

WEEKLY MARKET COMMENTARY

For the Week of December 3, 2018

THE MARKETS

Stocks were up Friday, reflecting optimism about a potential trade deal with China. The S&P Index and the NASDAQ achieved their best week in nearly seven years, and the three major indexes were positive for the month. For the week, the Dow rose 5.32 percent to close at 25,538.46. The S&P gained 4.91 percent to finish at 2,760.17, and the NASDAQ climbed 5.64 percent to end the week at 7,330.54.

| Returns Through 11/30/18 | 1 Week | YTD | 1 Year | 3 Year | 5 Year |
|----------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrials (TR) | 5.32 | 5.59 | 7.62 | 15.78 | 12.39 |
| NASDAQ Composite (PR) | 5.64 | 6.19 | 6.64 | 12.79 | 12.54 |
| S&P 500 (TR) | 4.91 | 5.11 | 6.27 | 12.16 | 11.12 |
| Barclays US Agg Bond (TR) | 0.13 | -1.79 | -1.34 | 1.33 | 2.03 |
| MSCI EAFE (TR) | 0.97 | -9.39 | -7.94 | 4.12 | 1.84 |

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.

Use Time to Your Advantage — \$522 invested at the beginning of every month for 40 years, earning 6 percent per year, will accumulate to \$1 million. \$1,021 invested at the beginning of every month for 30 years, earning 6 percent per year, will accumulate to \$1 million. The calculations ignore the impact of taxes and are for illustrative purposes only. They are not intended to reflect any specific investment alternative (source: BTN Research).

Bonds Are Down Too — The YTD total return through Friday, Nov. 23, of 10-year Treasury notes was a loss of 3.1 percent (source: Ryan Indexes, BTN Research).

What They Pay — The average tax rate (including federal income taxes, payroll taxes and excise taxes paid as a percentage of income) for the bottom 20 percent of U.S. taxpayers has fallen from 7.5 percent of before-tax income in 1979 to 1.5 percent of before-tax income in 2015. The average tax rate for the top 1 percent of U.S. taxpayers has fallen from 38.5 percent of before-tax income in 1979 to 33.3 percent of before-tax income in 2015 (source: Congressional Budget Office, BTN Research).

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WEEKLY FOCUS – Plan for Three Stages of Retirement

To prepare for retirement, it's important to have a solid financial plan in place before you leave the workforce. No matter what your age, starting on your plan today will give you more flexibility later in life.

Retirement is typically viewed as a single phase of life. But it is more accurately divided into three stages, each with unique financial needs. Early retirement, sometimes called the “go-go” years, is a time of increased activity. During middle retirement, or the “slow-go” years, activity levels decline. And in late retirement, or the “no-go” years, extra activities stop.

Early Retirement: These are the years you've dreamed of. You still have your health, and you have the time to travel and indulge in hobbies. But all this activity means you may spend more than when you were working. If you've planned for retirement and aren't counting on Social Security, filing early for benefits could help pay for leisure activities. But claiming Social Security before full retirement age will lock you into a reduced monthly benefit. Claiming benefits at age 62 could lead to a 30 percent cut in what you would have received if you had waited until full retirement age.

Middle Retirement: In this period, personal spending declines, but health care costs often increase. A recent report revealed people incur an average of \$122,000 in out-of-pocket medical costs from their 70th birthday until death.¹ This is the time when you can reap the rewards of waiting until full retirement age to claim Social Security benefits. Remember, for each year you wait until you turn 70, you'll receive an 8 percent boost. That extra cash could help with medical expenses.

Late Retirement: By late retirement, expenses related to travel and big-ticket purchases are typically no longer a concern. In this stage, you'll need adequate funds to keep you comfortable and possibly pass on a legacy. According to the Social Security Administration, a 65-year-old man today can expect to live to 84.3, while a 65-year-old woman can expect to live to 86.7.² With life expectancy projected to increase, it's important to have a financial plan that will take you comfortably into your 80s, 90s or even to 100.

To get started building a financial plan or to revisit your existing plan to ensure it will take you through each stage of retirement, give us a call today.

¹www.nber.org/papers/w24599.pdf

²www.ssa.gov/planners/lifeexpectancy.html

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“Clarity and Direction for Your Retirement”

INFINITY FINANCIAL CONCEPTS

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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 December 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#2335657.1