

For the Week of May 31, 2010

THE MARKETS

Concerns about European credit resurfaced Friday as Fitch Ratings lowered its rating on Spain's debt. According to the Wall Street Journal, traders and analysts have become less concerned about a series of defaults among European nations and more concerned about a long recovery for the euro-zone economy. In the U.S., personal spending remained flat in April, according to the Commerce Department, although personal income rose 0.4 percent. Consumer-sentiment levels rose slightly in May, according to the final index report from Reuters/University of Michigan. For the week, the Dow lost 0.47 percent to close at 10,136.63. The S&P rose 0.22 percent to finish at 1,089.41, and the NASDAQ increased 1.26 percent to end the week at 2,257.04.

Returns Through 5/28/10	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials	-0.47	-1.63	22.66	-6.77	2.02
NASDAQ Composite	1.26	-0.53	27.21	-4.66	1.76
S&P 500	0.22	-1.50	20.99	-8.69	0.31
BarCap US Agg Bond (TR)	-0.47	3.71	8.42	6.88	5.33
MSCI EAFE	1.01	-12.16	8.57	-12.72	1.27

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 S&P, excluding "1 Week" returns, is a reflection of return to an investor, by reinvesting dividends after the deduction of withholding tax.

They Like Us – Foreigners bought a net \$140.5 billion of U.S. stocks and bonds in March 2010 (i.e., the difference between the amount that foreigners bought in American securities vs. the amount that Americans bought in foreign securities), the largest monthly total ever recorded. The previous monthly high was set in May 2007. This record amount may suggest confidence in the U.S. economy by foreign investors. The government has tracked this data since May 1978 (Source: Treasury Department, BTN Research).

A Billion Dollars a Day – Retail sales to American consumers in April 2010 totaled \$366.4 billion compared to \$336.7 billion in April 2009, an increase of \$29.7 billion. That's equal to \$1 billion of additional retail sales per day in April 2010 when compared to the same month in 2009 (Source: Census Bureau, BTN Research).

And They're Healthy – An average American couple both age 75 and in good health would need to have set aside \$265,000 (i.e., a present value amount required at age 75) to pay for future healthcare costs that they will incur including any long-term care assistance (Source: Center for Retirement Research at Boston College, BTN Research).

WEEKLY FOCUS – Half-Time Check with Your Financial Coach

If you look at one year as a single game of finances, we've reached half-time. Time for a pep talk from your financial coach, a check of your goals and possibly some game plan adjustments for the second half.

Retirement: Have you kept your resolutions for paying yourself first by adding to your retirement accounts? If you've received a raise and haven't done so already, consider increasing your 401(k) contribution or having your employer direct deposit the extra into your investment account for IRA contributions. Same is true of any bonuses, tax refunds or other windfalls. Choose saving or paying down debt over consumption.

Spending: If you resolved to curb your spending, take time to check yourself and see if you're still on budget. That bit of drift that may have started earlier in the year could have escalated to unacceptable levels. Rein it in now, before you get out of control, and you'll find yourself more flush when you need it – like when the holiday buying season arrives.

Credit: If you haven't done so in the past 12 months, request your credit report. You get one free each year. Read through it for errors and suspicious activity that might indicate potential identity theft.

Cash Reserves: Do you need to make home repairs or improvements? Will you be paying tuition or fees for children or grandchildren's education and activities in the fall? Is there a charity event coming up to which you'd like to make a good-sized donation? How much cash are you going to need for these kinds of items in the next six months? Plan now how you'll fund those needs while still maintaining an emergency fund for the ones you aren't expecting.

Taking stock of your performance in your financial game can help ensure you make your goals before time runs out this year. Call our office for a half-time review and pep talk!

BONNETT WEALTH MANAGEMENT
11930 Arbor Street, Suite 201, Omaha, NE 68144-2998
(402) 556-8858 ♦ (800) 956-8858 ♦ (888) 766-7488 Fax
www.bonnettwm.com

Jerome "Joe" P. Bonnett, Jr. — Registered Representative. Securities offered through Securities America, Inc., Member FINRA/SIPC
Advisory services offered through Securities America Advisors, Inc. Bonnett Wealth Management and Securities America Companies are unaffiliated.

* 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# 305089