QUARTERLY NEWSLETTER • VOL. 3

FREEDOM STREET
PARTNERS

ALONG FREEDOM STREET

FROM THE EXECUTIVE TEAM

As the song goes, *summertime and the livin' is easy*. We are excited to kick off the summer months and share the latest updates from our office. Summertime means that kids are gladly welcoming the time off from school and recent graduates are thinking and planning for their futures. Many of us, like you, are anticipating some time off to enjoy the warmer weather at our local beaches in Virginia and North Carolina and spend time visiting with family and friends.

Historically there is less trade volume during the summer months as investors – both retail and institutional – take time away from the office. In addition to updates from across our team, you'll find more commentary on the market conditions from Sean Flynn, our senior investment strategist, in this quarter's newsletter.

Growth and Community Events

Our team has kept busy since we last checked in.

National: A few of the advisors and support staff attended the 2019 Elevate National Raymond James Conference. We're proud to share that some of our team members were key speakers at the event.

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Local: We continue to host our client events in both Chesapeake and Suffolk. Be sure to look for pictures from our most recent events at the end of the newsletter.

Our offices:

- Chad Rushing hosted the grand opening of his new office in Pinckneyville, IL. It was a well-attended affair with many clients, friends, and community leaders who visited the new building located in the center of town.
- Brian Elms and Courtney Williams moved into our new Charlotte, NC location. The office is in the South Park area of Charlotte with easy access to food, shopping, and culture. The grand opening will be on August 1.

#VBSTRONG

We are always grateful to our community for the support we receive from our neighbors, friends, and families. During this especially difficult time, we would like to offer our condolences, prayers, and thoughts to those who lost their lives and the families and friends who grieve for their loved ones. The Hampton Roads area is a loving and caring community, which will continue to look to each other for strength during this time of healing.

Upcoming Events

JULY

Online Social Security Workshop

The workshop is a great way to get information from the comfort of your own home. Topics will include:

- When to file
- How to maximize benefits for you and your spouse
- Medicare questions and more

Please contact your financial advisor if you would like to participate as space is limited.

SEPTEMBER

Town Halls

Our monthly Town Halls will kick off again in just a few months. We will post the dates on our website www.freedomstreetpartners.com. This forum is an excellent opportunity for timely updates from our advisors on a variety of topics.

OCTOBER

Semi-Annual Market Updates

In addition to our in-person meetings in Chesapeake and Suffolk, our clients can also attend a virtual version of the meeting from the comfort of their home via GoToMeeting. Additional details about registration, dates, and locations will be shared later this summer.

EMPLOYEE SPOTLIGHT

ELIZABETH ROBINETTE • SENIOR OPERATIONS ADMINISTRATOR

We're excited to introduce you to Elizabeth Robinette from our Pinckneyville, IL office.

Elizabeth previously worked in management and administrative roles within the medical industry before joining our team a little over a year ago as Chad Rushing's senior operations administrator. She is responsible for all the administrative functions in the Pinckneyville office. Elizabeth is the first person that folks see when they walk in or call the office.

Elizabeth enjoys working with people and taking care of them, so a career in the financial industry felt like a natural fit for her. "Our clients have different things that happen in their lives. Some days they need someone to talk to and share their feelings with. I love that I can be that person for them," said Elizabeth.

On a personal note, Elizabeth is married to "her best friend and the love of her life," Nathan, whom she met while she was in college. They have two miniature Schnauzers, Oliver Harrison and Sophia Kate, who are spoiled and loved by her and Nathan.

Elizabeth and Nathan are avid travelers. Maui holds a special place in her heart, but she and Nathan plan to travel to Italy this winter and Maui may move to second place soon since Elizabeth's favorite food is pizza!

Outside of the office, Elizabeth is one of the leaders of the Women's Inspire team for a local organization. The organization plans inspirational and motivational events each year that are attended by hundreds of women.

If you've ever worked with Elizabeth, you know that she always makes sure that tasks and projects are not only completed on time but also done well. She credits her success to the support she's received from friends and family throughout her career. We are fortunate to have Elizabeth on the FSP team! ✦

TOP U.S. LAKE DESTINATIONS

Fourth of July weekend – a holiday to celebrate our freedom and independence. It has also become a holiday for backyard cookouts and getting out on the water. In that regard, the U.S. is blessed with myriad lakes that can be enjoyed all summer long.

Lake Michigan

Touching four states, Lake Michigan has more than 1,600 miles of shoreline and the most beaches of any lake in the country. From the popular urban beaches of Chicago -- you'll never run out of things to do on Oak Street Beach or North Avenue Beach -- to the giant dunes found in Indiana, Michigan and Wisconsin to idyllic islands, Lake Michigan has something for those who want to be in the heart of action and those looking to get away from it all.

