TRUEWEALTH ADVISORS, LLC
ADVICE WITH A HIGHER PURPOSE

MONTHLY UPDATE

Dear Clients:

According to John Maynard Keynes, ***"There is a danger of expecting the results of the future to be predicted from the past."***

The First 6 Months in Brief

So far, 2018 has been a year of inconsistencies. Corporate earnings growth has been strong; however, stock prices have been stuck in a one-step-forward, one-step- back mode. Economic growth in the U.S. is accelerating and inflation is rising, yet bond yields remain historically low. Wage growth is also struggling to move higher while unemployment falls to its lowest level in 50 years and the Federal Reserve continues to raise interest rates. The political environment (both in the U.S. and around the world) remains uncertain, however the financial market fundamentals still look good. Despite this disconnect, the long-term outlook still looks hopeful for economic growth and for equities. We don't believe this bull market is ending anytime soon.

Major Index Data

During the month of June, it was a positive one overall for stocks representing the S&P 500 (SPY) and not the case for stocks making up the Dow (DIA) and bonds making up the U.S aggregate index (AGG) as those were down slightly. The "SPY" is up year to date and the "DIA" and "AGG" are both down year to date.

Index	Year 2018
AGG (Bonds)	- 1.62 %
DIA (Stocks)	- 0.73 %
SPY (Stocks)	2.65 %

(Source: Bloomberg)[1]

July Outlook

We still believe we are in a range bound market for now. We do not expect much change until we get through the Summer months and the political landscape becomes a little clearer with midterm elections in the fall. We are evaluating fixed income positions (bond holdings) and prefer actively managed fixed income over passive as we mentioned in last month's commentary. It is likely we will be looking for more active strategies going into the fall to replace some equities (stock) positions that are relatively passive. We believe equites will outperform bonds this year. However, it will require a more active style of management long term going forward.

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. We recommend strategies such as using fixed and indexed annuities, and short-term bonds as ways to reduce risk and portfolio volatility for more conservative investors. We appreciate the opportunity to serve you. Our goal is building your wealth and controlling your risk!

Thanks,

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Citations: 1 - Source: Bloomberg