

Wealth
Management

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The Markets

Too much? Too little? Or just right?

U.S. stock markets were relatively calm, although they finished the week lower. U.S. Treasury yields hit a 7-year high and finished the week above 3 percent. While these were notable, the most remarkable events last week occurred beyond our borders. These include:

- The Vatican publishing a position paper on financial markets.** Its opening was, “Economic and financial issues draw our attention today as never before because of the growing influence of financial markets on the material well-being of most of humankind. What is needed, on the one hand, is an appropriate regulation of the dynamics of the markets and, on the other hand, a clear ethical foundation that assures a well-being realized through the quality of human relationships rather than merely through economic mechanisms that by themselves cannot attain it.”
- The royal wedding boosting the British economy.** A normal Britain wedding costs about £18 thousand and includes about 80 guests. Prince Harry’s nuptials were a bit more lavish. A wedding planning company estimated the cost of hosting 600 or more guests at £32 million (\$43 million in U.S. dollars). The largest component of the cost was £30 million for security, which included drone destroyers.
- Venezuela’s oil-based economy continuing to collapse as oil prices rise.** “Venezuela leads the world in two things: oil reserves and incompetence,” opined *The Washington Post*. Poor management of the state-run oil industry has caused production to drop 23 percent since December. The country’s declining production helped push oil prices higher last week. Prices are at levels last seen in 2014, reported *Financial Times*. Regardless of the country’s economic woes, this weekend’s election is not expected to oust President Nicolás Maduro.

Rising oil prices have pushed the cost of gas higher, but that’s not expected to deter Memorial Day travelers, according to *USA Today*. We wish you safe travels during the holiday weekend.

Data as of 5/18/18	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor’s 500 (Domestic Stocks)	-0.5%	1.5%	14.7%	8.4%	10.2%	6.6%
Dow Jones Global ex-U.S.	-0.9	-0.5	11.9	2.7	3.2	-0.2
10-year Treasury Note (Yield Only)	3.1	NA	2.2	2.2	2.0	3.8
Gold (per ounce)	-2.7	-0.6	2.6	1.7	-1.0	3.6
Bloomberg Commodity Index	0.4	2.5	8.4	-4.9	-7.4	-8.3
DJ Equity All REIT Total Return Index	-3.0	-6.5	-0.4	4.3	4.8	5.9

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT Total Return Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods. Sources: Yahoo! Finance, Barron’s, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

DID YOU KNOW THERE'S A BILLIONAIRE CENSUS? Last week, the fifth edition of the *Billionaire Census* was released. Apparently, the wealth of billionaires increased by 24 percent during 2017. In addition, the billionaire population, which had suffered reduced numbers since 2015, expanded. It now includes 2,754 individuals. The previous high was 2,473 in 2015. According to *Wealth-X*:

- 816 live in the Asia-Pacific region
- 884 live in the Americas
- 1,054 live in Europe, the Middle East, and Africa

There is a bit of disagreement about the size of the 'Three-Comma Club' and the rate at which its wealth is increasing. In March 2018, *Forbes* reported there were "...2,208 billionaires from 72 countries and territories including the first ever from Hungary and Zimbabwe. This elite group is worth \$9.1 trillion, up 18 percent since last year. Their average net worth is a record \$4.1 billion. Americans lead the way with a record 585 billionaires, followed by Mainland China with 373."

Two hundred and fifty-six women made the list, including 42 new additions.

The Giving Pledge is another exclusive group that some billionaires have joined. The objective of the Pledge is to "...help address society's most pressing problems by inviting the world's wealthiest individuals and families to commit more than half of their wealth to philanthropy or charitable causes either during their lifetime or in their will."

As of February 2018, 175 billionaires from 22 countries had joined.

Weekly Focus – Think About It

"Philanthropy is almost the only virtue which is sufficiently appreciated by mankind."

--Henry David Thoreau, American essayist and naturalist

Best regards,



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- Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
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- The Standard & Poor's 500 (S&P 500) is an unmanaged index. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.
- The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
- The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
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