

THE COMMUNIQUE

May 2019

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	2883.51	-2.07%	1.84%	15.17%
Dow Jones Industrials	25974.34	-2.29%	0.29%	11.48%
NASDAQ Composite	7961.57	-1.58%	3.11%	20.14%

U.S. TREASURIES	YIELD
5-yr Treasury Note	2.26%
10-yr Treasury Bond	2.46%
30-yr Treasury Bond	2.86%

Information as of May 8, 2019

Source: Thomson Reuter's Thomson One

MARKET COMMENT

Unbelievable

We have written many times over the past few years that the current economy, and the corresponding rise in the stock market, may be the most unloved and unbelieved in modern times. Perhaps it's because as the market trudges higher, the gnawing memories of the Great Recession of 2008-2009 continues to haunt investors, igniting their fear that another bear market is just around the corner. However, their fear and disbelief has been mostly ignored by the stock market, as it continues to scrawl over the wall of worry to mark new highs.

But what has been the engine driving this market and economy? The 30-year low unemployment rate (3.6%), continued growth in corporate earnings, and an accommodative Federal Reserve, who has put the brakes on future interest increases. We've also seen a long-term decline in commodity prices (see chart below), accompanied by modest wage increases, which has resulted in very tame inflation (currently running less than 2%). This low inflation has allowed interest rates to remain favorable for borrowers which always bodes well for the economy.

Of course, this is the oldest bull market in Wall Street history, which leads many to believe that the end must be near. Well, maybe, but bull markets don't die of old age. Their demise is usually the result of declining economic activity and a hawkish Federal Reserve – neither of which appear at the present.

From our perspective, the current market environment doesn't feel like a speculative bubble ready to implode (like it did in 2000 and 2007). Instead, it feels more like a continuing bull market, which includes painful corrections like this past December. But we will not depend upon our feelings to manage portfolios – we will let the market do the telling. And while we know another recession and bear market will come, as they always do, that will require the current facts to change dramatically. Until rising unemployment, slowing economic activity, and declining corporate earnings begin to materialize, the path of least resistance remains upward. Lastly, it is worth noting that most declines are accompanied by increasing interest rates, so until we see that as well, this bull may just continue to defy investor's belief.

As always, thank you. We appreciate your continued trust and confidence.

PLANNING STRATEGY

Raymond James "Point of View" article. M19-2504129

Options for Addressing a Wayward Child in Your Will

Every family has a skeleton or two in the closet; a grandson with a history of substance abuse; a daughter who married someone careless with money; a ne'er-do-well brother with a string of petty crimes in his past. Maybe your family doesn't have a skeleton, so much as a black sheep or a child who marches to a different drummer. Maybe it's a child who struggles with mental illness, or one who simply doesn't live up to the family's expectations. You may disagree about any number of things – but you're still family, and that bond runs deep.

These challenging family relationships make every day a balancing act, leaving you to find just the right mix of support and protection without enabling your loved one.

So what choices do you have when you're struggling with family dynamics and have some estate planning decisions to make?

Option 1: Leave Them Nothing

Disinheriting someone is more common than you may think, and it's not just among wealthy families who disapprove of a child's lifestyle. Some families make the decision to disinherit a successful child in order to dedicate more assets to a disabled sibling or to balance out distributions if one child received more financial support during their lifetime. Those assumptions can prove risky though, as situations can change in unforeseeable ways.

Of course, you don't always need a reason. If you don't want to bequeath anything to anyone, you don't have to. Many people choose to leave their assets to organizations outside the family. It's your prerogative.

But if you disinherit someone without an explanation or understanding, expect very real feelings of hurt and betrayal, which could be enough for that person to make a claim against the estate when you're no

longer in the picture. If appropriate, explain your rationale in the will so there can be no claims of attorney drafting errors or other grounds to contest the will.

Potential litigation is just one problem that may arise. It's likely that a family feud will erupt, even if the discord doesn't exactly come as a surprise. It's difficult to accept that your family has cut you off. Disinheriting someone could sow resentment that may last generations.

If you ultimately decide this is the path to take, re-evaluate that decision every so often. Situations change. Your loved one may be making strides toward a better life – and you may decide your support can help them stay on the right track.

Option 2: Leave Them Something Outright

Another option is to stipulate an outright gift for your “wild child,” perhaps something smaller than you would have in better circumstances, or make them the beneficiary of a small life insurance policy. The amount may be hard to determine – somewhere between large enough to avoid resentment and small enough to alleviate some of the worry that the gift will be squandered or potentially cause harm. Your professional advisors can help you find that fine line using the specifics of your estate and other beneficiaries involved.

Option 3: Trust in a Trust

When you want to share your wealth with those you love, but you know that outright gifts might enable them rather than help, you may want to consider a trust. If you have a legitimate need for control – such as avoiding giving a drug user carte blanche access to substantial funds – a well-structured trust may offer the flexibility you need to accomplish your estate planning goals without permanently disinheriting someone.

Certain types of trusts allow you to nominate someone to help your beneficiary manage their inheritance. There are costs involved to set up and maintain the trust, but that may seem a small price to pay for the comfort of knowing your loved one will get their inheritance under the right circumstances. **Discretionary trusts**, for example, leave the assets at the mercy of the trustee and your heir has no legal claim to any assets. But given the proper structure and a well-chosen trustee, the assets can be distributed with your intentions in mind.

Incentive trusts, on the other hand, formalize those intentions and make any distributions contingent on your child achieving certain goals or milestones, say successfully completing rehab or holding a job for more than a year. The point is stipulations can be built in to the trust to encourage more responsible behavior.

