

# WEEKLY MARKET COMMENTARY

For the Week of September 7, 2015

## THE MARKETS

It was a rough ride on Wall Street last week. On Friday, U.S. stock indexes dropped more than 1 percent, thanks to a lackluster August jobs report, continued concern over China's faltering economy and uncertainty about a potential interest rate hike this month. For the week, the Dow fell 3.21 percent to close at 16,102.38. The S&P lost 3.36 percent to finish at 1,921.22, and the NASDAQ dropped 2.99 percent to end the week at 4,683.92.

Returns Through 09/04/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-3.21	-8.07	-3.36	9.97	11.85
NASDAQ Composite (PR)	-2.99	-1.10	2.67	15.06	15.96
S&P 500 (TR)	-3.36	-5.36	-1.83	13.38	14.09
Barclays US Agg Bond (TR)	0.27	0.78	2.33	1.65	3.18
MSCI EAFE (TR)	-3.28*	-3.48	-10.60	6.32	5.52

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.

\*Due to international markets, number reflects closing at end of day, Monday, Sept. 7.

**Department of Correction** — The 1,326 calendar days (from Oct. 3, 2011 to May 21, 2015) that the S&P 500 went before beginning a 12.4 percent tumble (through Tuesday, Aug. 25, 2015) is the third longest stretch without a 10 percent or greater drop in the index in the last 50 years (source: BTN Research).

**And Then What Happened?** — The S&P 500 has been down at least 1 percent on each of at least four consecutive trading days (as it was in late August) just eight times in the last 65 years. After the previous seven times that this "four-day stock tumble" occurred, the S&P 500 averaged a 28.6 percent gain over the subsequent 12 months (source: BTN Research).

**High Standards** — In the second quarter of 2015, 49.8 percent of the new mortgage originations (by dollar, not by number) were obtained by borrowers with credit scores above 780 (source: Federal Reserve Bank of New York, BTN Research).

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## WEEKLY FOCUS – Robin Williams’ Heirs Battle Over Personal Belongings

The late Robin Williams’ third wife, Susan Schneider Williams, and his three children from previous marriages, Zachary, Zelda and Cody Williams, have been engaged in a contentious estate fight for months. Williams left the majority of his estate (estimated at \$50 to \$100 million) to his children. A second trust stated Schneider Williams could remain in the home she shared with Williams for the rest of her life and provided for “all costs related to the residence.”

The parties are at odds over Williams’ large bicycle and watch collections, artwork, books and other items worth millions of dollars. Schneider Williams filed a petition claiming Williams’ trust was “ambiguous” regarding many of his personal effects. The children argue the trust clearly states their father wanted them to receive his memorabilia and personal collections acquired prior to his third marriage.

Distribution of tangible personal property is one of the most overlooked elements of estate planning and a frequent source of bitter disagreements among surviving family members. Whether disputed articles are valuable from a monetary standard or merely for sentimental reasons, the cost of settling ensuing conflicts can be greater than the items’ actual value.

A unique set of issues accompanies collections. Some heirs may feel strongly about keeping a collection intact while others may want to sell it. Dividing pieces of unequal values can be difficult, and selling artwork and other collectibles can be costly. If the next generation is interested in maintaining the collection as a whole, transferring it to an LLC during an owner’s lifetime may provide tax benefits and enable appointed managers to make decisions regarding insurance, storage, display and possible sales of individual pieces.

Careful estate planning is essential to prevent or mitigate future family discord. Providing specific instructions for the distribution of particular personal objects is the best way to ensure your wishes are carried out peacefully. Recent and promised gifts to various family members should be recorded to prevent any questions regarding the items later. If you need help reviewing your estate plans or discussing your decisions with your children, please call our office. Although we cannot provide legal or tax advice, we are happy to work with you, your attorney or your accountant.



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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. SAI# 1295698.1