JULY 2020

CONTACT US:

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260
Office: 480-348-2100
Toll Free: 877-658-2100

Follow Newsletters like this and more!

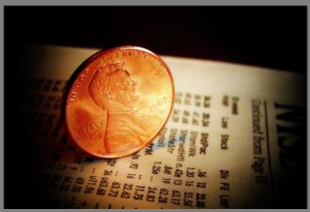
www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®

Lynda Elley, CTLC, CCFS® CFP®

Erick S. Newton, CFP®

Jake Eggett



"Despite the gains seen in the second quarter, there remains a long road ahead for the U.S. economy."

Market Commentary

What a difference a quarter can make.

Markets enjoyed a historic rebound in the second quarter, thanks to an initial peak in coronavirus cases, continued government support and a quicker-than-anticipated economic recovery. Like markets, society also made a substantial rebound in the second quarter, as economies have at least partially reopened in all 50 states, people are starting to return to the office, families are taking summer vacations, and there's even the hope for a return of sports and other cultural staples in the coming weeks and months. Indeed, we have come a long way from those panicked days of late March.

But while we all welcome this progress, it would be a mistake to think uncertainty and market volatility are behind us.

The outlook for the spread of the coronavirus is still very unclear, as new cases hit record highs in late June and four states – Arizona among those – have reinstituted various restrictions and lock-downs, sending freshly re-employed individuals back to the unemployment lines. This provided a somber signal that the virus will be with us, in one form or another, for some time to come.

Additionally, the fate of the historic stimulus enacted back in March remains uncertain as of this writing. Paycheck Protection Program loans, which provided critical assistance to small businesses over the past three months were extended until August 8th by the Senate, just hours before expiring. It remains unclear what will become of the federal unemployment benefits included in the CARES Act, as they are set to expire at the end of July, although we expect there will be some continuation of that benefit, just not in its original form. There is also discussion about another round of stimulus checks; that federal stimulus played a critical role in the bigger-than-expected economic rebound witnessed in the second quarter, and without it, the economic outlook will become increasingly uncertain.

Regarding the economy, while progress has been better-than-expected, it's important to remember that the current level of economic activity remains far below the levels of a year ago. Despite the gains seen in the second quarter, there remains a long road ahead for the U.S. economy to return to pre-pandemic levels.

JULY 2020

CONTACT US:

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260
Office: 480-348-2100
Toll Free: 877-658-2100

Follow Newsletters like this and more!

www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®

Lynda Elley, CTLC, CCFS® CFP®

Erick S. Newton, CFP®

Jake Eggett

The major U.S. stock indices all enjoyed a strong rebound and substantial gains in the second quarter, and just like in the first quarter, the tech-heavy Nasdaq notably outperformed the other three major indices. In the most recent quarter, that outperformance was due to large-cap tech companies being viewed as the longer-term beneficiaries from changing work and shopping trends in response to the pandemic, specifically “work from home,” cloud computing and online shopping.

International markets also rallied in the second quarter as European and Asian economies re-opened, and those regions saw a consistent decline in new COVID 19 cases throughout the quarter. Emerging markets, whose economies are typically more sensitive to changes in expected global growth, modestly outperformed foreign developed markets and the S&P 500 thanks to a declining U.S. dollar paired with rising hope for a global economic rebound, following successful reopenings in Asia and parts of Europe.

Looking forward, as we begin a new quarter and the second half of 2020, the macroeconomic outlook has improved substantially since March, and stocks have responded accordingly with a very strong rally off the March lows. But the last two weeks of June were a stern reminder that much uncertainty remains, and during the next several months we will learn whether the coronavirus outbreak will peak, and if the economic recovery we’ve seen since April can continue, and whether our government will move to continue benefits to the millions of unemployed workers. Those factors, along with the increasing influence of politics given the November election, will impact markets in the months ahead.

In your portfolios here, we remain fully invested in both the bond and stock allocations, although having made some small adjustments in the various stock portfolios, strengthening our holdings in growth stocks or to tip-toe into some international stocks. Given the recovery in the markets to date, this is a great time to make any adjustments to your risk levels and we will be discussing this and more during our conversations with you this quarter.

We continue to work remotely to do our part to minimize the spread of this virus and we appreciate your understanding as we work through the best ways to communicate with you in these challenging times.