Trusts can also be structured to **stagger distributions** at intervals or certain ages to prevent the child in question from burning through their inheritance. In the meantime, you can ask the trustee to make distributions on behalf of your beneficiary to cover certain health, education and living expenses.

No matter which type of trust you select, it's important to choose a trustee who will be objective and fair. Often, appointing a professional as the trustee makes it easier for all parties; relatives and siblings won't get caught in the middle.

While these decisions are challenging, the good news is that comprehensive estate planning has many tools to help a loved one thrive even after you're gone. Take the time to put in some careful thought, with guidance from professional advisors, attorneys and accountants.

Sources: marketwatch.com; nextavenue.org; theglobeandmail.com; Raymond James research; themckenziefirm.com; yourestatematters.com; thebluntbeancounter.com; cushingdolan.com; Journal of Financial Planning; bravotv.com

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LIFE & LEISURE

Raymond James "Point of View" article. M17-044334

A Circle of Care

You've heard it before: Americans are living longer. Advances in medicine and technology have increased our longevity as well as our quality of life. But the latter doesn't just happen by accident. It takes a savvy senior and a well-orchestrated team to pull together all the resources needed to maintain a certain lifestyle in retirement.

Get to know some of the professionals who stand at the ready, if and when you should need them.

1. Healthcare Advocates

These professionals can help patients and families navigate public and private medical resources such as Medicare or individual insurance, as well as help evaluate in-home and long-term care options. Families separated by distance may take comfort in knowing their loved one is guarded by a healthcare advocate committed to ideal outcomes.

Resources: [LeadingAge](#), [Department of Health and Human Services' Elder Care](#), [AARP](#)

2. Medical Specialists

Beyond traditional specialists such as orthopedists or cardiologists, some doctors hold special designations that may be helpful in your situation. For example, Certified Dementia Practitioners specialize in memory care and medication management to help mitigate side effects that may exacerbate dementia and Alzheimer's symptoms. Some health professionals provide in-home care similar to services you'd find in a hospital or care facility. Start your search by looking for a caring, compassionate professional who also has experience with situations similar to yours. Verify that their training meets your state Department of Health's guidelines.

3. Elder Law Attorneys

Elder law goes beyond basic legal services to help older Americans prepare important documents – such as powers of attorney, medical privacy release forms, living will and legacy documents – as well as review estate plans and update beneficiary designations. Other services include long-term care

planning, resolving Social Security issues, fighting age discrimination, establishing conservatorship and litigating elder abuse cases.

Resources: [National Academy of Elder Law Attorneys](#), [Bar Association](#), [American Association of Trusts, Estates, and Elder Law Attorneys](#)

4. Transportation Experts

Driving specialists or driver rehabilitation specialists have backgrounds in occupational therapy and can recommend mobility equipment that would keep you or a loved one safely on the road for longer. Look for experience, clear pricing and convenient locations. Experts may have formal designations like Certified Driver Rehabilitation Specialist.

Resources: [National Mobility Equipment Dealers Association](#), [Association for Driver Rehabilitation Specialists directory](#), [AAA](#)

5. Senior Move Managers

Moving can be overwhelming for anyone, but especially for seniors making a lifestyle change. Sorting through a lifetime of memories and possessions takes time and may be made more difficult by the realization that life is changing more than expected. That's where senior move managers come in to help de-clutter, organize and lend perspective when it's time to decide what stays and what goes. They can also arrange to sell or donate unwanted items, supervise movers and then set up a new home.

Resources: [National Association of Senior Move Managers](#)

6. Care Managers

These professionals connect families caring for loved ones with the right services, whether for healthcare, housing and social activities, or legal and financial services. They develop and maintain a care plan that evolves as needs change. Many caregivers believe they can perform these services for themselves, but experienced care managers often find appropriate and cost-effective solutions more efficiently than most of us could on our own, saving money and alleviating stress in one fell swoop.

Resources: [National Association of Professional Geriatric Care Managers](#)

7. Aging in Place Experts

Certified aging in place specialists employ universal design ideas to modify and build safer living spaces for those who want to live independently. Those who have earned the CAPS designation have been certified as specialists by the National Association of Home Builders.

Resources: [National Association of Home Builders](#), [The National Aging in Place Council](#)

8. Professional Fiduciaries

Professional fiduciaries provide critical assessments and planning for seniors and their families facing medical, psychological, housing, social, legal and/or financial obstacles. They may be tasked with

managing financial affairs or coordinating day-to-day activities for those who can no longer do so for themselves.

9. Veterans Services Officers

These experts assist veterans and their families with navigating the benefits and integrated health services offered by the U.S. Department of Veterans Affairs. They can help you find a local VA medical hospital or outpatient facility; apply for federal benefits and employment assistance; and access specialized programs designed for military members. Widows and widowers also may need help applying for burial and survivors' benefits.

10. Financial Professionals

Your financial advisor can work with your estate attorney and an accountant to help pull financial, tax and estate plans together, and coordinate with other specialists who can help you or a loved one live a fulfilling life throughout retirement. He or she has likely helped others in similar situations and has the expertise to bring together health and wealth solutions that can alleviate some of the burden that may come to rest on your shoulders.

You may never need some of these services. But understanding your options and having a contingency plan for "just in case" ensures you and your loved ones will be well taken care of at a time when they may need it the most.

Sources: [Barron's](#); [National Care Planning Council](#); [Transamerica](#); [MIT AgeLab](#)

Quote of the Month: "The four most dangerous words in investing are: 'This time it's different'."

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