

# Quarterly Portfolio Review

SEPT 30, 2021

Inflation is taxation without legislation

-Milton Friedman

## Year in Review

- The 3rd Quarter ended with both equity and fixed income weakness due a variety of factors including inflation and debt ceiling concerns.
- Core inflation increased 3.6% in August from a year ago. This increase is the largest increase in more than 30 years.
- Fixed income yields remain under pressure. The 10 year treasury yield as of 10.5.21 is 1.524% with the 30 year at only 2.088%.
- Approximately only 30% of the population has a long term financial plan. This has costs beyond just investments and includes estate and generational planning as well.
- Average credit card debt is \$6,270.
- Emergency Funds. Approximately 38% of the population has less than \$1,000 in an EF. You should maintain at least 3-6 months of expenses in account that you have ready access to.

## BENCHMARKS YTD THROUGH 9/30/21

FTSE World Gov't Bond Index 3-7 Yr. Hedged	-0.99%
Russell 2000 (US Small Cap index)	11.62%
S&P 500 (US Large Cap index)	14.68%
Wilshire 5000 (US Total Market index)	13.67%
MSCI EAFE (International Stock index)	6.23%

## RMDs AND BENEFICIARY DESIGNATIONS

### Required Minimum Distributions

In 2020 due to the pandemic, Required Minimum Distributions we suspended. Now for 2021, these distributions are required for those who are 72 or older and for non spouses who have an Inherited IRA, they will have to take a distribution as well regardless of age. If you are turning 72 this year, your distribution is not required until April 1, 2022.

We will begin contacting clients and processing RMDs in early November. Typically the full process takes until early to mid-December. If you are unsure about your RMD status, please contact our offices. Additionally, if a RMD is not taken out in a timely manner, the IRS imposes a 50% tax penalty on the distribution.

### Beneficiary Designations

As we reach the end of the year, it's an appropriate time to review your beneficiary designations. This would be on the following accounts:

1. IRAs
2. Company retirement plans
3. Life Insurance Policies
4. Transfer on Death (typically reserved for bank accounts or non IRA/retirement assets)

If you have any questions about your beneficiaries on accounts held with Charles Schwab, please let us know.

## QUARTERLY CLIENT WEBINAR

Date: Thursday , October 28th, Starting time: 12:00 pm, Eastern Standard Time

Meeting Number: 2632 039 9343 Password is 1234 if asked

Website link: <https://afadvisorsevents.webex.com/afadvisorsevents/onstage/g.php?MTID=ca0e520f4697a0d50d1eb8c31d4006258>

To join the teleconference only: US TOLL: +1-415-655-0002 Access code: 2632 039 9343

If you cannot join us for this important webinar, we will post a recording of the entire presentation on our website at [www.afadvisors.com](http://www.afadvisors.com).