

Travel By Sandy

One of my favorite topics to talk with clients about is travel. I love to hear which country they plan on visiting, which tour company, airline, and airports they are going through. I recently traveled 11k miles to Madagascar. It is the fourth largest island in the world and lies off the east side of Africa. My trip home took 24 hours of actual flight time and 33 hours of total travel time in four airports. When I do a trip like this to a third world country, I am beyond thankful for the many things we tend to take for granted. Children flocked to us and the main item they wanted was a plastic water bottle so they could carry water with them to school. We walked through villages with a central pump well where the women were filling jugs of water to take back to their huts made of bamboo, mud or sticks and palm leaves.

Continued on page 2...



Baobab Trees

Sandy with Lemurs

Market Review By Carol

The S&P 500 ended the first half of 2023 at a 14-month high and most major stock indices logged solid gains in the second quarter following a pause in the Fed's rate hike campaign, stronger-than-expected corporate earnings and the relatively drama-free resolution of the debt ceiling.

The second quarter of 2023 saw an acceleration of the tech sector outperformance, as "AI"(Artificial Intelligence) enthusiasm drove several mega-cap tech stocks sharply higher. From an investment style standpoint, growth outperformed value again in the second quarter, continuing the sharp reversal from 2022. On a sector level, eight of the 11 S&P 500 sectors finished the second quarter with positive returns. As was the case in the first quarter, the Consumer Discretionary, Technology, and Communication Services sectors were the best performers for the quarter. The surge in many mega-cap tech stocks such as Amazon (AMZN), Apple (AAPL), Alphabet (GOOGL), Meta Platforms (META), and Nvidia (NVDA) drove the gains in those three sectors, and they handily outperformed the remaining eight S&P 500 sectors. Industrials, Financials, and Materials saw moderate gains over the past three months, thanks to rising optimism regarding a "soft" economic landing.

Continued on Page 2...

Chapman 2023 Forecast By Erin

I recently attended the 2023 Chapman University's economic forecast which has been the most accurate, for the last 17 years, in the US at predicting GDP(Gross Domestic Product). The first quarter of 2023 surprised the consensus of forecasters when Real GDP increased 1.5% while most had predicted a negative 0.4%. Chapman's forecasted a 1.1% increase which was an outlier but ended up being the closest to the first quarter's Real GDP.

For the last half of 2023, Chapman is forecasting a mild recession with Real GDP turning negative and bottoming out in the 3 quarter with a decline of about 5%.

The three biggest factors influencing Chapman's forecast of a recession are:

Job Growth: has been growing on monthly basis in 2023 but on an annual basis it is down 5%.

Gross US Income: is declining due to corporate profits being down which has preceded every recession since the 1950s.

Money Supply: The Fed is tightening the money supply. While they are aiming to slow the economy without inducing a recession, it would be the first time in history if the Fed pulled off a "soft landing".

Continued on page 2...

The following are the market returns as of June 30, 2023, YTD and one year. Please note, each client's portfolio is individually constructed, and the benchmarks are presented as a comparison tool.

Benchmarks:	YTD June 2023
60% Equity/40% Fixed	6.57%
50% Equity/50% Fixed	6.48%
40% Equity/60% Fixed	4.61%
US Agg Bond	0.99%
S&P	15.91%
DOW	3.80%
iShares (EFA)Foreign	10.45%
Benchmarks:	June 2022- June 2023
60% Equity/40% Fixed	7.48%
50% Equity/50% Fixed	5.64%
40% Equity/60% Fixed	3.81%

Market Review By Carol Continued...

Traditional defensive sectors such as Consumer Staples and Utilities declined slightly over the past three months, as resilient economic data cause investors to rotate to sectors that would benefit from stronger than expected economic growth. Energy also posted a slightly negative return for the second quarter due to weakness in oil prices.

Money Market funds, short-term CDs and Treasury Bills/Bonds have not changed much since last quarter and are paying 4-5% interest.

Travel By Sandy Continued...

When we tried to get home, multiple flights were canceled and not flying again for days, airlines moved flight times by many hours, causing missed connections, and every single flight of my group was delayed. If you have summer or fall travel plans, are you protected against travel disruption? Check the travel protection benefits your credit card or airline offer. Costco now offers travel insurance through Zurich. Will the insurance cover weather related delays or cancellations? That varies by carrier. Travel light and try to not check luggage. (I cannot do this) Without a checked bag, you can quickly get on another flight without worrying if the connection time is tight or flight is cancelled. I advise putting a tracking device such as an Apple AirTag in each bag. I always take a carry on with three days' worth of clothes and things that cannot be easily replaced in the new country, like my swimsuit and prescription goggles. The iPhone camera is so good now, this trip is the last one where I will take my big DSL camera and lens.

TD Ameritrade's Transition to Schwab: FAQs by Melani

When will the transition occur? Over Labor Day weekend.

What is needed from me for my accounts to transition to Schwab?

Nothing, the transition will happen automatically. No action or paperwork is needed from you.

Will my account number(s) change? Yes, you will receive a new 8-digit Schwab account number for each account you have.

What will happen to my advisorclient.com online account? When you log in to your online account you will be directed to set up a new Schwab Alliance account. In most cases your username and password should remain the same. If not, you will be instructed on how to set new credentials up.

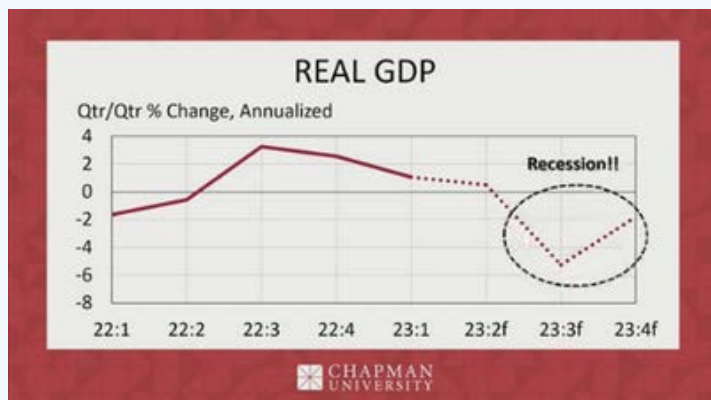
Will I have access to my account history and documents? Yes, account history, statements and tax documents will be accessible for up to 10 years on Schwab Alliance.

What if I have an existing Schwab Alliance online account at Schwab? Your online accounts should automatically link with the account(s) transferring to Schwab based on the account having the same social security number.

Will I still have access to cash withdrawals the same way as TD Ameritrade? If you have the cash available, then we will still be able to send the money to your account by the next business day. If not, and we need to make cash available by selling a position in the account, then it will take up to three business days for us to be able to make the distribution. It will be very important for you to give us plenty of time if you need a distribution for us to get it to you as soon as possible.

Chapman 2023 Forecast By Erin Continued...

Chapman's forecast emphasized that commercial real estate loan defaults are the biggest risk to the US economy right now as they are twice the size of the subprime loan that triggered the Great Recession that began in 2008. If defaults are much larger than expected, a more severe recession could ensue. While stock market performance tends to be predictive of economic activity, Chapman warned that this year's stock market gains are misleading as 85% of the positive returns came from only 7 stocks.



Save the Date
2023 Annual Gail Moreno Memorial
Golf Tournament
Friday, September 22nd

Fun fact: Jet lag feels worse traveling from west to east. Traveling from east to west makes the day longer, making it easier for your brain to adapt.