



# tempus tidings

2ND QUARTER 2019

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*Spring has finally arrived, and I am certainly enjoying the warmer, longer days!*

*This edition of Tempus Tidings includes our market and economic update with a focus on the late-March yield curve inversion.*

*Tempus University provides a refresher on account statements and online account access.*

*If you have not yet visited our new website, please do! We have several enhancements planned and I am happy to announce the first for this year: Economic and Market Risk Meters, which are located on the resources page and updated monthly!*

*Please bookmark [www.tempusadvisory.com](http://www.tempusadvisory.com) for quick access and check the site often!*

*As always, please call the office at any time with questions or concerns and I sincerely thank you for being a part of Team Tempus!*

*Brittany*



# PRACTICE UPDATES

## New Team Tempus Member

We are so excited to announce the arrival of Amanda's first child, **Everly Grace Bolinger**, born on April 23, 2019. Everly, Amanda and her husband are all doing well and enjoying their new life together!



## Tempus Goes Green 2019

An important initiative of Tempus Advisory Group is to reduce paper waste wherever possible. Aside from our internal operational efforts, you will also play an important part in achieving our goals. As you already know, the first contribution to this effort is moving Tempus Tidings from paper to digital-only by publishing each quarterly edition to our website resources page. We will notify you via email when the newsletter is available. If you decide you would still like to receive a paper copy via US mail, please contact the office and let us know.

The next area of focus will be the paper statements you receive directly from Tempus Advisory Group. Our goal is to reduce the number we produce by at least 50% by year-end and we need your help! To achieve this outcome, we will spend about 5 to 10 minutes of your next meeting establishing Tempus online account access. We will walk through the site to show you how to access your account information, performance, and statements. To reiterate, this is the consolidated (household) statement created and generated by Tempus Advisory Group, which we are covering in detail in Tempus University.

Lastly, we are excited to announce we are currently working with Mid Atlantic to incorporate an improved and streamlined paperless account opening process, which will hope to launch between Q4 2019 to Q1 2020. Although, this change will not impact existing clients in any way, it will reduce our paper waste tremendously going forward!

## Mid Atlantic

We recently completed our annual review with Mid Atlantic in which we met with various departments and leadership to discuss topics ranging from asset management, money movement, cashing, to operations. We are very pleased to share that Mid Atlantic is committed to continuous improvement and has invested heavily in cyber security, technology, and infrastructure over the past year, with more in the pipeline, to enhance the advice and service we provide to you! However, our most important takeaway was the confirmation that partnering with Mid Atlantic was the right choice for our clients. We are confident in the Mid Atlantic team and look forward to the future!

# MARKET AND ECONOMIC UPDATE

**Summary:** Year-to-date, as of 3-31-2019, the S&P 500 Index returned 13.65%, the US Aggregate Bond Index returned 2.94% and the MSCI EAFE (global index) returned 12.18%. Given the overall equity rally, as expected, the VIX (volatility index) declined steadily over the quarter closing at 15.71. In a January 30 press release, the Fed appears to have transitioned to a dovish stance by declaring they expect to maintain or slowly adjust rates over 2019, a sentiment well-received by equity markets. Despite the return to strong equity performance, a yield curve inversion near the end of March stoked recessionary fears as media outlets opined on the significance and impact. We will explore this further to provide a better understanding of what it means and what to expect.

**Fixed Income:** In late March, we saw the 90-day Treasury yield drop below the 10-year Treasury yield for the first time during the current economic expansion. This phenomenon is referred to as a "yield curve inversion" and has preceded every recessionary environment in modern times. However, this yield curve inversion was short-lived and recovered in early April. As global buying pressure on high quality bonds and 10-year Treasury continued into May, we watched as the yield curve inverted for a second time. Although for many investors a yield curve inversion sparks fear of a recession, this data is remarkably different. When we pair the Federal Reserve's activity of raising short-term rates, with the downward pressure of global demand on long-term rates, we do not feel that the recent yield-curve inversions warrant a high risk of recession in the next 6-12 months. If additional portions of the yield curve invert, such as the 2-year and 10-year Treasury yields, then we will have a greater cause for concern. The Federal Reserve has stated that they do not anticipate raising short-term rates soon, which could help provide room for long-term rates to remain attractive for both domestic and foreign investors.

**Equities:** After a strong start to 2019, the S&P 500 incurred its first bout of volatility in May. Much of the pullback has been attributed to heightened fears of a renewed battle in the ongoing trade dispute between the US and China. In prior month's economic updates, we stated that it would be reasonable to anticipate some volatility as the S&P 500 surged nearly 20% from its December 2018 low into new all-time highs in late April and into early May. When we look at the S&P 500 going back to 1990, we can see that 5% corrections occur a little more than three times per year on average (1). Therefore, we remain cautious in the near-term as pullbacks are commonplace in the stock market. However, there are many positive indicators in the market that can potentially pick stocks back up from being slashed down. Some of these indicators include but are not limited to S&P 500 companies beating lowered profit expectations, labor markets remaining tight, inflation hovering at -2%, GDP holding steady, and the Federal Reserve continuing its accommodation to the economy.

