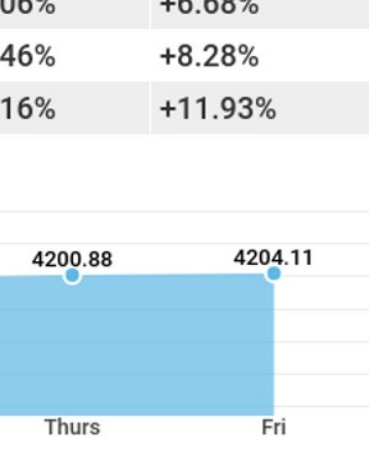


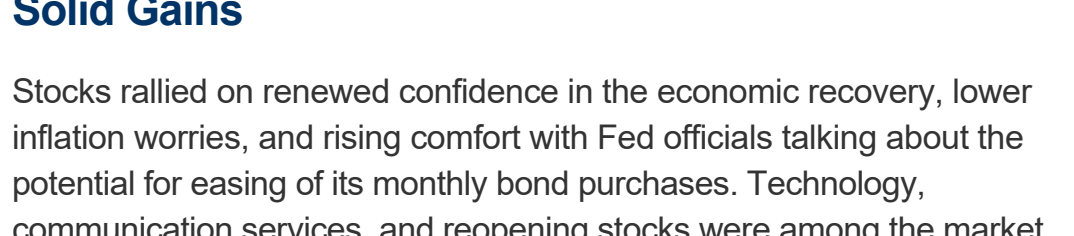
Optimism over the economic reopening and renewed enthusiasm for technology and other high-growth companies powered the stock market higher last week.

The Dow Jones Industrial Average rose 0.94%, while the Standard & Poor's 500 climbed 1.16%. The Nasdaq Composite index led, picking up 2.06%. The MSCI EAFE index, which tracks developed overseas stock markets, added 0.46%.<sup>1,2,3</sup>

## Market Insights



Market Index	Close	Week	Y-T-D
DJIA	34,529.45	+0.94%	+12.82%
NASDAQ	13,748.74	+2.06%	+6.68%
MSCI-EAFE	2,325.27	+0.46%	+8.28%
S&P 500	4,204.11	+1.16%	+11.93%



Treasury	Close	Week	Y-T-D
10-Year Note	1.58%	-0.05%	+0.65%

Sources: The Wall Street Journal, May 28, 2021; Treasury.gov, May 28, 2021

Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, May 21, to Friday, May 28, close. Weekly performance for the MSCI-EAFE is measured from Friday, May 21, open to Thursday, May 27, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

### Solid Gains

Stocks rallied on renewed confidence in the economic recovery, lower inflation worries, and rising comfort with Fed officials talking about the potential for easing of its monthly bond purchases. Technology, communication services, and reopening stocks were among the market leaders.

Investor sentiment was buoyed late in the week by an encouraging jobless claims number and the unveiling of a Republican infrastructure proposal. A somewhat hotter-than-expected inflation indicator on Friday did nothing to dampen optimism as stocks added to their gains ahead of the three-day Memorial Day weekend.<sup>4,5</sup>

### Jobless Claims Reach Pandemic Lows

In a sign of further recovery in the labor market, the number of initial jobless claims fell to a pandemic low, continuing the downward trend in worker layoffs. New jobless claims totaled 406,000 for the week, well below the pandemic high of nearly 1.5 million, though still above the 2019 weekly average of 218,000.<sup>5</sup>

### Final Thoughts

The history of Memorial Day extends back to the Civil War when it was referred to as Decoration Day. We join all Americans in honoring those who died in the performance of their military service to protect the freedoms we enjoy today. These were remarkably brave men and women whose sacrifice will never be forgotten.

### This Week: Key Economic Data

**Tuesday:** Institute for Supply Management (ISM) Manufacturing Index.

**Wednesday:** Automated Data Processing (ADP) Employment Report.

**Thursday:** Jobless Claims. Institute for Supply Management (ISM) Services Index.

**Friday:** Employment Situation. Factory Orders.

Source: Econoday, May 28, 2021

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

### This Week: Companies Reporting Earnings

**Tuesday:** Zoom Video Communications, Inc. (ZM).

**Wednesday:** Splunk (SPLK).

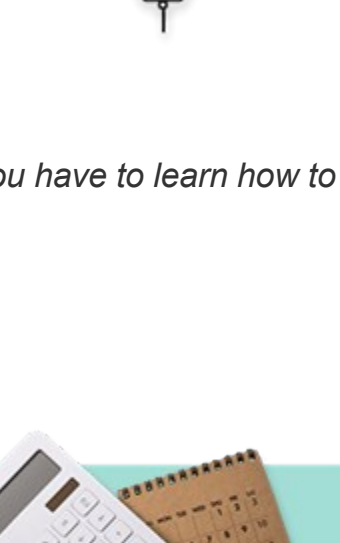
**Thursday:** Lululemon Athletica (LULU), Broadcom (AVGO), Docusign, Inc. (DOCU), CrowdStrike Holdings (CRWD).

