



**ECONOMY**

- Trade tensions continue to be a major risk to the global economy; however, some progress has been made with our partners in North America.
- While the U.S. economy remains relatively strong, the ongoing trade wars and credit tightening around the world is already slowing growth globally.
- Emerging markets are vulnerable to the strengthening dollar, as much of their debt is denominated in USD; A further rise in the dollar will continue to pressure their already slowing economies.
- Still, U.S. consumer confidence is high, unemployment is low, and wages are growing.

**MARKETS**

- The S&P 500 index ended the year down 6.24%, making it the worst year since 2008. Globally, equity markets struggled as well.
- The defensive sectors, such as consumer staples, health care, and utilities have held up relatively well as investors seek safety.
- Gradual increases in U.S. rates have contributed to market volatility and led to weaker foreign currencies. Additionally, investors have become increasingly uncertain over the long-term sustainability of earnings growth.
- Investors remain cautious due to various headwinds, including: escalating trade wars, housing declines, Fed rate hikes, global economic slowdowns and massive debt problems.

**STRATEGY**

We continue to focus on risk reduction, through:

- Appropriate asset allocation
- Intermediate term bond maturities
- Over-weighting of recession resistant sectors (consumer staples, health care, utilities)
- Use of stronger balance sheet, higher yielding stocks
- Cash reserves

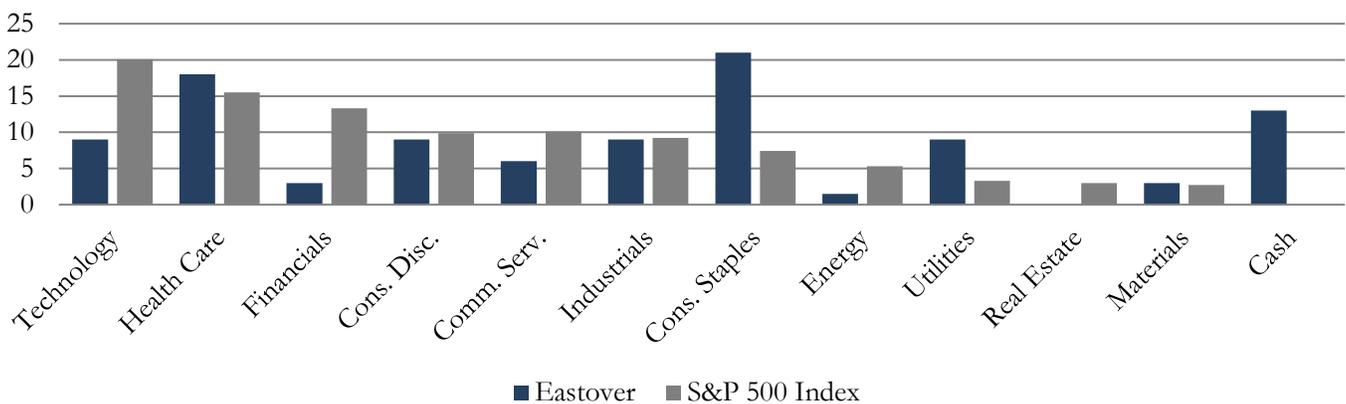
	<b>Eastover Core Model Portfolio*</b>	<b>S&amp;P 500 Index*</b>
Dividend Yield	3.26%	1.99%
Forward P/E Ratio	13.18	16.32
Portfolio Beta	.624	1.00

**Top 5 Holdings\***

- Pfizer Inc. (PFE)
- Microsoft Corporation (MSFT)
- Dollar General Corp. (DG)
- Starbucks Corporation (SBUX)
- Clorox Company (CLX)

*\*As of December 31, 2018*

**ASSET ALLOCATION**  
As Of December 31, 2018



*Holdings and Asset Allocation are as of December 31, 2018 and subject to change. The specific securities identified and described within this presentation do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.*

# INVESTMENT POLICY COMMITTEE

## Will Mackey – CEO & Client Advisor



Will serves as Chief Executive Officer and Client Advisor for Eastover. Prior to joining Eastover, Will has served multiple national and regional firms in his twenty-five years in the investment industry. He started out as a Financial Advisor, and since then has held multiple leadership roles, including National Sales Manager, Director of Business Development, and founder and CEO of a FINRA member firm. He received a bachelor's degree from the University of South Carolina.

Outside of Eastover, Will spends his time with his wife and three daughters and is an active member of Forest Hill Church. He enjoys a friendly/competitive round of golf with his friends and cooking on his Big Green Egg.

## Donn Toney – Co-Founder & Economic Advisor



Donn cofounded Eastover in 1988. Prior to Eastover, he founded Interstate Asset Management, a subsidiary of Interstate Securities, now a part of Wells Fargo. Donn serves as our Economic Advisor and is a member of our Investment Policy Committee. He brings over forty-five years of industry experience to the table. He received a bachelor's degree from Indiana University and an MBA from the University of Hartford.

When he isn't working, he spends time with his wife of 50 years, Dottie; his two daughters; and five granddaughters — taking trips and watching or playing sports. Donn is also involved at his church and at the Charlotte City Club.

## Justin M. Brooks – Portfolio Manager



Justin joined Eastover in March 2015. He handles all the trading, research, and portfolio management duties of the firm. Prior to Eastover, Justin supported the New York Institutional trading desk for Merrill Lynch. He received a bachelor's degree in Economics from Clemson University. Justin is a member of our Investment Policy Committee. He holds his Series 65 license and has passed level 2 of the CFA program.

When he isn't in the office, Justin spends time outdoors with his family and friends. He is always tackling new renovation projects on his 1940s home with his dog, Luna, who follows him everywhere.

## David Morgan – Client Advisor



David joined Eastover in 2009 and brings over twenty-five years of experience in the investment, trust and private banking industries. As a Private Client Advisor he worked with high net worth clients in all facets of family wealth management and planning. David also is a member of our Investment Policy Committee. A Charlotte native, he graduated with a Bachelor's of Science from Appalachian State University.

He has been involved with the Mint Museum of Craft and Design, has fundraised for the United Way and The Arts and Science Council, and is currently assisting with Loaves and Fishes. He is President of the Park Crossing Recreation Club in South Charlotte and President of the Delta Zeta Chapter of Pi Kappa Phi Alumni Association.