



THE FED EDGE with GNZ

Monthly Newsletter of GNZ Financial,
exclusively for US Federal Employees

"Life is a journey, not a destination."
- Ralph Waldo Emerson

Thoughts from Zott & Scott

Hello Summer and Happy June!

As we welcome summer, we wanted to share our Summer Fun Checklist for you and your friends (or grandkids) and our recipe of the month a fantastic summer dessert, Strawberry Rhubarb Crisp.

This month's newsletter includes our fascinating financial facts, a market update video, and special considerations for managing risk as a key part to your financial plan. Remember, the journey to financial well-being begins with navigating risks wisely and you are not alone, we are here to help.

For June, we wish you laughter and sunshine. As always, please reach out if we can ever be of assistance.

Greg & Scott



ZOTT & SCOTT
GNZ FINANCIAL

HELLO SUMMER

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Stock Market Update & Your TSP - June 2025



Tariffs and geopolitics have taken center stage in recent months and continue to drive volatility in the stock market. We continue to watch how the tariff saga will play out and the potential impact from on-going negotiations and court battles. Additionally, we are closely watching Trump's proposed budget as well as the long-term implications of the US National Debt, currently at \$36.9 Trillion and growing every second.

Our view, stay invested but ensure that your investment strategy is aligned with long-term goals and your risk tolerance.

Here are several key considerations to help you navigate investing in volatile times.

Investing in Volatile Times:



1. Maintain a Diversified Portfolio

Market turbulence is a reminder of the importance of diversification. A well-balanced mix of U.S. equities, international equities, and bonds that are aligned with your risk tolerance and time horizon is crucial. Below, we share an example of our recommended long-term portfolio structure.

2. Rebalance & Adjust



Many investors have become overexposed to U.S. large-cap stocks in recent years. If recent volatility has you feeling uneasy, now is a smart time to review and rebalance your portfolio - not to panic sell. Rebalancing helps restore your investment mix to its intended allocation.

Sources: Bloomberg, <https://www.usdebtclock.org/USNational>



Stock Market Update & Your TSP - April 2025



3. Keep Saving & Investing

If you're still working, we strongly recommend continuing regular contributions to your TSP or 401(k). Consistent investing, especially during downturns, can help you benefit from dollar-cost averaging and position you for long-term growth.



4. Emergency Fund

Every sound financial plan includes an emergency savings fund. This reserve is for unexpected expenses like medical bills, car repairs, or temporary job loss—and can help you avoid high-interest debt. Aim for savings that cover three to six months of essential living expenses.



5. Additional Considerations - Retirement Ready or Job Uncertainty

If you're approaching retirement or experiencing job-related uncertainty, a more personalized strategy is essential. At GNZ Financial, we offer complimentary consultations to federal employees who are within one year of retirement or facing employment changes. During our meeting we will discuss your unique situations and help to chart a confident path forward.

[Click to Schedule:](#)





Stock Market Update & Your TSP - June 2025

Considerations for Long-Term Investing in TSP:

At GNZ Financial, we believe in a diversified investment strategy that reflects your unique risk tolerance and long-term goals. We also incorporate monthly tactical adjustments to adapt to evolving market risks and opportunities.

Given the current environment, we are **not recommending major modifications** to our base long-term strategy at this time, unless you're looking to reduce risk through increased allocations to the G or F Funds.

Below are examples of our June 2025 long-term TSP portfolio strategies.

Example 1: Growth Focused (Individual Planning to Work 5+ years)

| Growth Focus (80/20) | 100% | 0% | Total |
|--|--------------------|------------------|-------|
| | Long-term Strategy | Monthly Tactical | |
| C - Common Stock Index Investment Fund | 44% | - | 44% |
| S - Small Capitalization Stock Index Investment Fund | 18% | - | 18% |
| I - International Stock Index Investment Fund | 18% | - | 18% |
| F - Fixed Income Index Investment Fund | 15% | - | 15% |
| G - Guaranteed Fund | 5% | - | 5% |

Example 2: Growth & Protection Focused (Individual is Planning to Retire in Less than 5 years)

| Growth & Protection Focus (60/40) | 100% | 0% | Total |
|--|--------------------|------------------|-------|
| | Long-term Strategy | Monthly Tactical | |
| C - Common Stock Index Investment Fund | 34% | - | 34% |
| S - Small Capitalization Stock Index Investment Fund | 13% | - | 13% |
| I - International Stock Index Investment Fund | 13% | - | 13% |
| F - Fixed Income Index Investment Fund | 30% | - | 30% |
| G - Guaranteed Fund | 10% | - | 10% |

Example 3: Retired or Nearing Retirement - Let's Discuss Your Unique Situation



Investment Strategy: Additional Support

At GNZ Financial, our mission is to empower federal employees to make confident, well-informed financial decisions. Whether you're evaluating your retirement options, refining your investment strategy, or navigating a career transition, we're here to help—every step of the way.

