatives and long-lost friends may show up looking for a payout. Don Wilson, the attorney who represented the soul legend on entertainment matters for 28 years, said he frequently urged Franklin to establish a trust. A trust, Wilson said, would have expedited settling the estate, kept it out of probate and preserved Franklin’s privacy.

Franklin’s estate planning failure is not an anomaly among famous individuals. Jimi Hendrix, Prince, Bob Marley, Martin Luther King Jr. and Picasso all died without wills. With no direct descendants or immediate family, billionaire Howard Hughes left no will when he died in 1976. This led to a 34-year battle in which fake wills surfaced and supposed wives and children came forward. It was widely known Hughes didn’t want his wealth going to distant relatives and often assumed he wanted it go to the Howard Hughes Medical Institute. In the end, a lot of money did go to the Medical Institute, but a huge chunk also went to around 1,000 people, including 200 distant relatives.

It’s difficult to understand why these extremely wealthy individuals, with so much at stake and ample resources to hire the best legal and financial advisors, didn’t do a better job of safeguarding their estates.

But according to a recent survey from Caring.com, only four in 10 American adults have a will or living trust. Thankfully, 58 percent of baby boomers do, and 82 percent of those 72 or older do. However, 78 percent of millennials and 64 percent of Gen Xers do *not* have wills. Younger generations also need wills, especially parents who want to ensure their children are provided for financially and cared for by the guardians of their choosing.

Even for ordinary individuals, estate planning can be complex, and it’s crucial to get it right. We would be happy to work with you, your attorney and tax professional to find solutions for your situation.

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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 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#2223718.1