



## Q2 2019 Insights

© 2019 Pawleys Investment Advisors, LLC. All rights reserved.

[www.PawleysAdvisors.com](http://www.PawleysAdvisors.com)

*Kathryn E. Schwartz, CRPC  
Chief Executive Officer  
kschwartz@PawleysAdvisors.com*

*July 19<sup>th</sup>, 2019*



# Q2 2019 Insights

- Then versus now: 2018 to 2019
- Potential Risks for the Second Half of 2019
- Is Your Plan on Track?
- Pawleys Dividend Portfolio
- Pawleys Growth Portfolio
- *invest right, live right™*



# Then Versus Now: 2018 to 2019

- Strong 2018 earnings due to tax cuts, but down stock market
- Q2 2019 will be important – stock prices are again at record highs, but will earnings support these valuations?
- Leading Economic Indicators are still rising, but global growth is moderating
- Current economic expansion entering 11<sup>th</sup> year – but theoretically could continue for several years
- As always - avoid the distraction of short-term market “noise” and stick to basics



# Potential Risks for the Second Half of 2019

- Returns for 2019 positive, but will they sustain?
- A Jittery Federal Reserve
- Trade impact on earnings
- Rising Corporate Debt Levels - \$9.76 Trillion as of 12/31/2018
- Even a slight slowdown in Q2 earnings could spook the stock market
- Convergence of returns across sectors will likely break-down, so stock selection remains important



# Is Your Plan on Track?

- Have a Written Investment Policy Statement – complimentary service we offer
- Evaluate your budget and revise plan
  - Accumulating – see if you can save more
  - Distributing – see if you can spend less
- Keep a cool head and manage emotional flooding from the media
- Know your biases, especially when it comes to falling in love with certain stocks or over-emphasizing the importance politics play in investment performance



# Pawleys Dividend Fund™

Pawleys Dividend Fund		\$ 1,000,000.00				6/30/2019					
Company	Symbol	Weight	Cost Basis	1/02/2019 px	shares	dividends	splits	current price	current mkt value	Total Return	ytd TR
Home Depot Inc	HD	10.0%	\$ 100,000.00	\$ 171.82	582	\$ 1,583.05		\$ 207.97	\$ 121,039.46	\$ 122,622.51	23%
Estee Lauder Companies, Inc	EL	7.0%	\$ 70,000.00	\$ 130.10	538	\$ 462.72		\$ 183.11	\$ 98,521.91	\$ 98,984.63	41%
Phillips 66	PSX	5.0%	\$ 50,000.00	\$ 86.15	580	\$ 986.65		\$ 93.54	\$ 54,289.03	\$ 55,275.68	11%
JPMorgan Chase & Co	JPM	7.0%	\$ 70,000.00	\$ 97.62	717	\$ 1,147.31		\$ 111.80	\$ 80,168.00	\$ 81,315.30	16%
Bank of America Corp	BAC	7.0%	\$ 70,000.00	\$ 24.64	2841	\$ 852.27		\$ 29.00	\$ 82,386.36	\$ 83,238.64	19%
Novo Nordisk	NVO	8.0%	\$ 80,000.00	\$ 46.07	1736	\$ 1,370.09		\$ 51.04	\$ 88,630.35	\$ 90,000.43	13%
UnitedHealth Group Inc	UNH	8.0%	\$ 80,000.00	\$ 249.12	321	\$ 635.84		\$ 244.01	\$ 78,359.02	\$ 78,994.86	-1%
Delta Airlines Corp	DAL	9.0%	\$ 90,000.00	\$ 49.90	1804	\$ 1,262.53		\$ 56.75	\$ 102,354.71	\$ 103,617.23	15%
Lam Research	LRCX	10.0%	\$ 100,000.00	\$ 136.17	734	\$ 1,615.63		\$ 187.84	\$ 137,945.22	\$ 139,560.84	40%
Visa	V	10.0%	\$ 100,000.00	\$ 131.94	758	\$ 378.96		\$ 173.55	\$ 131,537.06	\$ 131,916.02	32%
Steel Dynamics	STLD	5.0%	\$ 50,000.00	\$ 30.04	1664	\$ 798.93		\$ 30.20	\$ 50,266.31	\$ 51,065.25	2%
Verizon Communications Inc	VZ	5.0%	\$ 50,000.00	\$ 56.22	889	\$ 1,072.57		\$ 57.13	\$ 50,809.32	\$ 51,881.89	4%
Sempra Energy	SRE	5.0%	\$ 50,000.00	\$ 108.19	462	\$ 447.36		\$ 137.44	\$ 63,517.89	\$ 63,965.25	28%
	cash	4.0%	\$ 40,000.00	\$ 1.00	40000			\$ 1.00	\$ 40,000.00	\$ 40,000.00	0%
		100.0%	\$ 1,000,000.00			\$ 12,613.91			\$ 1,179,824.63	\$ 1,192,438.54	

Please check with Pawleys to see if these ideas fit within your existing portfolio.

No adjustments have been made to portfolio or benchmark for fees and taxes.

Past performance does not indicate future results.

Datasource: YAHOO! Finance, verified on Bigcharts.

[www.PawleysAdvisors.com](http://www.PawleysAdvisors.com)

[www.PawleysCapital.com](http://www.PawleysCapital.com)

© 2010-2019 Pawleys Investment Advisors, LLC all rights reserved.