Lake Tahoe

With clear water and a ring of mountains all around, Lake Tahoe is first and foremost a feast for the eyes. It has plenty to offer your other senses, too, serving as a playground for skiing and other winter sports during cold months and for parasailing and other water sports when the weather turns warm. Elevated hiking and biking trails offer spectacular views, and casinos on the Nevada side of the lake provided entertainment year-round.

Table Rock Lake

While nearby Lake of the Ozarks may be more well-known, Table Rock in the Ozarks of southwestern Missouri and northwestern Arkansas has all the fun without the crowds. Stonewater Cove Resort provides miles of trails for hiking or ATV rides, ziplines, canoes, kayaks, water skiing, sunset cruises and just about anything else you can think of for a perfect day out on the lake. Head into nearby Branson to catch any of a number of country music shows or take the family to the Silver Dollar City theme park.

Lake Champlain

The history here is unparalleled, with Lake Champlain playing a key role in the Revolutionary War and the War of 1812. Visit Fort Ticonderoga and Crown Point on the New York side for an education in history or search for "Champ" the lake monster to indulge your thrill-seeking side. The Moonlight Lady replicates ships from the 1920s that frequented the lake and offers multi-day cruises for exploring the area.

Lake Powell

With more coastline than California and famed for slot canyons, it's easy to find a secret spot on Lake Powell for kayaking or stand-up paddle boarding. Rainbow Bridge on the Utah side is one of the world's biggest natural bridges, and there are plenty of open spaces to build up a head of steam for water skiing and other sports. Given the unique geological formations along the reservoir, hikers and those on Jeep tours are rewarded with breathtaking views.

By Damien Martin

From our partners at Largay Travel, an independent third-party.

YOU, INC.

As the CEO, it's your job to invest in and nurture your career.

When you think about investing, you probably think about your financial plan, stocks, bonds, asset allocation, risks and rewards. But do you consider how investing your human capital – in your career – can also boost your net worth?

Not everyone can or wants to work for themselves, so those who have an employer – even those at the peak of their careers – have opportunities to increase their value at the office. Here's a look at some investments that could pay dividends, so to speak.

Set goals

Like with financial planning, investing in your career without clear goals can lead you off track. Do you want more flexibility? Less stress? More high-visibility assignments? Know what you want and work toward that. Maintain clear goals and reassess them at least once a year to reinforce your commitment to achieving them.

Create a plan

Set your short-, mid- and long-term goals and create an actionable, realistic plan around each. A plan involves taking steps to achieve your goals and reassessing on a regular basis to ensure your career is on track. Have a plan, too, for problems or opportunities you happen to see. It helps to approach your boss with at least two ways to address the problem or opportunity and go in prepared to support your recommendations.

Check your balance sheet

Tally your professional assets and liabilities. You may be great at marketing yourself and paying attention to detail, but less able to voice and defend an opinion or build consensus among disparate teams. It's important to understand what you bring to the table, what you want next and seize opportunities to showcase that in a way that inspires others to help you get to the next level. To identify those assets and liabilities, invite feedback from trusted allies who can help you turn liabilities into strengths. You won't be good at all things, but pursue excellence by deliberately practicing to overcome weaknesses, over-preparing and using all the tools at your disposal – including partnering with those who have strengths you lack – so you can compensate when you need to.

Invest

Now that you know where you want to go, how will you get there? You have already paid your dues, but being complacent isn't likely to take you any further down your chosen career path. Invest time and money – your company may even reimburse you – into learning new skills and better understanding your industry. That may mean pursuing formal certifications, training and degrees or informally gaining knowledge through books, podcasts or mentors; networking; volunteering on a committee for a nonprofit or serving on a board of directors.

And lest you think it's not worth pursuing an advanced degree in the later stages of your career, think again. Another degree may differentiate you and facilitate a move from experienced worker to trusted consultant, for example.

Know your worth

This goes beyond knowing what you're good at. You'll need to market yourself throughout your career, not just during job interviews, so you'll also need to be able to identify opportunities and sell yourself to get the higher-paying job and negotiate the best deal possible. If you haven't already, create a brand and create a presence – on- and off-line – that helps people identify you as a strategic thinker and thought leader. LinkedIn, for example, can help you develop influential networks and showcase your successes and professional abilities.

Take risks

Like with financial investing, you may need to take strategic risks. Volunteer to pitch an idea to an important client or take on a project you haven't worked on before. Stay later than normal when necessary. Voice an opinion when you think you see a problem. Ask questions to gain clarification. Develop a reputation for thinking critically, being willing to step outside of your comfort zone and seeking bold solutions.