Enjoy your 4th of July festivities and stay safe.

COPPERWYND FINANCIAL

JULY 2020

CONTACT US:

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260
Office: 480-348-2100
Toll Free: 877-658-2100

Follow Newsletters like this and more!

www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®

Lynda Elley, CTLC, CCFS® CFP®

Erick S. Newton, CFP®

Jake Eggett

Financial Planning Tip

It's good practice to reevaluate your car insurance coverage periodically. Your premium isn't set in stone because it's based on so many factors that can change over time. An evaluation of your policy can help you determine if you are over-paying – or underinsured! And with many of us staying home and driving less, the potential to save money on your current coverage is a real possibility. Here are the best times to evaluate your car insurance and see if you're getting the best deal for your needs.

When you buy a new car - You have a grace period of about seven to 30 days (depending on your insurance policy) to inform your insurance provider that you bought a new car, but you can also shop for policies before you buy. You must get a policy on your new car by the time your grace period ends, or you risk driving without insurance. It's a myth that new cars are always more expensive to insure than older cars. Factors that affect your insurance rates, besides the age of the car, include:

- The make and model, including if it's a car that's more commonly stolen
- The car's safety features
- The cost of repairing or replacing the car's components

When your family situation changes - Changes to your family mean changes to who is on your insurance policy. If you get married, this can affect your insurance rates (generally being married lowers rates). Adding your spouse to your policy can increase or decrease your payments, depending on their driving record. Even if your spouse doesn't own a car and rarely drives, it might be worth it to add them to your policy to lower your rates. Conversely, when your teenager starts driving, adding them to your policy can increase rates substantially because teens are statistically less safe drivers. However, you can take advantage of discounts for teens:

- If their GPA is 3.0 or higher
- If they take a defensive driving course
- If they're away from home for school and aren't driving as often

When the amount you drive changes - Depending on which state you live in, driving fewer miles per year can lower your insurance premiums by a noticeable amount. For example, in California, increasing the miles you drive in a year from 5,000 to 10,000 means your insurance rate would increase by about 17 percent. So if you previously had a long commute but started to work from home this year or you relocated to a home much closer to your office, check with your insurance provider to see if you're eligible for a lower rate.

COPPERWYND FINANCIAL

JULY 2020

CONTACT US:

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260
Office: 480-348-2100
Toll Free: 877-658-2100

Follow Newsletters like this and more!

www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®

Lynda Elley, CTLC, CCFS® CFP®

Erick S. Newton, CFP®

Jake Eggett

When your premiums go up - If your premiums increase and there have been no changes to your driving record, it's worth checking to see if you're getting the best coverage for your money. This might be time to compare your current insurance provider with others to see if you can find a competitive rate.

Each person's car insurance coverage needs are different so it's helpful to talk with a professional insurance provider to match your coverage selections with your personal situation. But don't get fooled into sacrificing the protection you need to lower your insurance costs.

College Planning Tip

The best way to manage student loan debt is not to acquire any in the first place, of course, but not everyone has that option. The good news is that there are several different tax-advantaged savings vehicles you can use to save money to pay for your child's or grandchild's college education expenses, instead of taking out student loans. Two of the most common college savings vehicles are 529 Plans and Roth IRAs.

529 Plans have become one of the most popular college savings tools in America over the past two decades. Not only do they enable you to sock away money now to help cover college expenses later, but they also offer valuable tax breaks. Investments in the account are able to grow on a tax-free basis and can be withdrawn tax-free if the funds are used to pay for qualifying education expenses. In addition, some states also allow local residents to deduct 529 plan contributions on their state income tax returns. Qualified expenses include a wide range of different costs associated with attending college.

When most people think of Roth IRAs, they think of them as a retirement savings tool. But Roth IRAs can also be used to help pay for college expenses. Here's why: Contributions you make to a Roth IRA can be withdrawn at any age and for any purpose without being subject to taxes and penalties. This includes paying for college education expenses. Note that this tax-favorable treatment only applies to Roth IRA principal, not earnings. One strategy employed by some families is to withdraw some of their Roth IRA principal to help pay for college expenses while leaving the earnings intact to help cover their living expenses in retirement. Using this strategy, you can use a Roth IRA to kill two birds with one stone.

