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CAPITOL WEALTH MANAGEMENT LLC

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- CAPITOL CONNECTIONS -

Asset Class	2019 Total Return %	Last 12 Months %
S&P 500	13.52	9.44
Dow	11.73	9.68
Nasdaq	16.68	13.17
S&P Midcap	14.48	2.50
S&P Smallcap	11.67	1.61
International Dev	10.34	-4.03
Emerging Mkts	9.88	-9.18
Aggregate Bond	2.94	4.57
Oil	29.40	-4.51
Gold	0.63	-3.01

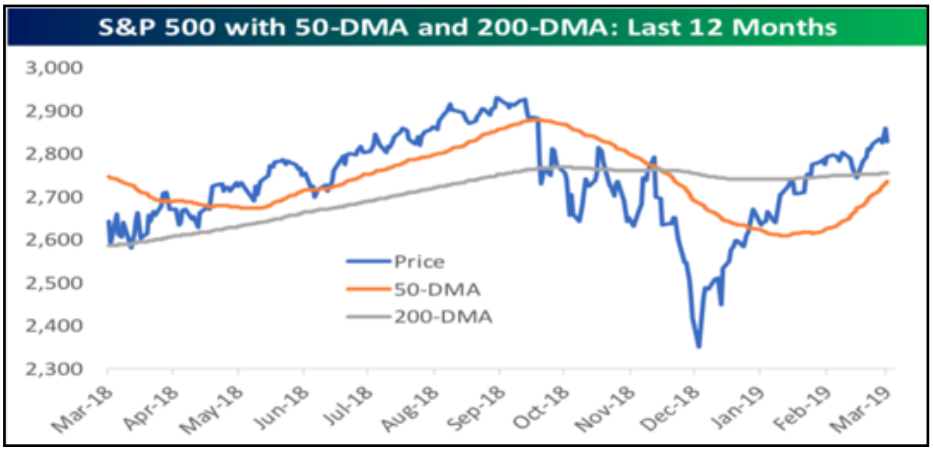
What Did The Market Do Today?

By Keith Burbank

A question that we are frequently asked in our profession. The day to day movement of the market is a piece of news that is reported on every day the market is open. It is an easy talking point for investors of all types. Most people refer to the daily point move of the Dow Jones Index when asking this question. How many points the Dow moved up or down is a data point that many people want to know.

As professional investors, we, too, pay attention to the market on a daily basis; that is part of our daily responsibilities. That being said, one of our underlying beliefs is that investing is best accomplished with a focus on the long-term. Making decisions on short term information can lead to inefficiencies which may not maximize long-term results.

Case in point can be seen in the last few weeks of trading in 2018. For the month of December, the Dow Jones Index was down nearly 9%, its worst December since 1931. On December 24, the market hit its low for the year, down nearly 16%. It was the eighth straight day the Dow had been down, and it was close to 5250 points below its high, set in early October.



Some investors had had enough and left the market to attempt to limit any further losses. On December 26, the Dow rallied and closed up over 1000 points, over 4% higher than its previous close. The Dow would then log a few more positive days and ultimately end the year with a return of -6%.

Those investors who got out of the market because they were triggered by the short-term volatility of the market missed the rebound in stock prices that ensued. From the lows of 12/24/18 through March 25, 2019, the Dow gained back over 3800 points, a return of over 17%. The one year total return from 3/25/18 - 3/25/19 is 10%, which also happens to be the long-term average return for large cap stocks.

An investor who fell asleep one year ago and woke up today would likely be satisfied to see the market up 10%. What they missed during their long nap is that the market was up as much as 14% and down as much as 7% over that same period. For the investors who were awake that whole time, the 10% return has seemed like an emotional rollercoaster, for the sleeping investor it was just another average return.

All of this is not to say it's not important what happens day to day in the market. Certainly the daily market return impacts both the short and long term direction of the market. That being said, investors who focus more on the long-term results, tend to avoid making overly emotional decisions, and maximize their long-term results. - *Continued on pg. 2*

What Did The Market Do Today? - cont.

Those who focus solely on short-term swings tend to lose track of the horizon which contains their long-term investing goals. By having an investment plan that is personally tailored to one's own appetite of risk and time, investors can sleep at night (or for a year) with less worry about what the market did today.

Dying Intestate In New Hampshire

By James G. Steproe, J.D.

If you die intestate, know you will do so in good company. Abraham Lincoln, Martin Luther King, Pablo Picasso, Howard Hughes and most recently Prince all died without a will. Indeed, it is stunning to note that these otherwise intelligent highly successful people would do such a thing.

The fact of the matter is most people who die without a will do so because of negligence rather willfully. Negligent or not, the result is the same because your state legislature, in its infinite wisdom, has written a will for you, and upon your death your relatives will find out exactly what your state mandated "will" says, even though it may be nothing like what you would have written and/or they would have preferred. Yes, your cousin Louie, the guy you have despised for most of your mutual lives may well wind up with a significant portion of your estate under your state mandated "will".

On the other hand, intestacy law only applies to property that would have passed by a will; this does not include assets that pass to people at death by beneficiary designation or joint tenancy, which in many cases can be most of what a person owned. Under intestacy laws property generally goes to close family members, starting with surviving spouse and children, and then to parents, siblings, nieces and nephews, grandparents and their legal descendants, and more distant relatives after that. If absolutely no relatives can be found, then a descendant's property escheats to the state.

The rules for distributing personal property will be the state where that person lived. On the other hand, if a person owned real property in another state, that state's law would apply to the transfer of that real estate. Since the rules do vary from state to state, I will restrict my comments to those that apply to someone who dies a New Hampshire resident. Thus, if you die with children but no spouse, the children get everything. If you die with a spouse but no children, your spouse gets everything. Then things get a bit complicated. If you die with spouse descendants from you and that spouse, and the spouse has no other descendants, then the spouse inherits the first $250,000 of your intestate property, and the descendants inherit everything else.

If you die with a spouse and descendants from you and that spouse, and the spouse has descendants from another relationship, the spouse inherits the first $150,000 of your intestate property, one-half of the balance, and your descendants inherit everything else. If you die with a spouse and descendants from you and someone other than that spouse, the spouse inherits the first $100,000 of your intestate property, one-half of the balance, and the descendants inherit everything else. If you die with a spouse and parents, the spouse inherits the first $250,000 of your intestate property, three-quarters of the balance, and the parents inherit the remaining intestate property. If you die with parents but no spouse or descendants, the parents inherit everything. If you die with siblings but no spouse, descendants or parents, the siblings inherit everything

There are some special rules regarding children that need to be kept in mind. For example, adopted children receive a share just as biological children do; however, foster children and stepchildren do not. Children you placed for adoption and were adopted by another family do not receive a share; however, children conceived by you but not born before your death receive a share if they survive at least 120 hours after birth. Finally, children born outside of marriage will receive a share of your estate if you and the mother get married later, or you acknowledge your paternity, or a court establishes your paternity.

These are some of the basic rules; there are many more. For example, relatives entitled to an intestate share of your property will inherit whether or not they are citizens or legally in the United States and so on. If you have any questions about how some of these rules might affect you, see an attorney. Indeed, if any of these rules would seem to apply to you, run don't walk to a qualified attorney, who can solve the problem by ensuring that you do not die intestate.