19.24%

15.40%

DJIA

Pawleys +/- Index:

3.84%

Source: Morningstar. The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed



# Pawleys Growth Fund™

Pawleys Growth Fund			\$ 1,000,000.00					6/30/2019			
Company	Symbol	Weight	Cost Basis	1/02/2019 px	shares	dividends	splits	current price	current mkt value	Total Return	ytd TR
Capri Holdings	CPRI	5.0%	\$ 50,000.00	\$ 37.92	1319	\$ -		\$ 34.68	\$ 45,727.85	\$ 45,727.85	-9%
Lennar	LEN	5.0%	\$ 50,000.00	\$ 39.15	1277	\$ 102.17		\$ 48.46	\$ 61,890.17	\$ 61,992.34	24%
Norwegian Cruise Line Holdings	NCLH	5.0%	\$ 50,000.00	\$ 42.39	1180	\$ -		\$ 53.63	\$ 63,257.84	\$ 63,257.84	27%
Ulta Salon, Cosmetics and Perfume Inc.	ULTA	5.0%	\$ 50,000.00	\$ 244.84	204	\$ -		\$ 346.89	\$ 70,840.14	\$ 70,840.14	42%
Valero Energy Corp	VLO	3.0%	\$ 30,000.00	\$ 74.97	400	\$ 720.29		\$ 85.61	\$ 34,257.70	\$ 34,977.99	17%
Diamondback Energy Corp	FANG	3.0%	\$ 30,000.00	\$ 92.70	324	\$ 101.29		\$ 108.97	\$ 35,265.37	\$ 35,366.67	18%
MasterCard Inc.	MA	5.0%	\$ 50,000.00	\$ 188.65	265	\$ 174.93		\$ 264.53	\$ 70,111.32	\$ 70,286.24	41%
Evercore Inc	EVR	5.0%	\$ 50,000.00	\$ 71.56	699	\$ 754.61		\$ 88.57	\$ 61,885.13	\$ 62,639.74	25%
Universal Insurance Holdings Inc	UVE	5.0%	\$ 50,000.00	\$ 37.92	1319	\$ 421.94		\$ 27.90	\$ 36,787.97	\$ 37,209.92	-26%
Biogen Idec	BIIB	5.5%	\$ 55,000.00	\$ 300.92	183	\$ -		\$ 233.87	\$ 42,745.08	\$ 42,745.08	-22%
Cigna Corporation	CI	5.5%	\$ 55,000.00	\$ 189.92	290	\$ 11.58		\$ 157.55	\$ 45,625.79	\$ 45,637.37	-17%
AMN Healthcare Services Inc	AMN	5.5%	\$ 55,000.00	\$ 56.66	971	\$ -		\$ 54.25	\$ 52,660.61	\$ 52,660.61	-4%
Southwest Airlines Co	LUV	5.0%	\$ 50,000.00	\$ 46.48	1076	\$ 365.75		\$ 50.78	\$ 54,625.65	\$ 54,991.39	10%
IDEX Corp	IEX	5.0%	\$ 50,000.00	\$ 126.26	396	\$ 368.29		\$ 172.14	\$ 68,168.86	\$ 68,537.15	37%
Electronic Arts	EA	6.5%	\$ 65,000.00	\$ 78.91	824	\$ -		\$ 101.26	\$ 83,410.21	\$ 83,410.21	28%
Applied Materials	AMAT	6.5%	\$ 65,000.00	\$ 32.74	1985	\$ 813.99		\$ 44.91	\$ 89,161.58	\$ 89,975.57	38%
Advanced Energy Industries Inc	AEIS	6.5%	\$ 65,000.00	\$ 42.93	1514	\$ -		\$ 56.27	\$ 85,198.00	\$ 85,198.00	31%
Louisiana-Pacific Corp	LPX	3.0%	\$ 30,000.00	\$ 22.22	1350	\$ 364.54		\$ 26.22	\$ 35,400.54	\$ 35,765.08	19%
Arista Networks Inc	ANET	3.0%	\$ 30,000.00	\$ 210.70	142	\$ -		\$ 259.62	\$ 36,965.35	\$ 36,965.35	23%
Ameren Corp	AEE	3.0%	\$ 30,000.00	\$ 65.23	460	\$ 436.92		\$ 75.11	\$ 34,543.92	\$ 34,980.84	17%
	cash	4.0%	\$ 40,000.00	\$ 1.00	40000	\$ -		\$ 1.00	\$ 40,000.00	\$ 40,000.00	0%
		100.0%	\$ 1,000,000.00			\$ 4,636.29		\$ 1,148,529.08	\$ 1,153,165.38		

Please check with Pawleys to see if these ideas fit within your existing portfolio.

No adjustments have been made to portfolio or benchmark for fees and taxes.

Past performance does not indicate future results.

Datasource: YAHOO! Finance, verified on Bigcharts.

[www.PawleysAdvisors.com](http://www.PawleysAdvisors.com)

[www.PawleysCapital.com](http://www.PawleysCapital.com)

© 2010-2019 Pawleys Investment Advisors, LLC all rights reserved.

15.32%

18.54%

S&P 500

Pawleys +/- Index:

-3.22%



*“If the only prayer you ever say in your entire life is  
thank you, it will be enough.”*

*- Meister Eckhart*





# Pawleys Investment Advisors, LLC

- Website: [www.PawleysAdvisors.com](http://www.PawleysAdvisors.com)

knowledge

- Email: [kschwartz@PawleysAdvisors.com](mailto:kschwartz@PawleysAdvisors.com)

- Follow Us On:

– Facebook



– LinkedIn



– Twitter



*As featured by:*



**Bloomberg  
Businessweek**



*P*awleys



Investment Advisors

*invest right, live right™*



*P*awleys



Capital Management

*invest right, live right™*