As a thank you for your service, we proudly offer one-on-one Retirement Consultations that are always complimentary and completely confidential.

Is a Retirement Consultation Right for You?

You may benefit from a consultation if:

- You're age 59 or older and want to ensure you're on track for retirement.
- You planning to retire or leave federal service within the next year.
- You have additional investments outside of the Thrift Savings Plan and need guidance on how to manage them effectively.

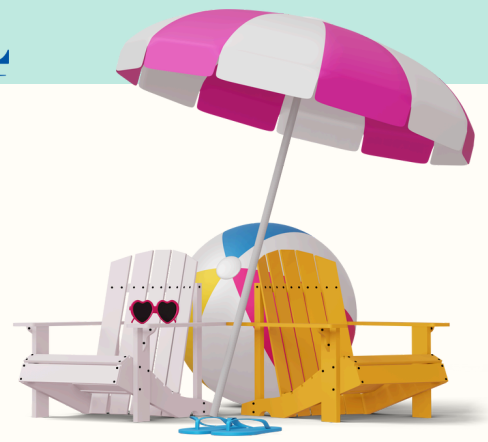
You can schedule your complimentary consultation using the link below to find a time that works best for your schedule.

These meetings are held over Zoom and are always complimentary and always confidential.

[Click to Schedule Your Retirement Consultation](#)



SUMMER FUN Checklist



- Watch Fireworks
- Catch fireflies
- Make s'mores
- Take a hike
- Have a picnic
- Go to the beach
- Go out for ice cream
- Volunteer
- Visit a farmers market
- Fly a kite
- Explore a new playground
- Camp in your backyard
- Go to an outdoor concert
- Go on a bike ride
- Read lots of books





Safeguarding Your Financial Future: The Vital Role of Risk Management in Financial Planning

Risk Management is a key part to safeguarding you and your family's financial future.

Picture your financial plan as a sturdy ship sailing through unpredictable waters. Without a proper strategy to navigate risks, even the mightiest vessel can succumb to turbulent seas. Therefore, understanding and effectively managing risks is paramount to securing a stable financial future.

At GNZ Financial – we are here to help you chart your course.

Risk Management Key Considerations:

1. Recognize the Spectrum of Risks:



Financial risks come in various forms, from the mundane to the catastrophic. While some risks are inevitable, others can be mitigated or even avoided with foresight and planning. Here are some common types of risks individuals face:

- Market Risk: Fluctuations in the stock market and economic downturns can significantly impact investment portfolios.
- Health and Longevity Risk: Unexpected medical expenses or outliving your savings can jeopardize financial stability.
- Property and Casualty Risk: Damage to property, theft, or liability claims can deplete assets without proper insurance coverage.
- Career and Income Risk: Job loss, disability, or industry shifts can disrupt income streams.

The goals of many people, the reasons why they work so hard, all related to F.O.R.

**Family,
Occupation,
Recreation**

These are our stories.

Upcoming Holidays (real & silly)

- June 6
National Doughnut Day
- June 11
National Corn on the Cob Day
- June 14
Flag Day
- June 15
Father's Day
- June 19
Juneteenth
- June 20
Summer Solstice





Risk Management (Continued)

2. Build a Safety Net



A robust risk management plan begins with safeguarding against the unexpected. Consider these foundational elements:

- Insurance Coverage: Adequate insurance is the bedrock of financial security. Health insurance, life insurance, disability insurance, and property and casualty insurance shield against various risks. Consider umbrella policies for added protection against catastrophic events. Regularly review policies to ensure coverage aligns with evolving needs.
- Emergency Fund: Establishing an emergency fund provides a financial buffer against unforeseen expenses or income loss. Aim to set aside three to six months' worth of living expenses in a readily accessible account.

3. Strategic Asset Allocation



Diversification is the cornerstone of mitigating investment risk. Spread investments across asset classes such as stocks, bonds, real estate, and cash equivalents to minimize exposure to any single risk factor. Rebalance portfolios periodically to maintain desired asset allocations and manage risk effectively.

For our clients, we are actively evaluating your asset allocation – please reach out if there are any current or pending major changes that might impact your plan.