**Economic:** On March 10th, U.S. Representative Robert Lighthizer released a statement which announced the US' formal intent to raise tariffs on \$200 billion worth of goods from 10% to 25% (2). The announcement follows the January 1, 2019 deadline which was extended into March, and then extended further on into May as trade negotiations seemed to be making progress between the two governments. Due to the potential for tariffs to negatively impact American companies as well as economic growth domestically and worldwide, many are hopeful that previous meetings do not lose their momentum towards a resolution between the two parties. When it comes to trade tariffs, enforcement of rules and deadlines can be as important as the agreements themselves. Therefore, we view the tariff announcement as a signal that the US is serious about their deadlines which may encourage the Chinese to continue the course of resolution at its next big opportunity in June at the G20 meeting in Japan. Overall, the US economy continues to look healthy as productivity, payroll, and wages signal a strong labor market. Consumer spending is responsible for nearly two-thirds of the US GDP (3). Labor market strength has been at the center of the current economic expansion, and an increase in productivity is helpful for companies as wages and job creation expands at a healthy rate.

**Looking Ahead:** Trade agreements between the US and China are back in the spotlight, and we are hopeful for a resolution between China and the US in the coming months. Many leading economic indicators show that the US is in a healthy economic condition (4). Moving into the latter half of Q2, we will keep an eye on labor markets and business sentiment as a helpful read on the current business cycle. Equities may see some consolidation in price in the near term; however, when we contrast with the historical performance of the market, spouts of volatility should be expected as commonplace.

**Bottom Line:** The beginning of 2019 saw historic performance for S&P 500 returns which eclipse previous all-time highs from 2018. Headwinds for continuing the S&P's upward trajectory include but are not limited to uncertainty surrounding trade. Whereas tailwinds are being provided by a strong labor market, an accommodative Federal Reserve, and low expectations for profit and earnings growth. We believe volatility could continue in the near-term until trade issues are resolved. Overall, we do not anticipate a recession in the US economy during the next 6-12 months.

(1) <https://i10.wp.com/lplresearch.com/wp-content/uploads/2019/05/SP-500-5-Corrections-Per-Year.png?ssl=1>

(2) [https://ustr.gov/sites/default/files/enforcement/301Investigations/May\\_2019\\_Proposed\\_Modification.pdf](https://ustr.gov/sites/default/files/enforcement/301Investigations/May_2019_Proposed_Modification.pdf)

(3) [https://www.stlouisfed.org/publications/regional\\_economist/january-2012/dont-expect-consumer-spending-to-be-the-engine-of-economic-growth-it-once-was](https://www.stlouisfed.org/publications/regional_economist/january-2012/dont-expect-consumer-spending-to-be-the-engine-of-economic-growth-it-once-was)

(4) <https://www.conference-board.org/data/bcicountry.cfm?cid=1>

## Active Asset Management Update

**Asset Allocation:** As of the April 30 month-end calculations, there were minor changes to the Tempus Researched strategies, reflective of the Fed's likelihood of holding interest rates steady. There were no changes to the Tempus Smart Growth strategies, and all remain in their most aggressive positioning. We have elected to hold all Managed Risk strategies in their targeted risk neutral positioning until the first quarter 2019 earnings season ends. We expect to adjust these strategies to incorporate more equity risk effective with the May month-end calculations.

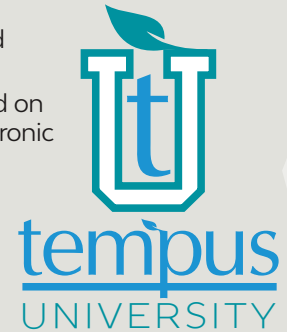
For more information, please check out our website's "Strategy Spotlight" blog series where we briefly unpack and reintroduce our quantitative asset management solutions.

## A Review of Mid Atlantic Trust Company Accounts

This short course is intended to provide clarity regarding Tempus accounts held with Mid Atlantic Trust Company. Specifically, addressing recent client feedback regarding the confusion that arises when Mid Atlantic sends email notifications regarding your Mid Atlantic statement(s) along with difficulties accessing your accounts online. Before diving in, we apologize for any inconvenience or frustration you have experienced and hope this information helps clarify any lingering confusion. Please call the office to discuss any additional questions or concerns you may have.

### Course Summary

- We recommend that you ignore all email communications from Mid Atlantic.
- As the custodian of your assets, Mid Atlantic is required to provide statements, which cannot be suppressed.
- Tempus Advisory Group provides a consolidated (household) statement and online access experience which are preferred.
- You receive account statements directly from Tempus Advisory Group based on the preferences you selected at account opening (paper via US Mail or electronic statements via email).
- If you are unsure how to access your accounts online, please review the details that follow.



### Background

If you provided an email address when you opened your account with Mid Atlantic, you received two emails from "matcadmin@macg.com" The first email explained that you are authorized to access Mid Atlantic's website and included a user id along with a link to the site: <https://securelogin.macg.com/>. The second email provided a temporary password. Upon entering the user id and temporary password, you were prompted to change the password.

