

WEEKLY MARKET COMMENTARY

For the Week of August 12, 2019

THE MARKETS

Wall Street closed a volatile week with stocks dropping Friday. A contributing factor was a remark made by President Trump that diminished hopes of a U.S. – China trade deal in the near future. The President indicated talks scheduled for September may not take place. For the week, the Dow fell 0.61 percent to close at 26,287.44. The S&P lost 0.40 percent to finish at 2,918.65, and the NASDAQ dropped 0.56 percent to end the week at 7,959.14.

Returns Through 8/09/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.61	14.35	5.53	15.10	12.40
NASDAQ Composite (PR)	-0.56	19.95	0.85	15.07	12.74
S&P 500 (TR)	-0.40	17.84	4.38	12.44	10.86
Barclays US Agg Bond (TR)	0.57	7.75	9.32	2.71	3.21
MSCI EAFE (TR)	-1.14	9.34	-4.62	5.70	2.46

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.

Buying From America — The top five countries purchasing American exports in 2018 were Canada, Mexico, China, Japan and the United Kingdom (source: Commerce Department, BTN Research).

Not Now — The last year when the highest close during the year for the S&P 500 occurred during August was in 1987. Since 1987, the high close for the index has occurred in December 17 times (source: BTN Research).

Bonds — The bond market was up 6.3 percent YTD (total return) through July 31. The last time the bond market had a calendar year performance better than 6.3 percent was in 2011 when bonds gained 7.8 percent. The Bloomberg Barclays Aggregate bond index, calculated using 6,000 publicly traded government and corporate bonds with an average maturity of five years, was used as the bond measurement (source: BTN Research).

WEEKLY MARKET COMMENTARY

Page 2 of 2

WEEKLY FOCUS – When You Are the Beneficiary of an IRA

Immediately after the loss of a family member, deciding what to do with the deceased's IRA may not seem important. Still, if you're the beneficiary, it's imperative to make a good decision to avoid paying penalties and extra taxes. As a beneficiary of an IRA or employer-sponsored plan, you can open an inherited IRA account after the original owner dies. If you want the funds to keep growing tax-deferred, your options vary depending on your relationship to the deceased.

If you're a surviving spouse, you'll have the most options. You can treat the funds as your own, even adding them to an IRA you already have. However, if your deceased spouse was 70½ or older, their annual required minimum distribution (RMD) must be subtracted – if it hasn't been – before rolling the assets into your account. A transfer made within 60 days of your spouse's death is not taxed as a distribution, so the money can continue to grow tax-deferred. But you won't be able to use the money transferred without paying a penalty if you have not reached 59½.

If you open an inherited IRA, you can take distributions over five years OR choose lifetime distributions. Lifetime distributions from an inherited IRA must begin by Dec. 31st of the year your spouse would have turned 70½ or Dec. 31st of the year following their death – whichever is later.

If you're not a spouse, you will need to create a new inherited IRA account and transfer the funds. You won't be allowed to make new contributions to the account. You will have a few choices for distributions without an early withdrawal penalty. You can withdraw the money within five years or take annual distributions over your lifetime. Lifetime withdrawals must start by Dec. 31st of the year following the account holder's death. This will change if the SECURE Act (a retirement bill currently in the Senate) passes; non-spouse beneficiaries will need to withdraw money from an inherited IRA within 10 years.

There are many more things to consider with inherited IRAs, with different focuses for post-tax traditional IRAs and Roth IRAs. We can work with you, your attorney and your accountant to guide you through the important rules about required minimum distributions and how they're taxed. Call our office to schedule an appointment with us and your other trusted advisors. *Consult your tax advisor regarding your own unique situation.*

This commentary brought to you by your friends at



"Clarity and Direction for Your Retirement"

INFINITY FINANCIAL CONCEPTS

Joseph A. Schoenhardt
James C. Hinchsliff, ChFC, CLU

1127 S. Manheim Road Ste. 205 • Westchester, IL 60154
(708)410-0400 • www.infinityfinancial.org

Investments are not NCUA insured. There are no Credit Union guarantees. Investments may lose value.

Securities offered through Securities America, Inc. Member FINRA/SIPC. James C. Hinchsliff and Joseph A. Schoenhardt, Registered Representatives. Advisory services offered through Securities America Advisors, Inc., Joseph A. Schoenhardt and James C. Hinchsliff, Financial Planners. Infinity Financial Concepts, Inc. and the Securities America companies are not affiliated, are not endorsed by, retained by, nor affiliated with the Loyola University Employees Federal Credit Union.

* 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# 2678539.1