4. Mitigating Other Specific Risks



Tailoring risk management strategies to address specific vulnerabilities enhances overall financial resilience:

- Health Risk: Prioritize preventive care, maintain a healthy lifestyle, and explore health savings accounts (HSAs) or flexible spending accounts (FSAs) to mitigate healthcare costs.
- Career and Income Risk: For those still in the working stage of life, invest in continuous education and skill development to remain competitive in the job market. Additionally, consider disability insurance to provide income replacement in the event of an unexpected disability.



Risk Management (Continued)



5. Regular Review and Adjustment

Financial landscapes evolve, and so should risk management strategies. Conduct regular reviews of your financial plan to assess changes in risk exposure, life circumstances, and goals. Adjust insurance coverage, emergency fund targets, and investment allocations accordingly to stay resilient in the face of shifting risks.

In conclusion, effective financial planning extends beyond mere accumulation of wealth; it encompasses prudent risk management to safeguard against life's uncertainties.

By implementing comprehensive risk mitigation strategies, you fortify your financial foundation and pave the way for a more secure and prosperous future. Remember, the journey to financial well-being begins with navigating risks wisely and you are not alone, we are here to help.



Here for You & Those Most Important to You

We are here to help.

If you or someone close to you is navigating financial uncertainty, know that you're not alone. We're here to help.

Additionally, if you should speak to someone you care about that needs help or guidance, please share our information. We will make the time to talk with them because if they are important to you, they are important to us.





Market Update

Below is a link to the monthly market video, the Trending Report.

In the video, USA Financial's leadership team shares the latest news regarding the trends in the stock market.

As a reminder, our strategy is focused on Liquidity, Safety and Growth and is tailored for your unique situation and needs. If there are big changes in your life or situation, please reach out and we can re-evaluate the best strategy for you - we care and we are here to help.

Monthly Market Update



[Click for video](#)

“Diligence is the mother of good luck.”

BENJAMIN FRANKLIN



Perspective Formula

At GNZ, we believe in planning first, investing second.

Our comprehensive financial planning is driven by our proprietary process, “The Perspective Formula.” This process is, and will continue to be, the basis of supporting your path to retirement (or enjoying retirement).





Monthly Family Recipe

BY GREG ZOTT

As a kick-off to summer, we wanted to share a delicious summer dessert, our Strawberry Rhubarb Crisp to enjoy during the season.

Save this as a new favorite.

From our kitchen to yours....

Greg



Strawberry Rhubarb Crisp

PREPARATION

- Preheat the oven to 350 degrees
- For the fruit, toss the rhubarb, strawberries, $\frac{3}{4}$ cup granulated sugar, and the orange zest together in a large bowl. In a measuring cup, dissolve the cornstarch in the orange juice and then mix it into the fruit. Pour the mixture into an 8 × 11-inch baking dish and place it on a sheet pan lined with parchment paper.
- For the topping, in the bowl of an electric mixer fitted with the paddle attachment, combine the flour, the remaining $\frac{1}{2}$ cup granulated sugar, the brown sugar, salt, and oatmeal. With the mixer on low speed, add the butter and mix until the dry ingredients are moist and the mixture is in crumbles. Sprinkle the topping over the fruit, covering it completely, and bake for 1 hour, until the fruit is bubbling and the topping is golden brown.
- Serve warm with ice cream.

INGREDIENTS

- 4 cups fresh rhubarb, 1-inch diced (4 to 5 stalks)
- 4 cups fresh strawberries, hulled and halved, if large
- $1\frac{1}{4}$ cups granulated sugar, divided
- $1\frac{1}{2}$ teaspoons grated orange zest
- 1 tablespoon cornstarch
- $\frac{1}{2}$ cup freshly squeezed orange juice
- 1 cup all-purpose flour
- $\frac{1}{2}$ cup light brown sugar, lightly packed
- $\frac{1}{2}$ teaspoon kosher salt
- 1 cup quick-cooking (not instant) oatmeal,
- 12 tablespoons ($1\frac{1}{2}$ sticks) cold unsalted butter, diced
- Vanilla ice cream, for serving



GNZ FINANCIAL

YOUR PATH TO FINANCIAL FREEDOM

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“Wealth is the ability to fully experience life.”

HENRY DAVID THOREAU

We Care and are here to help.

If you have any questions or changes in your situation, let's talk. Please call or email to schedule a meeting.



This material is not endorsed by, or affiliated with, the United States federal government, the Federal Retirement Thrift Investment Board (FRTIB), or any other government agency.

Greg Zott and Scott Hilliard are investment advisor representatives of, and advisory services are offered through USA Financial Securities, a registered investment advisor located at 6020 E. Fulton St., Ada, MI 49301. Additionally, Greg Zott is a registered representative, and securities are offered through USA Financial Securities, Member FINRA/SIPC. GNZ Financial is not affiliated with USA Financial Securities.