



# HAWK | Talon

## HAWK 100

Monthly News from Hawk100

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### Capital Market Follow Up

When last covering market predictions, Hawk100 was bearish on U.S. stocks. Yet, July formed another month of out-sized positive returns. During July, the S&P 500 advanced 7.4% and the small cap S&P 600 jumped 10.2%. Since making the low water mark on March 9, the S&P 500 and 600 indexes are up 46.0% and 62.7%, respectively. We continue to lose confidence that stocks will sustain their robust advance given economic challenges and rising political risk.

Several industry sectors have performed well during the advance. Financial stocks have launched ahead 110.9% since March 9. Materials, industrials, and consumer discretionary have also led the market. Lagging sectors include utilities, health, and energy. Staples performed worst even after advancing 26.3%.

Among income assets, corporate bonds have returned respectably with 16.6% and 39.7% for investment grade and high yield bonds, respectively, since March 9. Improved confidence in financial markets have loosed demand for safety and the long treasury lost 7.9%. The 10-year yield closed July at 3.50%.

Relevant questions: for how long and far can the market advance continue, if at all, what conditions could bring a reversal, and what risks threaten your portfolio.

Your wealth.  
Your life.  
Aligned.

### The Purpose Driven Portfolio.

Discovering your purpose can enlighten your life. Akin to Rick Warren and his famous, *Purpose Driven Life*, Hawk100 encourages you to take an introspective evaluation to explore your purpose. Then, strategically choose to align your behavior and activities with your purpose. In parallel fashion, Hawk100 aligns your wealth with your life. Think of your wealth as invested in the purpose driven portfolio.

Yogi Berra famously quipped, "if you don't know where you are going, you won't know when you get there." So we start the purpose driven portfolio with an assessment of where you are going. We ask question such as, what is your life's purpose; what will be your legacy; and how do you plan to meet your purpose? Once we deeply comprehend your purpose, we can set about achieving it.

Synthesize your purpose with your values. What do you value most in life and why is it valuable to you? Consider your value system to empathize with your emotional capital. How you connect with Societal mores (e.g., church, community, career, and kin) often leads to a keen understanding of your values. The steps toward your purpose best serve you when they respect your values.

Next in your purpose driven portfolio, think of aspirations—those huge objectives—that would singly meet your purpose and respect your values. As examples, some Hawk100 members aspire to create a lasting legacy in their community. They seek to endow certain organizations with their generous philanthropy. Other Hawk100 members aspire to fund their children's enrollment at an elite institution of higher learning. Still others seek to create businesses that align with their purpose and values. Aspire to achieve big, hairy, audacious goals.

Speaking of goals, establish a series of objectives. Goals are the intervening stages of accomplishment toward the final attainment of your aspiration. Succinct, measurable, and attainable goals are best. Succinctly state your goals so you have an unambiguous knowledge of what you need to accomplish. Make goals measurable so you can systematically evaluate your progress. Set attainable goals so you avoid distractions that have little chance of success. Finally, focus on goals that you can control.

Measure progress toward financial goals. Finances may be necessary to fund your goals depending how finances fit within your total wealth—your human capital, permanent capital and financial capital. Strategize to align your wealth according to your planned goals, aspirations, values, and purpose. Reflect on how you hold your assets and who will advise you. Document plans to prudently manage your wealth in order to improve your results.



Align investment characteristics with their particular purpose. Whether seeking capital preservation, income, growth of principal or alternative purposes, your strategy should synchronize your assets to support your life's purpose.

Whatever your purpose, seek it. Discover it. Pursue it.. Fulfill it. And, enjoy the road ahead. Of course, Hawk100 would be delighted to help you navigate that road and ensure that your wealth and your life aligned 100% of the time.



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