Diversify

You can't be all things to all people. You'll need to partner with people who complement your strengths and can help you hone them. Find and invest time in people who can mentor you and lead by example – not necessarily in the same company or industry as you are. And, in turn, find talented people who you can help develop into the next generation of leaders.

Expand your horizons even further by understanding the business culture in countries where your company conducts business. Knowing how to communicate effectively across borders and disciplines may give you a distinct advantage in a global economy.

Allocate assets

Forgive the pun, but take stock of the talented people around you. When you allocate assets in a portfolio, you're grouping investments that work well together, in good times and bad. Same here. Build teams that give good people opportunities to excel and shine at different times. You'll develop a reputation as an ambassador of the organization and a strong leader.

RETURN ON INVESTMENT

Steadily and consistently increasing your salary can literally add millions over the course of your career.

FIRST SALARY	**$40,000** *Modest 3% annual pay raises*
45 YEARS LATER, YOU'VE CUMULATIVELY EARNED:	**$3.7 MILLION**
BUMP YOUR PERCENTAGE BY EVEN 1%:	**$4.8 MILLION**
ANOTHER 1% INCREASE?	**$6.4 MILLION**

Ignore the noise

Offices come with politics and gossip – some useful, some harmful, just like headline news and investing. Some of it indicates trends; a lot of it is noise that is par for the course. Hone your ability to tell the difference. Keep your eyes and ears open, but know what you need to act on (potential problems that may blindside your managers) and what you can and should ignore (general complaints, idle watercooler talk).

Outperform

At some point, you'll be seen as an overachiever, a go-to, reliable colleague, but that may not be enough to land the next promotion. You may need to make a case with your boss. Go in prepared with what you're seeking, how it'll benefit the company and why you deserve the extra responsibility – and money. Know your competitive advantages – it's OK to brag on yourself – but be sure to also give credit where it's due. Year-end is often a good time for this conversation, but if you've kept your eyes open and see change on the horizon, don't wait to plant a seed among the powers that be and be sure to follow up.

Maximize your life

Investing in yourself gives you the clarity and tools to create a solid foundation for your professional future. Yes, sometimes you'll have to take risks, but the payoff could be more than worth it. As with financial investing, it helps to have a proactive and thoughtful plan for achieving – and exceeding – your life goals. ✦

From Worthwhile Magazine

Sources: thebalancecareers.com; monster.com; esimoney.com; ellevate.com

TRADE TENSIONS AND INTEREST RATES DRIVE UNCERTAINTY

FROM OUR INVESTMENT COMMITTEE

MARKET POSITIVES

- **The Federal Reserve continues to be transparent about keeping interest rates low.**
- **Consumers' balance sheets have historically low levels of debt and net worths are at record levels.**
- **Equity markets, although volatile, have shown resiliency and are positive year to date.**

MARKET NEGATIVES

- **Trade tariffs remain unresolved and could remain this way for some time.**
- **Earnings estimates now show no growth, but trade concerns muddied this.**
- **Bond yields continue to fall, signaling that economic growth is a concern.**

"The stock market is like a small row boat on a rough sea, bouncing around as it drifts, whereas the macro economy is like a large ocean liner, very ponderous and difficult to maneuver but without such a rough journey." – Clive Granger

Clive Granger was a well-known British econometrician (an individual who uses statistics and mathematics to study, model, and predict economic principles and outcomes). Granger specialized in understanding the behavior of time-series data, which is recorded data that is on a calendar sequence – annually, quarterly, monthly, etc. Through his work, he found that economic data appears to be more like a "random walk." The term "random walk" is suggested by the metaphor of a drunken man stumbling in the street. The man is just as likely to go one way as he is to go another. A time series is a "random walk" when the next value is just as likely to be up as it is to be down. This same term sounds like the market's behavior over the last couple of years. Just as things appear to be making progress, we are thrown for a loop.

On the one hand, January had the strongest equity market rally since 1987 and we witnessed the lowest weekly jobless claims figure since 1969, and amidst everything, we now have the longest domestic economic expansion on record. On the other, manufacturing data from the eurozone is substantially weakening, the U.S. yield curve is the flattest it has been since the financial crisis – meaning investors receive similar interest on bonds with a short duration as they would for bonds with a longer duration – and tariffs are the highest they've been in a half century. Clive Granger may have been on to something, which is why he had a Nobel Prize under his belt. Let's look at a few areas of the global markets and discuss key points that happened throughout the second quarter of 2019.

