AZTEC FINANCIAL GROUP LLC

Financial Strategies
For Your Future

June Newsletter

Hello Eric,

The S&P 500 Index has experienced one of its greatest short-term rallies ever, up more than 30% from the March 23 lows at its recent peak. Based on historical trends, we anticipate a warranted correction in stocks over the coming months.

All major S&P 500 bear markets in the past 60 years had a significant bounce off the market lows, followed by a correction of about 10% on average before another surge higher. Based on this historical trend, a market correction of 8–12% after the recent big rally may be likely over the coming months.

The pain from this recession is impacting all of us, but better times are coming. I am here to discuss any of your financial concerns, changes, and goals.

Please give me and my team a call anytime, (603) 343-4515
or email: Info@AztecFG.Com to set up an appointment.

Only 8% of the world's currency is in physical money.

We live in a digital world, so it's no surprise that only 8% of all the "money" around the world is physical cash. But no need to rush the bank. The digital dollars in your checking and savings account are as real as the cash in your pocket.

https://www.supermoney.com/20-absurd-facts-about-money/

Events & Resources

Seven Stages

Art 'Round Town

Shakespeare Company

Each 90-minute rendition of William Shakespeare's plays will be performed in real time by actors across the US and UK, allowing the actors to collaborate remotely.

Date: Monday Jun 1, 5:00 p.m. & every Monday, Wednesday and Friday on YouTube or at:
http://shakespearehappyhours.tv/

More Information

Downtown Portsmouth celebrates its inspired, intimate urban community by presenting its Art 'Round Town gallery walk. New work, libations, and more!

Date: Friday Jun 5, 5:00 p.m.–8:00 p.m.

The FIRST FRIDAY of every month, from 5 to 8pm (year round!)

More Information

Food for the Body, Food for the Soul

- **Live Streamed Cooking Demonstration**
- **African Drumming Live Streamed**
- **A Virtual Concert**
- **A Virtual Community Dialogue Featuring Special Guest Adrian Miller**

Juneteenth is the oldest known nationally-celebrated event commemorating the end of slavery in the United States.

Date: June 18 @ 3:00, June 19 @ 1:00 & 7:00 PM and 20 @ 10:00 AM 2020

More Information

Seacoast SCORE Workshop: Recruiting, Hiring & Managing Workshop

This is a FREE workshop!
We will focus on key aspects of human resources that a business owner needs.

We will also talk through how to decide if you need employees, how to write a job description, where to find candidates, how to interview, and how to train and manage employees.

Date: Wednesday Jun 3, 2020 1:00 PM - 4:00 PM

More Information

A Decision Not Made Is Still a Decision

Whether through inertia or trepidation, investors who put off important investment decisions might consider the admonition offered by motivational speaker Brian Tracy, “Almost any decision is better than no decision at all.”[1]

This investment inaction is played out in many ways, often silently, invisibly and with potential consequence to an individual’s future financial security.

Let’s review some of the forms this takes.

Your 401(k) Plan

The worst indecision may be the failure to enroll. Not only do nonparticipants sacrifice one of the best ways to save for their eventual retirement, but they also forfeit the money that any employer matching contributions represents. Not participating holds the potential to be one of the most costly indecisions one can make.

The other way individuals let indecision get the best of them is by not selecting the investments for the contributions they make to the 401(k) plan. When a participant fails to make an investment selection, the plan may have provisions for automatically investing that money. And that investment selection may not be consistent with the individual’s time horizon, risk tolerance, and goals.

Under the SECURE Act, in most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 72. Withdrawals from your 401(k) or other defined contribution plans are taxed as ordinary income, and if taken before age 59½, may be subject to a 10 percent federal income tax penalty.

Non-Retirement Plan Investments

For homeowners, “stuff” just seems to accumulate over time. The same may be true for investors. Some buy investments based on articles they have read or based on the recommendations of a family member. Others may have investments held in a previous employer's 401(k) plan.

Over time, we can end up with a collection of investments that may have no connection to our investment objectives. Because of the dynamics of the markets, an investment that may have once made good sense at one time may no longer be advantageous today.

By not periodically reviewing what we own, which would allow us to cull inappropriate investments – or even determining if the portfolio reflects our current investment objectives – we are making a default decision to own investments that may be inappropriate.

Whatever your situation, your retirement investments require careful attention and may benefit from deliberate, thoughtful decision-making. Your retired self will be grateful that you invested the time, today.

1. Brainy Quote, 2020

The Cost of Procrastination

Some of us share a common experience. You're driving along when a police cruiser pulls up behind you with its lights flashing. You pull over, the officer gets out, and your heart drops.

"Are you aware the registration on your car has expired?"

You've experienced one of the costs of procrastination. Procrastination can cause missed deadlines, missed opportunities, and just plain missing out.

Procrastination is avoiding a task that needs to be done—postponing until tomorrow what could be done today. Procrastinators can sabotage themselves. They often put obstacles in their own path. They may choose paths that hurt their performance.

