

For the Week of August 9, 2010

THE MARKETS

The Labor Department's monthly employment survey, issued Friday, showed the U.S. lost 171,000 jobs in July but the unemployment rate remained steady at 9.5 percent. The Federal Reserve meets Tuesday, its fifth of eight meetings scheduled for 2010. As of Friday, Aug. 6, the Fed funds future market was priced to reflect a zero percent chance of a rate hike, according to the CME Group. The Fed has held interest rates near zero percent since December 2008. For the week, the Dow gained 1.90 percent to close at 10,653.56. The S&P rose 1.87 percent to finish at 1,121.64, and the NASDAQ increased 1.50 percent to end the week at 2,288.47.

Returns Through 8/6/10	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials	1.90	3.80	18.29	-4.81	2.88
NASDAQ Composite	1.50	0.85	15.98	-3.51	1.00
S&P 500	1.87	1.76	14.79	-6.48	0.32
BarCap US Agg Bond (TR)	0.28	6.76	9.86	7.64	6.11
MSCI EAFE	3.30	-1.87	7.63	-8.66	2.61

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.

Slower Rise – The cost of in-home care is rising at a slower pace than the cost of care provided in a nursing home or assisted living facility, according to a Genworth Financial study. In-home care expenses have increased 1.7 percent in the past five years, while assisted living costs have risen 6.7 percent and nursing home private rooms have risen 4.5 percent (Source: Genworth, Boomer Market Advisor).

A Few Steps Behind – A recent survey by MetLife called the "Retirement Readiness Index" found that more than half of respondents (age 55-64) are behind in taking recommended steps toward retirement, and one-quarter said they were "significantly behind." Thirteen percent said they had no retirement goals and 7 percent admitted they haven't started saving (Source: MetLife, Boomer Market Advisor).

Getting Better – A third of Americans in a recent MetLife study said they believe 2010 will be better than 2009. A fourth of respondents said this year will be worse for the nation's economy and their personal financial situation (down from 44 percent in 2009) and 41 percent believe things will stay the same. Two-thirds of those surveyed said a full economic recovery is still three or more years away (Source: MetLife).

WEEKLY FOCUS – Anti-Scam Tips for Surviving Spouses

Newspaper obituaries provide a service in notifying a large number of people in a short period of time about the death of a community member. Unfortunately, they also provide a list of potential victims to scam artists and thieves looking for emotionally vulnerable and, during memorial services, physically absent targets. A few simple guidelines can help you or your loved one avoid most of the common scams.

The most immediate vulnerability will be an empty house. Through an obituary, a thief can ascertain when the family will be away, and with friends and relatives coming and going, neighbors may assume the person going in while the family is gone has permission to do so. Ask a friend or neighbor to house sit – not just watch from next door – during visitations and services. (This rule also works well for weddings and anniversary parties that have been announced in the newspaper.)

Treat anything from an unknown party with suspicion. Invoices, calls regarding orders for products or services, investment opportunities and claims for money owed can all be scams looking to part distracted grieving survivors with their money. Pay those bills you know to be legitimate – mortgage, utilities, credit cards, car payments. Set everything else aside. If you don't have caller ID on your phone, consider getting it so you know before you answer who is on the line. And remember that companies that pressure you to make decisions or send money during a difficult time probably don't have good reasons for doing so.

Consider a checks-and-balances approach to decision making, especially regarding finances. Ask a family member, friend or trusted advisor such as an accountant, attorney or financial professional to review invoices and other claims before you send money. You will still have control of your money, and you'll have a second opinion from someone you trust.

Surviving spouses generally fall into two groups – those who believe they have plenty of money and those afraid they don't have enough. We can work with attorneys and accountants to help review the surviving spouse's finances, including any lump sum payments from life insurance or a 401(k). Please contact our office if you or a loved one needs financial assistance during your bereavement.

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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.

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