



Did you know?

A quiz to test your market and economy knowledge. *Summer, 2017*

A changing retail landscape. Growth of non-U.S. equity markets. Foreign markets. These are just a few of the headlines shaping the market. How well are you keeping on top of the stories? Test your knowledge of important news stories and trivia related to the commentary.

Happy Independence Day!

Question: Leading a new nation, the Founding Fathers had tumultuous relationships with world leaders and each other. Which Founding Father, whose last words included “Jefferson survives,” was both best of friends and political enemies with Thomas Jefferson?

- A. George Washington
- B. James Madison
- C. Alexander Hamilton
- D. John Adams

Answer: (D) John Adams

John Adams and Thomas Jefferson first forged a friendship while serving in the Continental Congress in Philadelphia. In Adams, Jefferson found a boisterous ally who was equally opposed to any kind of partial rule with England. In Jefferson, Adams found a meticulous and intellectual ally. Early in the relationship, the two served each other well. In fact, it was Adams who suggested Jefferson be the one to draft the Declaration of Independence.

After the Revolution, the two friends found themselves on opposite sides of the aisle in the new United States. In the hotly contested election of 1800, the Jefferson Burr ticket ousted Adams from the newly finished White House after only one term.

They took up a cordial correspondence for the last decade of their lives, communicating frequently by mail. The friends both

By:



J. Reed Murphy

CIMA®

President | Chief Investment Officer

rmurphy@tcwealthpartners.com

630-545-3675

died on July 4th 1826 – the 50th anniversary of the signing of the Declaration of Independence. Shortly before his death, Adams said, “Thomas Jefferson survives,” not knowing that his friend died only hours earlier in Virginia.

For those with an interest in Revolutionary history, this scene and the entire life of John Adams is wonderfully depicted in the HBO mini-series *John Adams*.

The New Retail World

Question: Amazon has roughly double the market cap of Walmart. Which has more employees?

- A. Amazon has roughly 800,000 more
- B. Amazon has roughly 300,000 more
- C. Walmart has roughly 250,000 more
- D. Walmart has roughly 2,000,000 more

Answer: (D) Walmart has roughly 2,000,000 more

Despite being worth twice as much, Amazon has 351,000 employees to Walmart’s 2,300,000. One could argue that the number of employees contributes to Walmart’s being significantly less valuable. Amazon has spent millions in R&D on client-facing technology and supply-chain automation, both ways to cut down costs.

The two are now set on a collision course. Walmart has increased its focus on online retail and distribution while Amazon recently acquired Whole Foods in order to move into the grocery space already partially occupied by Walmart. This battle of titans is not close to being over.



Foreign Markets

Question: We believe that the growth of non-U.S. equity markets may surpass that of the U.S. in the foreseeable future. Which of the following countries does not represent one of the top five countries in terms of geographic exposure in the MSCI EAFE (Europe, Australia, Asia, and the Far East) index exchange traded fund?

- A. Australia
- B. France
- C. Switzerland
- D. Japan

Answer: (A) Australia

Australia is actually in 6th place; the top five in order are Japan, United Kingdom, France, Germany, and Switzerland.

Emerging Markets

Question: We made a number of references to emerging markets in our commentary. It's unlikely to surprise anyone that China is the largest component of the emerging market category, representing nearly 28% of the geographic exposure of the MSCI Emerging Market index. Which country is in third place in terms of representation in that index, with over 12%?

- A. South Korea
- B. Taiwan
- C. India
- D. Brazil

Answer: (A) South Korea

South Korea is in 2nd place with over 15% of the geographic exposure of the index. India has nearly 9%, and Brazil has over 6.5%.