



faith . discipline . patience

skv  three things



So, the U.S. stock market bumps and grinds it's way mostly higher, and nervous "investors" continue to flee it. *"US stock mutual fund redemptions, \$67 billion thru July 31. World stock redemptions, \$20 billion. Taxable and municipal bonds, \$255 billion net inflows. (source WSJ)* Selling stocks and buying bonds? Brilliant! Wha? This market is more hated than—the middle seat, kale, burpees, Godfather III, humble-bragging....you get the point.

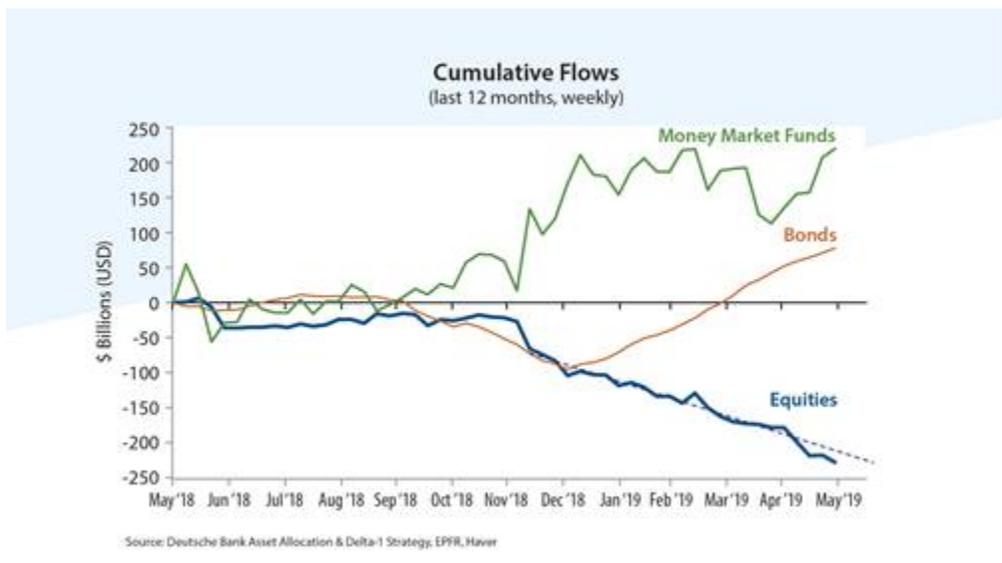
At this writing a 10-year US Treasury will yield far less than 2%. Taxable. Around the globe, some rates are negative....yes, yields below zero. Nada. Zilch. Or as we say on the tennis courts, "love". Yes, negative yield bond buyers get less back than they deposit. Will rates decline to zero and below here in the U.S.? Former Fed Chairman Alan Greenspan thinks so, *"You're seeing it pretty much throughout the world. It's only a matter of time before it's more in the United States."* Foreign investors are seeking positive returns on bonds. Since yields and bond prices move in opposite directions, an influx of foreign cash many continue to push up prices of U.S. Treasuries and knock our yields even lower. Happy to have a "Bonds 101" chat if that price-yields-relationship a bit murky to you. *I love to teach! And I love apples from you teacher's pet types ☺! (Honey crisps.)*



For us advisors that find joy in adding value as a teacher, "financial behavior coaches" .....we call this graph, "**Job Security, Exhibit #1036**":



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(source: Deutsche Bank Asset Allocation & Delta 1 Strategy, EPFR, Haver)

You might remember stock prices temporarily declined at the end of 2018...Santa gave us investors coal! In retrospect, with U.S. equity indexes up double-digits so far this year...it might not have been a good time to sell? (D'oh!) I hear the excuses now, "Yeah but....Trump!....tariffs....recession...plastic straws...oh my!" And my two personal favorite evergreen concerns, "dysfunctional politics and global uncertainty". I am still searching for a time in history that offered certainty and/ or functional politics! Get a glass pen , and write this on your bathroom mirror: **Don't confuse temporary declines with permanent loss.** (and : "I'm good enough, I'm smart enough, and doggone it, people like me!" ☺)



Speaking of "global uncertainty and political dysfunction", this excerpt from a book I am reading "Call Sign Chaos", by Gen. Jim Mattis (ret.), is thought-provoking: "What concerns me most as a military man is not our external adversaries; it is our internal divisiveness. We are dividing into hostile tribes cheering against each other, fueled by emotion and mutual disdain that jeopardizes our future, instead of rediscovering our common ground and finding solutions....**We all know we are better than our current politics...**On each of our coins is inscribed America's de facto motto, 'E Pluribus Unum'—**from many, one....we must live by this motto.**" Goose bump city!



Happy 65th to 10,000 baby boomers! AARP reports 10,000 boomers will celebrate their 65th birthday every day for the next decade. *I knew I should have gotten into the birthday*

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*candle biz!!* (10,000 x 65 x 360= ka-ching\$!) Life expectancy has nearly doubled in the last 100 years—“longevity risk” is why we need to invest wisely.

As always, I’m honored and humbled you have given me the opportunity to serve as your financial advisor. We endeavor to *“treat our clients as family. To provide genuine caring service to every client, every day”* If we fall short, let me know. MHK

FAITH

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