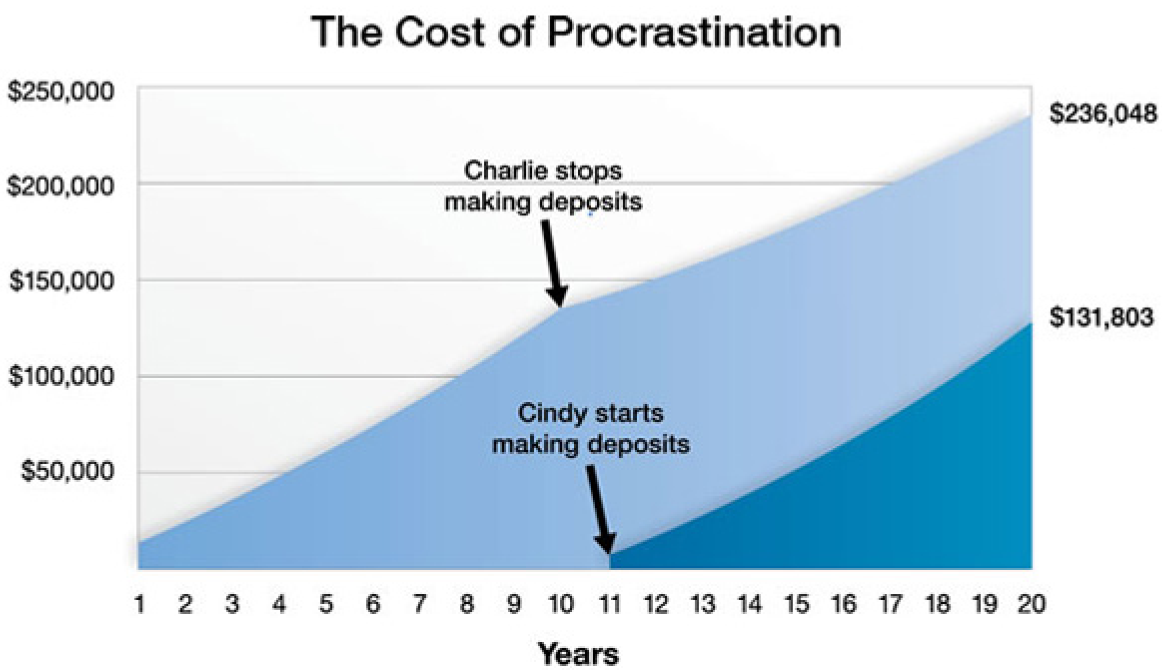
Though Mark Twain famously quipped, “Never put off until tomorrow what you can do the day after tomorrow.” We know that procrastination can be detrimental, both in our personal and professional lives. Problems with procrastination in the business world have led to a sizable industry in books, articles, workshops, videos, and other products created to deal with the issue. There are a number of theories about why people procrastinate, but whatever the psychology behind it, procrastination potentially may cost money—particularly when investments and financial decisions are put off.

As the illustration below shows, putting off investing may put off potential returns.

If you have been meaning to get around to addressing some part of your financial future, maybe it’s time to develop a strategy. Don’t let procrastination keep you from pursuing your financial goals.

Early Bird

Let’s look at the case of Cindy and Charlie, who each invest $100,000.



Charlie immediately begins depositing $10,000 a year in an account that earns a 6% rate of return. Then, after 10 years, he stops making deposits.

Cindy waits 10 years before getting started. She then starts to invest $10,000 a year for 10 years into an account that also earns a 6% rate of return.

Cindy and Charlie have both invested the same $100,000. However, Charlie’s balance is higher at the end of 20 years because his account has more time for the investment returns to compound.

This is a hypothetical example of mathematical compounding. It’s used for comparison purposes only and is not intended to represent the past or future performance of any investment. Taxes and investment costs were not considered in this example. The results are not a guarantee of performance or specific investment advice. The rate of return on investments will vary over time, particularly for long-term investments. Investments that offer the potential for high returns also carry a high degree of risk. Actual returns will fluctuate. The type of strategies illustrated may not be suitable for everyone.

Types of Stock Market Analysis

There is no shortage of analysis for anyone interested in investing. A search for the term “stock market analysis” turned up 585 million results on Google and well over 55 million Yahoo.[1]

The majority of stock market analysis can be lumped into three broad groups: fundamental, technical, and sentimental. Here’s a close look at each.

Fundamental Analysis

The goal of fundamental analysis is to determine whether a company’s future value is accurately reflected in its current stock price.

Fundamental analysis attempts to estimate the value of a particular stock based on a variety of factors, such as the current finances of the company and the prevailing economic environment. Fundamental analysis also may include speaking with a company’s management team and assessing how the company’s products are received in the marketplace.

When a fundamental review is complete, the analyst may decide the stock is an attractive opportunity because the market has underestimated its future prospects. The analyst also may determine the stock to be a “hold” or a “sell” if the value is fully reflected in the price.

Technical Analysis

Technical analysts evaluate recent trading movements and trends to attempt to determine what’s next for a company’s stock price. Generally, technical analysts pay less attention to the fundamentals underlying the stock price.

Technical analysts rely on stock charts to make their assessment of a company’s stock price. For example, technicians may look for a support level and resistance level when assessing a stock’s next move. A support level is a price level at which the stock might find support and below which it may not fall. In contrast, a resistance level is a price at which the stock might find pressure and above which it may not rise.

Sentimental Analysis

Sentimental analysis attempts to measure the market in terms of the attitudes of investors. Sentimental analysis starts from the assumption that the majority of investors are wrong. In other words, that the stock market has the potential to disappoint when “masses of investors” believe prices are headed in a particular direction.

Sentiment analysts are often referred to as contrarians who look to invest against the majority view of the market. For example, if the majority of professional market watchers expect a stock price to trend higher, sentiment analysts may look for prices to disappoint the majority and trend lower.

Which approach is best? There is no clear answer to that question. But it’s important to remember three things: Past performance does not guarantee future results, actual results will vary, and the best approach is to create a portfolio based on your time horizon, risk tolerance, and goals.

Keep in mind that the return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost.

1. Searches conducted January 8, 2019

At AZTEC Financial Group, we help individual, families, business owners and employees manage their financial goals through a comprehensive wealth management process.

Visit Our Website

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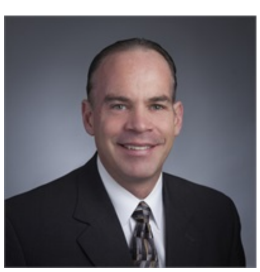

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Our Team

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