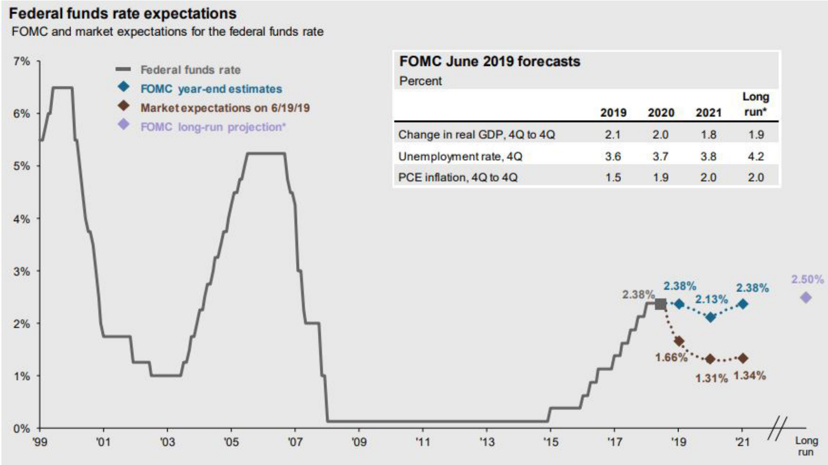
Fed Policy

On June 19, the Federal Reserve finished its two-day policy meeting of the Federal Open Market Committee (FOMC), announcing their decision to keep the federal funds rate unchanged at 2.25% - 2.50%. The committee voted 9-1 to keep the benchmark rate unchanged. The only FOMC member to vote in favor of a rate cut for this meeting was St. Louis Fed President James Bullard. The dot plot (a chart that records each member's forecast for the federal funds rate) and language in the FOMC's commentary suggests the Federal Reserve is willing to lower rates in the future. Based on the FactSet Policy Rate Tracker, which calculates the possible outcomes on future

FOMC meetings, the market consensus expectations are that the Federal Reserve will cut rates at the next FOMC meeting in July as shown in Chart 1. Just a few months ago, at the March 2019 meeting, not one Fed member recommended a rate cut in 2019. Now eight of the 17 Fed members are targeting a rate cut by year-end and seven are predicting a 0.50% rate cut this year. The Fed outlined a few important changes in their July commentary:

- Economic activity was revised downward from "improving at a solid rate" to "improving at a moderate rate"
- Uncertainty on the economic outlook and inflation has increased
- The Fed will "act as appropriate to sustain the expansion"

CHART 1



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management

We believe that economic data has been heavily influenced this year by the ongoing rhetoric around trade tensions with China. If material progress is made in this area, we believe this could dramatically change the economic landscape resulting in a shift away from a "dovish" Federal Reserve stance.

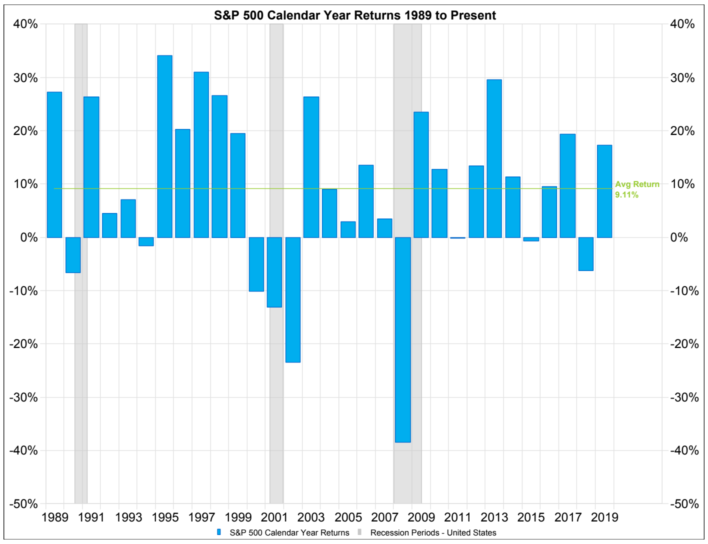
In summary, while the market is pricing in a rate cut in July, we are more in the camp of saying, *let's wait and see*. Remember, the Federal Reserve is data dependent when it comes to making changes to the federal funds rate. Unless we see a significant deterioration in economic figures, we don't anticipate the Fed making a rate cut unless it's strictly to be proactive in providing further stimulus to the economy.