Source: Zacks, May 28, 2021

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

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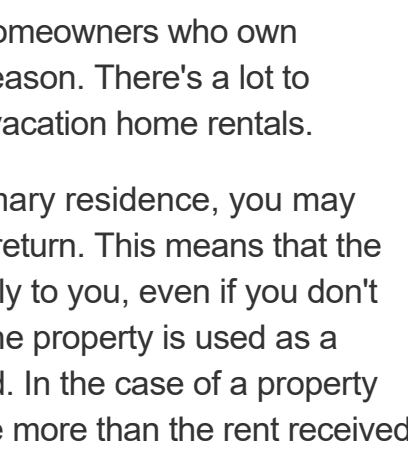
## Food for Thought



*"Part of being a champ is acting like a champ. You have to learn how to win and not run away when you lose."*

– Nancy Kerrigan

## Tax Tips



### Plan Ahead for Vacation Home Rentals

With summer just around the corner, the busy homeowners who own vacation rentals are preparing for the busy season. There's a lot to consider when looking at the tax situation of vacation home rentals.

If you receive money for the use of your primary residence, you may have to report this rental income on your tax return. This means that the "vacation home rental" classification can apply to you, even if you don't own multiple short-term rental properties. If the property is used as a home, the rental expense deduction is limited. In the case of a property used as a home, the rental expenses can't be more than the rent received on the property itself. If the home is rented out for less than 15 days during the year, the rental income may not need to be reported.

A vacation home is a house, apartment, condominium or other dwelling that you use to generate income, but you can also use as a residence during the year. For tax purposes, it's critical to divide the expenses of a property into personal and business purposes.

To report rental income and rental expenses, use [Schedule E](#). In addition, rental income may also be subject to Net Investment Income Tax.

\* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS.gov<sup>6</sup>

## Healthy Living Tip



### Taking Care of Your Mental Health

Taking care of your mental health is just as, if not more, important than taking care of your physical health. Your mental health influences how you communicate with others, perform at work, and feel about yourself.

Here are some tips to help you focus on your mental health and understand what you need to be the best version of yourself:

- Start your day with a cup of coffee or tea and just enjoy the warm drink without thinking of what's ahead.
- Set up a getaway, even if you don't go anywhere. It could even just be camping in your backyard.
- Think of something in your life you want to improve and figure out what you can do to take a step in the right direction.
- Learn something new, whether that's a recipe, a song, a poem, or a new skill.
- Show some love to someone in your life. Write a letter, send a text, give a loved one a phone call.
- Go off the grid and leave your smartphone home for a day (or a few hours).

Tip adapted from Mental Health America<sup>7</sup>

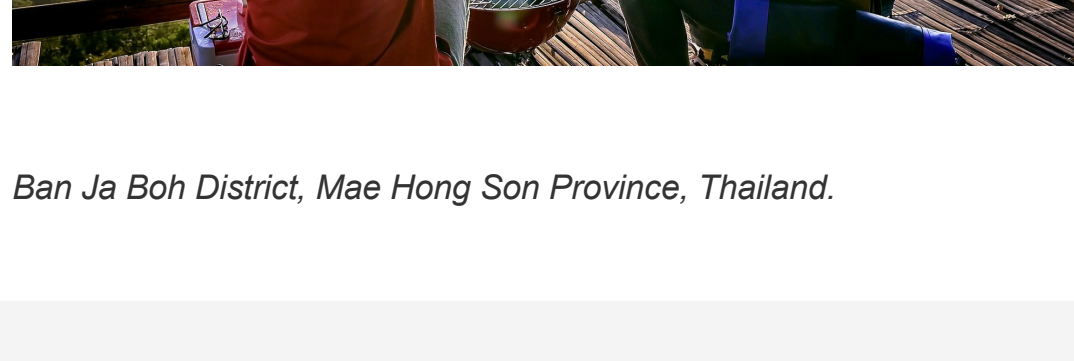
## Weekly Riddle



What is placed on a table and cut, but never eaten?

*Last week's riddle: I am a word that signifies a wide natural area – but remove my first letter, and you are left with a word signifying a narrow urban corridor. What word am I? Answer: The word "valley." It becomes "alley" after "v" is removed.*

## Photo of the Week



Ban Ja Boh District, Mae Hong Son Province, Thailand.

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### Footnotes and Sources

1. The Wall Street Journal, May 28, 2021
2. The Wall Street Journal, May 28, 2021
3. The Wall Street Journal, May 28, 2021
4. CNBC.com, May 28, 2021
5. The Wall Street Journal, May 27, 2021
6. IRS.gov, September 25, 2020
7. Mhanational.org, 2021

Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market.

Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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