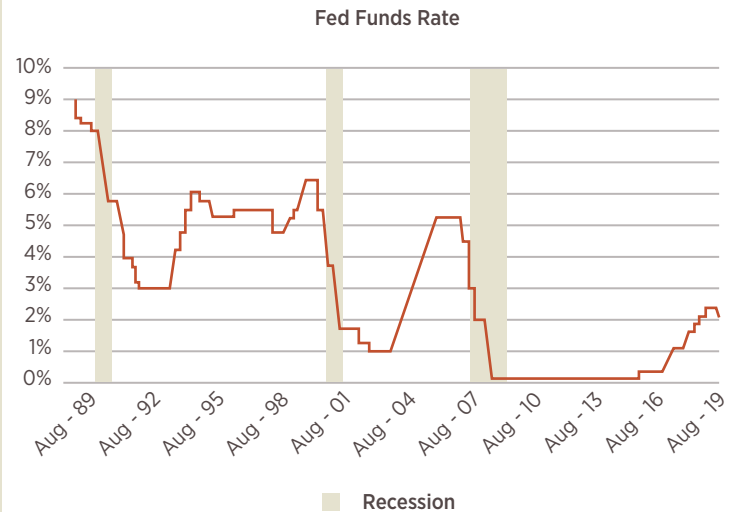




### Chart of the Month →

In a recent June Investment Perspective, we speculated that the Fed might cut rates in the upcoming months. On July 31, they did cut by 0.25%, and the stock market responded by dropping sharply. As we noted, rate cuts outside of recessions have historically benefited stocks by allowing valuation multiples to expand. However, concerns over slowing growth could outweigh the valuation effect. In addition, the quick run-up in stock prices this year left valuations high enough that they may have already reflected the expectation of a rate cut. With rates starting from a historically low point for the top of a hiking cycle (see chart), there may not be enough room for further cuts to have much effect if growth continues to slow. Where the markets go from here will come down to how these factors interact, but continued volatility looks likely.



Source: Bloomberg



### The Advisor Survey:

Sarah Hampton, CFP®, Partner & Founder, Wealth Advisor

Back to school is right around the corner and many of our clients have asked the question, ‘Should I use 529 plan funds on K-12 education?’. You may or may not want to use 529 plan funds in this way. The Tax Cuts & Jobs Act basically redefined 529 savings plans as education savings accounts rather than solely college savings accounts. The added versatility is nice, but chances are, you have been saving money for a college education in a 529. Do you really want to draw down a tax-favored account capable of compounding to pay K-12 education expenses today instead of college costs tomorrow? Like an early withdrawal from a retirement account, this may be a decision that you come to regret.

If you are independently wealthy or anticipate having the financial ability to cover college costs in some other way, then partly or wholly reducing your 529 plan balance might be bearable. If your household is middle class, it could simply be a bad idea. Read more about education planning resources at [6meridian.com/category/education-planning](http://6meridian.com/category/education-planning).

	Source: Bloomberg 2019	July	YTD	2018	Benchmark
<b>Stocks</b>	United States	1.4%	20.2%	-4.4%	S&P 500
	Intl Developed	-1.3%	13.1%	-13.4%	MSCI EAFE
	Emerging Markets	-1.1%	9.5%	-14.2%	MSCI Emerging Markets
<b>Bonds</b>	US Investment Grade	0.2%	6.3%	0.0%	Barclays US Aggregate
	US Municipals	0.9%	7.0%	1.4%	Barclays Municipal Bond 15y
	Intl Investment Grade	-0.7%	4.2%	-2.1%	Barclays Global Aggregate xUSD
	Global High Yield	0.4%	10.0%	-4.1%	Barclays Global High Yield
	Emerging Markets \$	1.0%	10.5%	-2.5%	Barclays Emerging Markets USD Aggregate
<b>Other</b>	Commodities	-0.7%	4.4%	-11.2%	Bloomberg Commodity
	Gold	0.3%	10.2%	-1.6%	Gold New York Spot (\$/oz)
	Oil	0.2%	29.0%	-24.8%	Crude Oil WTI/Global Spot NYMEX

E / [contact@6meridian.com](mailto:contact@6meridian.com) • P / 316.776.4601 / 855.334.2110 • F / 316.776.4620

[WWW.6MERIDIAN.COM](http://WWW.6MERIDIAN.COM) • 8301 E. 21st, St. N. #150, Wichita, KS 67206

Securities offered through Private Client Services LLC, Member FINRA/SIPC. Advisory products and services offered through 6 Meridian LLC, a Registered Investment Advisor. Private Client Services LLC and 6 Meridian LLC are unaffiliated entities.

6 Meridian LLC is a Registered Investment Adviser. This newsletter is solely for informational purposes. Advisory services are only offered to clients or prospective clients where 6 Meridian LLC and its representatives are properly licensed or exempt from licensure. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by 6 Meridian LLC unless a client service agreement is in place.

Material discussed is meant for general illustration and/or informational purposes only and it is not to be construed as tax, legal, or investment advice. Although the information has been gathered from sources believed to be reliable, please note that individual situations can vary, therefore, the information should be relied upon only when coordinated with individual professional advice.