U.S. Stock Market

We experienced a fair amount of volatility in the second quarter of 2019. The S&P 500 continued to rally in April, but all the returns made since February were given back in May when the old expression of "sell in May and go away" came to fruition. The market sold off as trade negotiations weakened, and the U.S. announced sanctions against Huawei, the Chinese telecom giant, which caused technology and semiconductor stocks to sell off due to fear of retaliation by the Chinese and the unknown impact for American suppliers' revenue. At the end of May, the market started to find a bottom, marking a low for the month that put us back at mid-March levels. June has seen the market rally, with its best week of 2019 and hitting new highs.

In our last commentary, we mentioned there might be a little more room to run for the equity markets, but we're cautious of chasing returns as equity valuations were becoming stretched and the market would probably reprice.

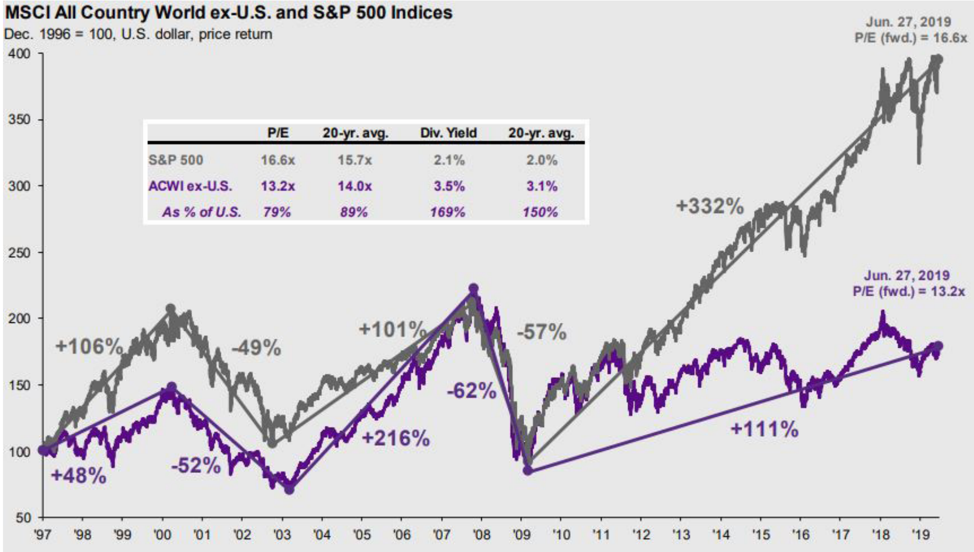
CHART 2



Source: FactSet, Standard & Poor's. Returns shown are calendar year returns from 1989 to present

International Stock Markets

CHART 3



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management

If anyone is getting tired of hearing about trade tensions with China, trust us, *you're not alone.* International equities have continued to be volatile as global trade disputes escalated amongst a plethora of other headlines. The market has almost become immune to trade rhetoric with China, but it hasn't become immune to threats of new tariffs on other countries. In May, the President threatened Mexico with heightened tariffs, unless Mexico agreed to crack down on preventing illegal immigration into the United States. Thankfully this was laid to rest rather quickly, but it shows how volatile markets can become in a moment's notice.

Additionally, global growth concerns have negatively impacted commodities, particularly oil, which fell almost 13% before starting to rebound as geopolitical risks in the Middle East escalated. In June, two oil tankers were attacked in the Strait of Hormuz – a critical passageway for tankers transporting oil – and a U.S. unmanned drone was also shot down near the Iranian border. Iran has denied accountability for both attacks; however, the U.S. military provided evidence to the contrary. Iran's economy has struggled as U.S. sanctions on Iranian oil have affected their remaining buyers. Lastly, Brexit continues to remain in the headlines amid news that the British government failed to deliver a successful Brexit plan, which means Prime Minister Theresa May will be stepping down as soon as her successor is chosen.

