



OUR MISSION IS TO CHANGE LIVES. ONE "HEMINGTON" AT A TIME.

HEMINGTON UPDATES

EILEEN O'CONNOR, THOUGHT LEADER OF THE YEAR

WealthManagement.com Industry Awards Finalist 2019

We are proud to share that Eileen O'Connor, Hemington's CEO and co-founder, received one of wealth management's top distinctions in 2019. Eileen was recognized for her significant contributions as an industry **Thought Leader** and for changing the landscape of financial advice. Eileen has authored three groundbreaking studies about women and money, has been quoted in the Wall Street Journal, Barron's, Forbes, and hundreds of other publications, and is regularly asked to speak on personal finance.

"It's the highest honor to be recognized in this category because it has always been Hemington's vision to lead the industry, not only for women but for all investors."

– Eileen O'Connor, CEO & Co-Founder

Congratulations, Eileen! We are grateful for your leadership and look forward to more growth and inspiration to come – as a thought leader in the wealth management industry and the visionary behind Hemington Wealth Management.

Below: On September 12, 2019, Hemington's leadership team celebrated Eileen O'Connor as one of five finalists for WealthManagement.com's Thought Leader of the Year industry award.



OCTOBER 2019

WHAT'S NEW AT HEMINGTON?

Paige Hanks passed the CFP Certification examination. The 6-hour exam is one of the most challenging tests in the financial planning industry. Congratulations, Paige!

Fred Hubach and his wife Cecelia are proud new parents to sweet baby Caroline. Caroline was born on August 3, and is a happy girl who likes to "sing" to her parents. We look forward to a steady dose of baby pictures!



Northern Virginia Magazine recognized **Ryon Beyer, Mike Byman**, and **Eileen O'Connor** as Top Fee-Only Financial Planners for 2019. The Northern Virginia Magazine surveyed financial professionals in northern Virginia and asked them to recommend other financial professionals to whom they would refer family and friends. Those listed received the most nominations – only 48 professionals were recognized in this category.

In September, **Eileen** and **Ryon** hosted an international group of 17 wealth management CEOs from seven countries (UK, Ireland, Holland, Hong Kong, Singapore, Australia, and New Zealand). The CEOs came to our office to learn about Hemington's business model and industry best practices.





HEMINGTON PORTFOLIO UPDATE

In August, Hemington's Investment Committee voted to approve an enhancement to the short-term bond portion of our portfolios. Two-Year Global Fixed Income will replace One-Year Fixed Income as Hemington's core short-term bond holding. This is not a tactical change due to the current financial markets – rather, it's a measured decision to help increase expected return while still effectively reducing portfolio volatility.

As we all know, it is impossible to reliably and consistently forecast market conditions. At Hemington, we will continue to focus on what we can control, including investing in low-cost funds, being tax efficient, rebalancing on a regular basis, and harvesting losses when it makes sense to do so.

Bonds are also known as “fixed income” because of the regular, known interest payments that most bonds provide. The types of bonds that Hemington holds have less risk (ie, possible downside) than stocks and act as a ballast to portfolios. Said another way, when the stock market is experiencing crazy swings, bonds keep your portfolio's return steadier than with a 100% stock portfolio. Bonds also help to preserve capital and provide a source of funds for current goals, like retirement or college expenses.

HEMINGTON ADDS TWO MEMBERS TO THE TEAM

We are thrilled to welcome **Iwona Cholewa, CFA, MBA, and Ivana Link** as our two newest team members. Both women grew up in Poland and they both pronounce their names as “Ivana” – what a coincidence!

As Hemington's Chief Investment Officer, **Iwona C.** is responsible for leading the Investment Committee and providing oversight of the investment process, including asset allocation strategy, development and due diligence of model portfolios, and trading. She has over two decades of financial services experience, including 13 years at Dimensional Fund Advisors where she was a portfolio manager for global equity portfolios. While at Dimensional, she also spearheaded Women's Wealth Initiatives with the goal of understanding how to best serve women investors. Outside of work, Iwona loves spending time with her family and going on cycling adventures.

Ivana L. is a Client Service Manager and will be working with Hemington clients across the country. She brings more than 18 years of experience serving clients in wealth management and banking. When not at work, you will find Ivana with her husband, two children, and Rupert, their miniature schnauzer. She loves to travel, volunteer at her children's schools, and spend long weekends at her family's cabin.



HEMINGTON'S 2019 BREADWINNER WOMEN LAWYER STUDY

As an example of Hemington's ongoing commitment to thought leadership in the wealth management industry, Eileen O'Connor and Jen Dawson published Hemington's third Women of Wealth study: ***What Do Breadwinner Women Lawyers Want?***

As an extension of our 2015 study – the largest study ever done with data about general Breadwinner Women – we dug into the specific frustrations and challenges of breadwinner women lawyers. We want to help more women lawyers rise to the top of the legal profession.

Our study, with input from 600 lawyers, provides new data that highlights how and why many women lawyers struggle to live a life full of both achievement and joy – due to a lack of financial freedom, flexibility, job satisfaction, and often having to put life on hold:

- » The #1 financial challenge for women lawyers can be summarized as “not enough.” 45% indicated that a struggle with cash flow was their top financial challenge, despite strong earnings. Other challenges were not enough time to focus, not enough knowledge about investing, and not enough being on the same page as their spouse.
- » More than half (52%) of women lawyers surveyed are not working with a financial advisor, and of those who are, more than a third are working with non-fiduciaries who might be selling them products vs. unbiased advice.
- » 69% of women lawyers working with an advisor still lack a full understanding of their financial plans.
- » 30% regret going to law school.
- » 55% have put big life decisions on hold because of their career, primarily around getting married and having children.
- » 82% have experienced gender discrimination.
- » 83% of time is spent in the office, with limited flexibility and inadequate support from their employers.