From that point on, you receive email notifications from "matcadvisorsupport@macg.com" informing you that your monthly statement is available and includes the link to log into Mid Atlantic's site to view your statement. To do so, you need the user id initially provided by Mid Atlantic and the password you created discussed above.

Although you are welcome to utilize Mid Atlantic's site and access per the process detailed above, we do not recommend doing so given Tempus Advisory Group provides superior streamlined statements and online access.

### Mid Atlantic Account Statement

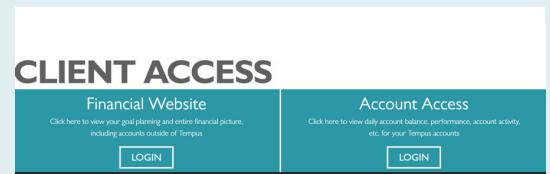
This statement is designed, produced, and distributed by Mid Atlantic Trust Company on a monthly basis. When the statement is available, you receive an email from "matcadvisorsupport@macg.com" with the following subject line: "Statement Published for Account: TMPXXXXX From: 03/01/2019 To: 03/31/2019" and the body of email contains a link to access the statement. Mid Atlantic does not provide a consolidated (or household) statement, they are produced on a per account basis.

### Tempus Account Statement

This statement is designed, produced, and distributed by Tempus Advisory Group on the frequency of your choosing, either monthly or quarterly via email or US Mail. Tempus created this statement in order to provide a wholistic and simplified view of all accounts. The data (accounts, holdings, values, etc.) contained in your Tempus statement feeds directly from Mid Atlantic Trust Company. We do not create or calculate any data points.

### Tempus Account Online Access

Tempus Advisory Group provides online access via our website, located on the home page under the "Client Access" section. This is the same site we utilize to review and service your account as part of our daily operations. We offer each client the option to access the site and typically assist in creating a user id and password during the first meeting after your accounts are established or any other time by request. One important thing to keep in mind: after establishing your user id and password, you must login to the site at least once every 180-day period to avoid having your access suspended. We apologize for any inconvenience this has likely caused; however this feature serves to provide an additional layer of security to protect your sensitive information.



### Action Items

- 1 Mid Atlantic Statement Notification Email**
  - Ignore these going forward by deleting them immediately from your inbox.
- 2 Tempus Account Statement**
  - You will continue to receive these directly from Tempus based upon the options you selected. You can change this at any time by emailing Amanda at [Amanda@tempusadvisory.com](mailto:Amanda@tempusadvisory.com)
- 3 Tempus Online Account Access**
  - As previously discussed, we will spend a few minutes of your next meeting to establish online access or trouble shooting if you are having access issues. In the meantime, feel free to email Lindsay at [Lindsay@tempusadvisory.com](mailto:Lindsay@tempusadvisory.com) and she will schedule a quick 5-minute phone call to establish a user id and password.

### Conclusion

We hope this information has been helpful to clarify the confusion and establish the connection to our Go Green 2019 campaign. By working together, we can establish online access so you can monitor your accounts at your convenience in addition to retrieving your Tempus Account statement, which helps reduce paper waste. In the meantime, if it is your current preference, we will continue to produce and deliver paper statements until you are comfortable making the transition to paperless.



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## TASTES OF TEMPUS

If you have a recipe you would like to share, we want to feature it here. Please email your recipe to [info@tempusadvisory.com](mailto:info@tempusadvisory.com).

### Sesame Crunch (Submitted by Jeri Millvan)

Prep Time 10 Minutes | Cook Time 12 Minutes | Ready in 35 Minutes

#### Ingredients

½ cup coarsely chopped almonds  
¼ cup white sesame seeds  
1 teaspoon ground coriander  
1 teaspoon sugar  
1 teaspoon Kosher salt  
1 teaspoon freshly ground pepper  
1 tablespoon whisked egg white  
(from 1 large egg)

#### Directions

- 1 Preheat oven to 350.
- 2 Combine almonds, sesame seeds, coriander, sugar, salt, pepper in a bowl. Add egg white and stir to combine. Spread mixture into a single layer on a rimmed baking sheet.
- 3 Roast, stirring once, until golden and crunchy, about 12 minutes. If sticking to pan, scrap up with a spatula then let cool completely. Crunch can be stored in an airtight container at room temp for up to 1 week.

## UPCOMING EVENTS

Check out our events for this year. If any appeal, please be sure to let our office know so we can reserve your spot!

### Description

### Date

### Time

### Location

Elder Care/Asset Protection Educational Workshops

July 25, 2019  
November 13, 2019

2PM & 6PM

The Crane Room

*We will be hosting joint workshops with one of our trusted colleague attorney groups, Sechler Law Firm. We will have two sessions on each day at 2:00 PM and 6:00 PM at the Crane Room. If you would like to attend please email Amanda at [amanda@tempusadvisory.com](mailto:amanda@tempusadvisory.com).*

Tempus Client Appreciation Event

Saturday, late August, early September

Tempus Office

*We are currently planning our third bi-annual appreciation event! More details to follow, in the meantime, mark your calendars to save the date!*