Bond Market

CHART 4

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	2004-2018 Ann.	2004-2018 Vol.
EMD LCL. 23.0%	EMD USD 10.2%	EMD LCL. 15.2%	EMD LCL. 18.1%	Treas. 13.7%	High Yield 58.2%	EMD LCL. 15.7%	TIPS 13.6%	EMD USD 17.4%	High Yield 7.4%	Muni 8.7%	Muni 3.8%	High Yield 17.1%	EMD LCL. 15.2%	Muni 1.4%	EMD USD 11.2%	EMD USD 7.0%	High Yield 17.5%
EMD USD 11.6%	EMD LCL. 6.3%	High Yield 11.8%	TIPS 11.6%	MBS 8.3%	EMD USD 29.8%	High Yield 15.1%	Muni 12.3%	EMD LCL. 16.8%	MBS -1.4%	Corp. 7.5%	MBS 1.5%	EMD USD 10.2%	EMD USD 10.3%	MBS 1.0%	High Yield 9.8%	High Yield 7.0%	EMD LCL. 12.6%
High Yield 11.1%	Asset Alloc. 3.1%	EMD USD 9.9%	Treas. 9.0%	Barclays Agg 5.2%	EMD LCL. 22.0%	EMD USD 12.2%	Treas. 9.8%	High Yield 15.8%	Corp. -1.5%	EMD USD 7.4%	EMD USD 1.2%	EMD LCL. 9.9%	High Yield 7.5%	Treas. 0.9%	Corp. 9.7%	EMD LCL. 5.9%	EMD USD 10.0%
TIPS 8.5%	TIPS 2.8%	Asset Alloc. 5.7%	Barclays Agg 7.0%	Muni 1.5%	Corp. 18.7%	Corp. 9.0%	Corp. 8.1%	Corp. 9.8%	Asset Alloc. -1.9%	MBS 6.1%	Treas. 0.8%	Corp. 6.1%	Corp. 6.4%	Barclays Agg 0.0%	EMD LCL. 8.3%	Asset Alloc. 4.8%	TIPS 6.0%
Asset Alloc. 6.6%	Treas. 2.8%	MBS 5.2%	MBS 6.9%	Asset Alloc. 0.1%	Asset Alloc. 14.7%	Asset Alloc. 7.9%	Asset Alloc. 8.1%	Asset Alloc. 7.4%	Barclays Agg -2.0%	Barclays Agg 6.0%	Barclays Agg 0.5%	Asset Alloc. 4.7%	Muni 5.8%	Asset Alloc. -0.7%	Asset Alloc. 6.9%	Corp. 4.6%	Corp. 5.9%
Corp. 5.4%	Muni 2.7%	Muni 4.7%	Asset Alloc. 6.7%	TIPS -2.4%	TIPS 11.4%	Barclays Agg 6.5%	Barclays Agg 7.8%	TIPS 7.0%	Muni -2.2%	Asset Alloc. 5.5%	Asset Alloc. -0.3%	TIPS 4.7%	Asset Alloc. 5.3%	TIPS -1.3%	TIPS 6.2%	Muni 4.4%	Treas. 4.6%
MBS 4.7%	High Yield 2.7%	Barclays Agg 4.3%	EMD USD 6.2%	Corp. -4.9%	Muni 9.9%	TIPS 6.3%	EMD USD 7.3%	Muni 5.7%	Treas. -2.7%	Treas. 5.1%	Corp. -0.7%	Barclays Agg 2.6%	Barclays Agg 3.5%	High Yield -2.1%	Barclays Agg 6.1%	MBS 3.9%	Asset Alloc. 4.3%
Barclays Agg 4.3%	MBS 2.6%	Corp. 4.3%	Corp. 4.6%	EMD LCL. -5.2%	Barclays Agg 5.9%	Treas. 5.9%	MBS 6.2%	Barclays Agg 4.2%	EMD USD -5.3%	TIPS 3.6%	TIPS -1.4%	MBS 1.7%	TIPS 3.0%	Corp. -2.5%	Muni 5.3%	Barclays Agg 3.9%	Muni 3.8%
Muni 4.1%	Barclays Agg 2.4%	Treas. 3.1%	Muni 4.3%	EMD USD -12.0%	MBS 5.9%	MBS 5.4%	High Yield 5.0%	MBS 2.6%	TIPS -8.6%	High Yield 2.5%	High Yield -4.5%	Treas. 1.0%	MBS 2.5%	EMD USD -4.3%	Treas. 5.1%	TIPS 3.8%	Barclays Agg 2.8%
Treas. 3.5%	Corp. 1.7%	TIPS 0.4%	High Yield 1.9%	High Yield -26.2%	Treas. -3.6%	Muni 4.0%	EMD LCL. -1.8%	Treas. 2.0%	EMD LCL. -9.0%	EMD LCL. -5.7%	EMD LCL. -14.9%	Muni -0.1%	Treas. 2.3%	EMD LCL. -6.2%	MBS 4.2%	Treas. 3.5%	MBS 2.7%

Source: Barclays, Bloomberg, FactSet, J.P. Morgan Global Economic Research, J.P. Morgan Asset Management