So which type of savings vehicle — a Section 529 plan or a Roth IRA — is a better option for saving money to help pay for college? The answer depends on several different factors. For example, how certain are you that your child or grandchild will attend college? Funds in a 529 plan must be used to pay for qualified college education expenses. Therefore, if you're not fairly certain your child or grandchild will attend college, you might be better off using a Roth IRA to save for college.

JULY 2020

CONTACT US:

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260
Office: 480-348-2100
Toll Free: 877-658-2100

Follow Newsletters like this and more!

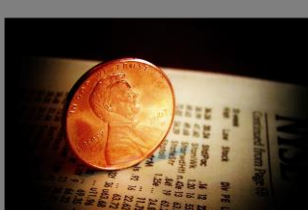
www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®

Lynda Elley, CTLC, CCFS® CFP®

Erick S. Newton, CFP®

Jake Eggett



You should also consider the value of the tax benefits offered by each type of savings vehicle. The tax benefits of Roth IRAs are hard to beat: While you don't receive a current tax deduction for contributions, funds grow tax-free and can be withdrawn tax-free to pay for college or retirement living expenses. This benefit tends to outweigh the tax-free growth offered by 529 plans over shorter periods of time.

Keep in mind that this isn't necessarily an either/or proposition. Many families contribute money to both a 529 plan and a Roth IRA. This strategy can provide you with the highest degree of flexibility in saving money to meet both of these critical long-term financial goals. If you have question on how to best save for your child's or grandchild's education, give us a call!

401k Allocation

There are changes to the 401K allocations. No risk off, in spite of the speedy recovery of the markets and the contrast to the economics we hear in the news every day. The printing presses are rolling and so is the market. Talk in Washington of additional stimulus checks will only add fuel to that fire. There has been a slight shift in the winds of opportunity, however, and we're dipping our toes into international markets for the first time in over a year! Let's face it: they're doing a better job than the US on getting the virus under control and their economies will be the likely benefactor in the near-term. Whether this is merely a short-term ripple in the markets or a sustainable trend, only time will tell!

July-20						
		Agg. Growth	Growth	Moderate	Balanced	Conservative
Bonds / Cash		0%	10%	35%	45%	70%
	Stable Asset - OR - Short Term Bond	0%	0%	0%	5%	10%
	Total Return	0%	10%	35%	40%	60%
	High Yield Bonds	If you have a high yield bond option, you may have HALF of your bond weighting to this position				
	World Bond	0%	0%	0%	0%	0%
	Inflation Protected Bond	0%	0%	0%	0%	0%
Large Cap:		70%	60%	45%	35%	25%
	Large Cap Growth	50%	45%	30%	25%	15%
	Large Cap Value	20%	15%	15%	10%	10%
Mid Cap:		15%	15%	10%	10%	5%
	Mid Cap Growth	10%	10%	5%	5%	5%
	Mid Cap Value	5%	5%	5%	5%	0%
Small Cap:		5%	5%	5%	5%	0%
	Small Cap Growth	5%	5%	5%	5%	0%
	Small Cap Value	0%	0%	0%	0%	0%
International:		10%	10%	5%	5%	0%
	Developed International	5%	5%	5%	5%	0%
	Emerging Markets	5%	5%	0%	0%	0%

JULY 2020

CONTACT US:

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260
Office: 480-348-2100
Toll Free: 877-658-2100

Follow Newsletters like this and more!

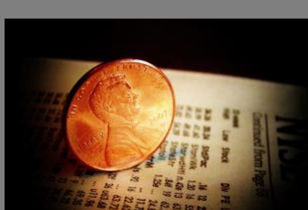
www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®

Lynda Elley, CTLC, CCFS® CFP®

Erick S. Newton, CFP®

Jake Eggett



Notable and Quotable

If you needed more proof that the economy is not the stock market …. Review website 'Yelp' reported that of all business closures since March 1, 41% are permanent closures. The Restaurants category is the hardest hit, where Yelp said a whopping 53% are reported to be permanent closures. That was followed by Shopping & Retail at 35% permanent closures, Fitness at 26% permanent closures, and Beauty & Spas at 24% permanent closures. (chart from yelpeconomicaverage.com)