Hemington Wealth Management is devoted to supporting women lawyers and providing clear solutions to some of these complex problems. To learn more about the challenges of women lawyers and how the right wealth manager can help, download the complete study on our website: www.hemingtonwm.com/breadwinner-women-lawyers

We are very grateful to the legal leaders in our network who have opened doors for us to present to dozens of law firms and legal organizations in recent years. We are providing education and practical tools to help more lawyers have a better relationship with money so they can be more impactful lawyers.

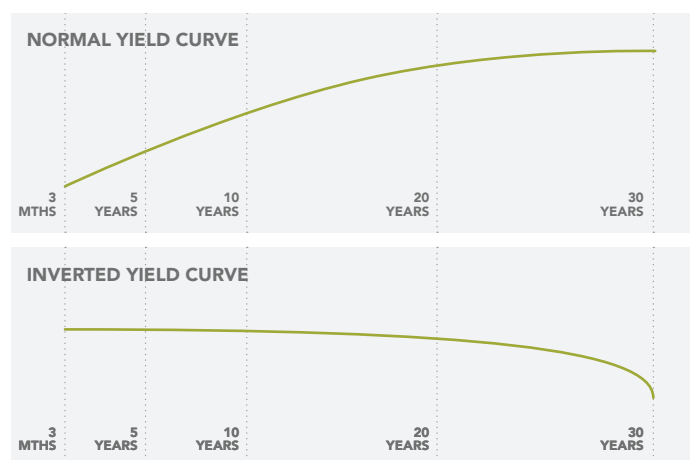
If you would like Hemington to present our findings to your law firm, contact **Eileen O'Connor** (eileen.oconnor@hemingtonwm.com) or **Jen Dawson** (jen.dawson@hemingtonwm.com).



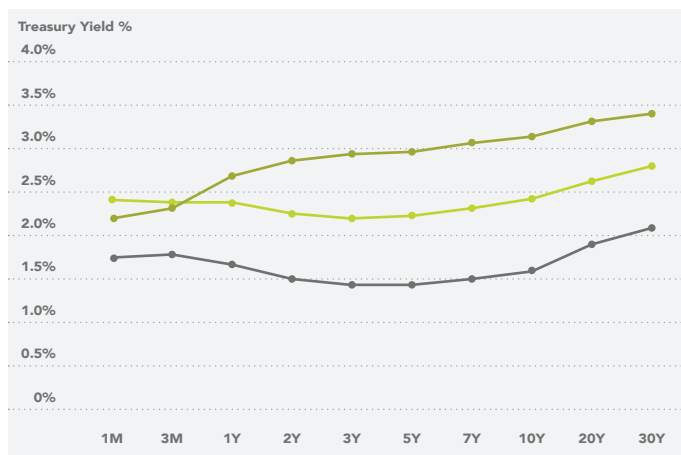
A DAY IN THE SPOTLIGHT FOR THE "INVERTED YIELD CURVE"

Recent headlines have shone a spotlight on the yield curve and its inversion. Most of the news reports on the "inverted yield curve" focus on it as a predictor of future recessions. We thought we would share additional context with our clients.

A normal yield curve typically follows an "up to the right" pattern. Short-term interest rates are relatively low and long-term interest rates are higher because in general investors want to be compensated for the additional risk of a longer-term investment. The curve becomes "inverted" when longer-term rates become lower than short-term rates.



The current yield curve has more of a "smiley face" pattern than an inverted pattern. The graph at top right shows the current US Treasury yield curve with inversion (grey), as well as the curve from 6 months ago (light green), and normal yield curve from a year ago (dark green). You can see that this is a moving target, and that some longer-term rates have been below some shorter-term rates for several months.



This graph above shows the current US Treasury yield curve with inversion (grey), the yield curve from 6 months ago (light green), and a normal yield curve from one year ago (dark green).

An inversion of the yield curve has preceded the past few economic downturns. However, there has been no predictable pattern for when these downturns occur – it has ranged from a few months to a few years after the inversion.

Furthermore, there has been no clear correlation between yield curves, recessions, and stock market performance. In other words, even if the yield curve becomes inverted for some period of time, and even if a recession follows some period of time later, that does NOT necessarily mean there will be a long period of stock market declines.

News reports tend to focus on the hype and may not give actionable information to use in managing your investment portfolio. We fully expect that there will be occasional economic downturns and stock market declines – but there is no reliable way to predict when they will happen or how long they will last. As usual, it is best to stay focused on your investing time horizon (your lifetime) and remember that over the long run staying invested in an appropriately allocated, globally diversified portfolio is your best path to optimizing your investment returns.

About Hemington Wealth Management

Hemington Wealth Management provides high net worth individuals and families with a broad range of wealth management services including portfolio management. We are collaborative, accessible and responsive, making it easy for clients to work with our team.

Hemington Wealth Management

Falls Church, VA Office
7651 Leesburg Pike
Falls Church, VA 22043

Phone 703.828.2479
Toll-free 855.HWM.WLTH (855.496.9584)
Email info@hemingtonwm.com

Chicago, IL Office
150 S. Wacker, Suite 2400
Chicago, IL 60606

Phone 312.757.5339
Email info@hemingtonwm.com