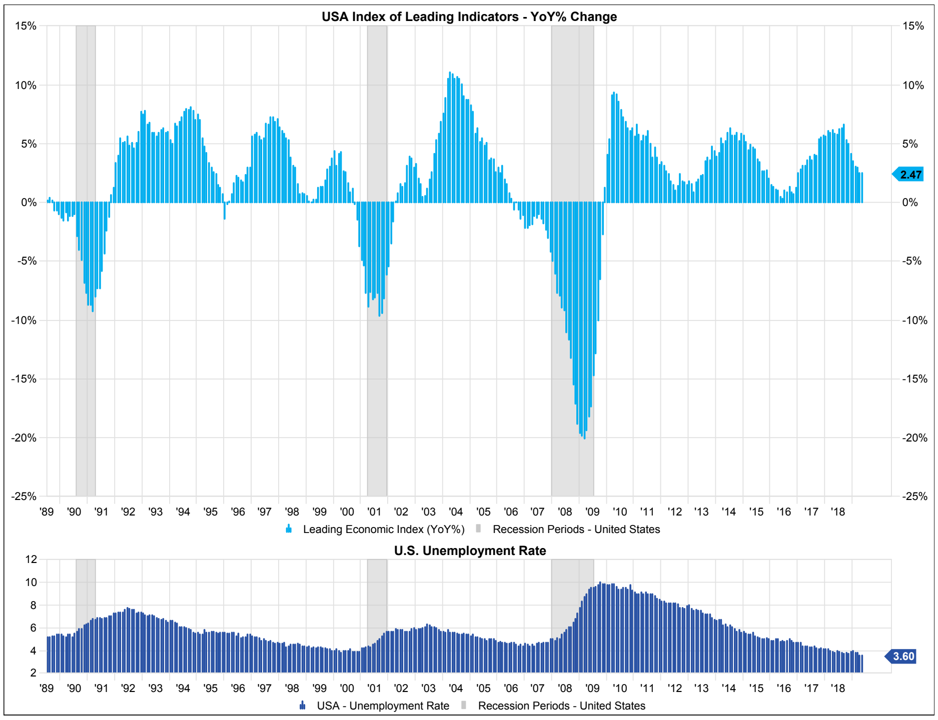
This has been quite an interesting year for the bond market. Global growth concerns, coupled with dovish central banks around the world, have propelled treasury yields down at an accelerated pace. We mentioned last quarter that the Fed shifted to a more dovish stance and their milder tone was applying downward pressure on interest rates. That trend has continued throughout the second quarter as we have seen bond yields continue to fall.

For bond owners, this has been beneficial for performance (as bond yields fall, bond prices go up and as bond yields go up, bond prices go down). High-yield corporate bonds, measured by the Bloomberg Barclays U.S. Corporate High Yield Index, posted their best first quarterly gain on record with a 7.3% return and now year-to-date through the second quarter returns are at an astonishing 9.8%. Even investment grade corporates benefited from falling treasuries with year to date returns of 9.7% through the end of June. With yields falling as much as they have, we urge investors to try to refrain from chasing returns in these asset classes. While we think that rates could compress a bit further as the Fed continues to be accommodative, we don't believe it will be wise to add credit risk in a portfolio at this point. We prefer to stay neutral to underweight fixed income duration since the recent rally in bonds may be slightly overdone and the chances of yields climbing is a possibility if economic data continues to come in on a positive note. As we mentioned, when interest rates increase bond prices, decrease, and vice versa.

Economy

We will continue to monitor broad economic conditions for any sudden changes, but we still believe the probability of a recession in the imminent future seems low. The unemployment rate shows that the labor markets are doing well. With that said, recession risks have ticked higher recently and GDP estimates have come down. However, real GDP is still above the historic expansion average of 2.3%. Consumer balance sheets are also very supportive and healthy with the consumer balance sheet totaling $124 trillion in assets in comparison to the peak in 2007 of $83.5 trillion. The household net worth is at an all-time high and only 9.9% of disposable income is being used to service debt versus 13.2% in the fourth quarter of 2007. According to the Index of Leading Indicators seen in Chart 5, year-over-year percentage change has come down to just shy of 2.5%, which is still healthy.

CHART 5



source: FactSet, Index of Leading Economic Indicators. 1989 through December 2018

Next Steps

We continue to believe that discipline around portfolio diversification and rebalancing is imperative in 2019. With recession risks increasing as we get further into this bull market, we recommend that investors evaluate their portfolios with their financial advisor. If you find your portfolio is overweight in higher risk asset classes, like emerging markets, consider bringing them back in balance. For more volatile areas of fixed income, like high yield, consider moving up in credit quality. During equity volatility, these areas of fixed income can be correlated with the equity portion of your portfolio. With less liquidity, investors will be forced to sell at unfavorable prices. ✦

Source: econlib.org

TAX
IT'S ~~SUMMER~~ TIME

Most of us think about taxes at some point between December and April, then it's out of sight, out of mind. But if you want to be serious about saving on taxes, it's a year-round thing. (Sorry.)

Here are a few things you can do now to help make next tax season easy and breezy. These are simply suggestions, of course. A knowledgeable financial advisor and accountant can help you make the right decisions for your situation.

