



Monthly Update: August 2020

Dear Clients:

Jack Bogle has notably pointed out “the stock market is a giant distraction to the business of investing.”

This is the second month in a row that we are seeing what we feel like is a meaningful recovery off of the lows.

The Month of July in Brief

Stock indexes making up the S&P 500 “SPY” and the Dow “DIA” ended the month higher than the previous month. During the month of July Industrial production increased 3%, Utilities output rose 3.3%, and Auto production increased 28.3% according to First Trust economist Brian Wesbury and Robert Stein. This is the second month in a row that we are seeing what we feel like is a meaningful recovery off of the lows and we will be monitoring this closely to see if this continues. As mentioned in our previous commentary, we are hopeful and optimistic the worst is behind us.

Major Index Data

During the month of July both stocks representing the S&P 500 (SPY) and the Dow (DIA) were up from the previous month. Bonds making up the U.S aggregate index (AGG) were also up from the previous month, however for the second month in a row have lagged the SPY and DIA. The “SPY” and “DIA” both are lagging the “AGG” for the year.

Index	Year 2020
AGG (Bonds)	6.40 %
DIA (Stocks)	-7.28 %
SPY (Stocks)	1.45 %

(Source: Bloomberg) ¹

August/September Outlook

We continue to believe that stocks likely have reached their lows during this recent down cycle seen back on March 23rd of this year. As we mentioned in our previous monthly commentary, the re-opening of the economy would likely be met with mixed reviews and opinions. We are still seeing this dominate the news cycle front and center. On a positive note, we are seeing more favorable data regarding COVID-19 and the trend of new cases. It would not surprise us to have a short period of upticks in new cases reported now that schools are starting to open up in different formats and phases around the country. We will be making some changes to our TrueWealth managed portfolios this month in anticipation of the upcoming election in November with the intent to smooth out volatility as much as we can while keeping a view that we could see a strong finish during the last two months of the year. [Continued on Next Page]

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We choose to focus on proper asset allocation per any given level of risk tolerance and believe a sound financial plan will help you to achieve your goals.

We think risk, as usual, will continue to exist in the market this year and volatility is likely to increase. We will continue to monitor this. It is our philosophy not to chase performance which tends to increase risk. We choose to focus on proper asset allocation per any given level of risk tolerance and believe a sound financial plan will help you to achieve your goals. If it has been a while since we have reviewed your plan, we recommend you schedule an appointment for a review. We appreciate the opportunity to serve you. Our goal is building your wealth and provide you the peace of mind to know you can achieve your financial goals!

Thanks,

Jason Sims • David Fleming • Paul Marks CFP®, CRPS • Van Sievers CFP®, CPA • Daniel Jones, CFP®, CRPC®

Citations.

1 - Source: Bloomberg

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