



2nd Quarter Review

The 2nd quarter of 2019 saw a continuation of the strong start to the year, though returns did not move in a straight line higher. Volatility continues to persist, as investors parse Federal Reserve language, US trade policy remains unclear, and fears of a growth slowdown hang over markets. What many are now calling the longest bull market in history is over 10 years old, and investors are beginning to wonder how much longer before a recession is inevitable. With an inverted yield curve, fundamentals breaking down, and conflict abroad, where do we go from here?

The first place to look for direction is the most powerful actor in financial markets, namely the US Federal Reserve. Their ability to save markets from turmoil

has been remarkable since the Great Recession. It has become commonplace for even the slightest indication of recessionary forces to prompt the Fed to act, boosting market sentiment whenever necessary. To the contrary, when the Fed has been too aggressive, such as 2018, investors demonstrated

their displeasure with two violent corrections during the year. As of this writing, the Federal Reserve has strongly indicated that rate cuts are now in order, as a global economic slowdown appears to be taking hold and inflation continues to fall below their target of 2%.

As for trade policy, the US is working to “renegotiate” new terms of the global trade order that has been in place for generations, with the primary target China’s deficit with the US. The implications for increased tensions with China bode poorly for the US and the world, as global supply chains and millions of jobs are reliant upon trade’s contribution to output. Disrupting the current establishment without a productive, mutually beneficial plan in place is disruptive, costly, and endangers the future of global growth. Particularly painful for the US would be a loss of access to the world’s fastest growing economies if relations were to sour further. With our own demographic and growth challenges domestically and many US multinational’s earning the majority of their revenues overseas, the outcome could be disastrous.

In addition to uncertain monetary policy and US trade, both domestic and international growth concerns have begun to raise alarm bells for many market participants. Across the board, data points from housing, to industrial production, to employment are beginning to point to a slowdown that many fear could portend something worse. Our own view is that the slowdown is more a reaction function of the burst in growth seen from 2017-2018, when tax cuts artificially and temporarily increased growth but eventually a return to normalcy was expected. In reality, US

Review Your Investments! Get A Second Opinion!

If you are not an SFA client and would like us to analyze your current portfolio, e-mail Traci Carver to schedule an appointment.

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THINGS TO THINK ABOUT..

A huge mistake that many of us make is to work hard our entire life for money and not require money to work for us in return.

Where you are a year from now is a reflection of the choices you make right now.

The key is not to prioritize what's on your schedule, but to schedule your priorities.



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economic growth has been essentially range bound since the Great Recession, swinging between 1-4% for the duration of the recovery. With several soft patches along the way, the expansion has continued unabated, and we believe this recent hiccup will be no different for the time being.

Despite the ongoing headlines that growth is slowing and a global trade war may be upon us, the reality is that growth is moderating from a high following the tax cuts of 2018 and that trade disputes have had a marginal effect on the economy for now. We believe that focusing on increasing the quality of your portfolio positions within both stocks and bonds, is the most prudent action to take given where we are in the economic expansion. We believe owning companies with a solid history of earnings and revenue growth, and the debt of issuers who can be relied upon when times get tough is the best strategy to play defense in

what will likely continue to be a volatile market. Many question whether now is the best time to simply go to cash, but history shows that some of the best returns of the bull market occur during the final stages of the cycle, which can be costly for those who miss out. Maintaining a balanced approach that can keep you invested for the long run in our opinion is likely the best solution for times like these.

For ongoing updates to our outlook and portfolios, please read Stewardship Financial Advisor's **The Pulse** at www.stewardshipfinancialadv.com/pulse or like our Facebook page! At our website you can find a treasure trove of valuable information and tools, and sign up for our mailing list.



Getting Work Done is Easy When You Have Awesome Co-Workers!

The members of the Pyke Family of Firms had a wonderful day with our latest team building activity at Decatur Glass Blowing. We had a great time bonding off-site as we made our glass projects while working one-on-one with instructors at the kiln. This would be a great anniversary gift, date night, or outing with children or grandchildren over 10 years old! Learn more about them at decaturglassblowing.com.

Pyke Family News

All is well with the Pyke family. As you may recall Charles' wife, Lane, had knee surgery in January. The doctor's told her it was a 12 month recovery. The good news is she's right on track and recovering well - maybe ahead of schedule.

Charles' oldest son, Chad, started his new job with Unum, a fortune 250 company, on June 24th. Charles says he is officially off the payroll!

Charles' youngest son, Chandler, finished his first year of law school

at the University of South Carolina, and is ranked in the top 15% of his class making the Deans List.

The week of July 4th, Charles and Lane headed to Grenada for some rest and relaxation.



Chad Pyke is officially off the payroll!!

LAUGH FACTORY

I'm stuck between "I need to save money" and "You only live once."

I checked my account balance at the ATM. It printed me a coupon for ramen noodles.

I'm glad I learned about parallelograms instead of how to do taxes in school. It's really come in handy this parallelogram season.



What Is A Discovery Meeting And Why Do You Need One?

Do you want to feel confident with your finances? A discovery meeting is the first step in a holistic approach to your estate, financial, and tax planning. A discovery meeting gives you the opportunity to sit with one of our advisors to discuss your current financial situation. Important questions are asked to understand where you are and where you would like to be financially.

Questions we consider:

Estate Planning

- Does your family have the ability to take care of your financial obligations if you unexpectedly pass away?
- What happens if your spouse remarries? Will the inheritance pass to the new spouse or children of another family?

Asset Protection

- With over 50% of Americans requiring long-term care in retirement, do you have a plan in place should you require care? Will your estate be cannibalized by long-term care costs?
- Are your loved one's protected in the event of a loss of income due to death or disability?
- Are you comfortable using your assets to pay for a long-term care event?

Retirement Planning

- When is the best time to claim your Social Security to maximize your benefits?
- Will your spouse be financially sustainable when you pass away?
- Is your retirement lifestyle sustainable for the next 10, 20, or even 30 years? Would it be valuable for you to have us run the numbers?
- Do you have a plan in place for generating income in retirement that will keep up with inflation for the long haul?

Tax Planning

- Are you sure you are paying the least about of taxes? Do you want us to run the numbers to confirm that?
- How will your required minimum distributions affect your taxes and social security in retirement?
- Do you feel that you pay too much in annual income taxes?
- Are you making tax-free distributions from your IRA? Did you know you may be able to do to that?

Investment Planning

- How would your investments perform if we had another 2008?
- Do you know how much risk you are taking in your portfolio? Can you achieve reasonable returns with less risk?
- Could managing your portfolio become more difficult at some point? Do you want our team to help prepare you for that?

Underline the questions that concern you most and contact Traci Carver at 770-507-0025 to schedule your Discovery Meeting with one of our financial advisors.