Do

PAMPER YOUR PRE-TAX MONEY. In other words, contribute to tax-efficient accounts, like an IRA and/or your 401(k). It's generally better to contribute as early as you can to allow more time for your investment to grow, although contributing regularly throughout the year takes advantage of dollar cost averaging. Talk to your advisor about what works best for you.

WHY? It's a win-win. You get a tax break this year by lowering your taxable income, and you save for your ideal retirement. Ask your advisor and accountant about contribution income limits, so that you do everything by the book.

GET HEALTHY. Financially speaking. If you've got a high-deductible health plan, consider tapping into the benefits your health savings account may offer.

WHY? Triple tax advantages. Contributions to HSAs are tax-deductible up to certain limits; earnings grow tax-deferred; and qualified withdrawals are tax-free. Plus, the funds roll over year after year, which could provide nice cushion in retirement (after 65 you can spend withdrawals however you like with no penalty, although you will pay taxes if not used for healthcare expenses).

MAKE A MOVE. Like in real estate, location matters with assets, too. Place less tax-efficient securities, like taxable bonds and mutual funds, in tax-deferred accounts.

WHY? Pairing securities with the right accounts can help minimize your tax liability.

Don't

IGNORE POST TAX FUNDS. Roth IRAs and 401(k)s offer beneficial retirement savings options, too. If you can, contribute to both traditional and Roth accounts as a way to tax diversify. Savvy savers may plan to withdraw from traditional accounts until they hit a certain tax bracket, then turn to their Roth accounts for additional income in order to keep taxable income down and stay in lower tax brackets.

WHY? If you're eligible, these accounts allow tax-free earnings and qualified withdrawals, especially beneficial if you think you'll be in a higher tax bracket in retirement (remember, you'll be taking required minimum distributions and collecting Social Security in addition to any other sources of income).

WITHHOLD TOO MUCH. As an employee, you choose how much to withhold from your paycheck. Calculate your total annual withholding and compare it to your potential tax bill. If you're withholding is too much increase your number of allowances on your W-4, through payroll, so that less tax is withheld and more of your pay shows up in your wallet.

WHY? Why give Uncle Sam an interest-free loan? Adjusting your withholding means you'll wind up with more in each paycheck. ✦

From Worthwhile Magazine, page 8: Vanguard, Raymond James Research, Betterment.com

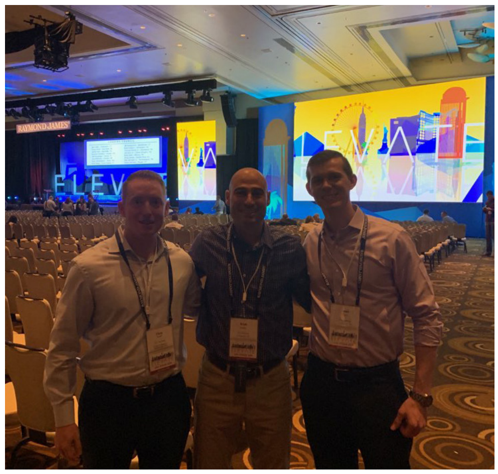
Raymond James and its advisers do not offer tax advice. You should discuss any tax matters with the appropriate professional.

MILESTONES

OUR TEAM'S LATEST ACCOMPLISHMENTS

Rob and Margie
hosted an event at the historic Truitt House in April

Dana Copeland
and her mother took a "bucket list" trip to tour castles in England in May



Scott, Margie, Rob, Andrew, Courtney, Valerie, Chris, Sean, and Chad
attended the Raymond James National Conference in May

Grand Opening
of Chad Rushing's office in Pinckneyville, IL

Raymond James hosted an event at Tampa Bay Stadium called Symphony Under the Stars in May. Some of our clients enjoyed the music, food, and atmosphere.

We had a blast making memories and enjoying great food at our 2nd Annual Summer BBQ in Suffolk and Chesapeake

FREEDOM STREET
PARTNERS

516 Innovation Drive, Suite 205
Chesapeake, VA 23320
T: 757.977.0998
F: 757.977.0997

1889 Governor's Pointe Drive
Suffolk, VA 23436
T: 757.529.2617
F: 757.745.7777

2000 Hillpoint Blvd N, Suite 200
Suffolk, VA 23434
T: 757.809.2130
F: 866.457.2130

7 West Jackson Street
Pinckneyville, IL 62274
T: 618.357.5226
F: 618.357.9010

6525 Morrison Blvd, Suite 115
Charlotte, NC 28211
T: 704.594.5990
F: 866.843.6727