

Quarterly Portfolio Review

DEC 31, 2021

The new year stands before us, like a chapter in a book, waiting to be written. We can help write that story by setting goals.

-Melody Beattie

Year in Review

- The Federal Reserve stated they will begin to taper bond purchases as inflation remains a concern. The Fed also indicated that future rate hikes were probable in 2022 and 2023.
- Inflation is remaining stubbornly high. Experts predict that inflation will begin to subside throughout 2022 and into 2023.
- Fixed income yields are already rising. The 10 year treasury yield as of 10.5.21 was 1.524% and is now 1.73% as of 1.7.21.
- Even though mortgage rates are on the rise, single family home demand remains high. Home prices were up 19% year over year.
- The average age of retirement is 64 years old. Slightly lower than prior to the pandemic.
- If you would like a Social security analysis, please contact our offices.

BENCHMARKS YTD THROUGH 12/31/21

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| FTSE World Gov't Bond Index 3-7 Yr. Hedged | -1.63% |
| Russell 2000 (US Small Cap index) | 13.70% |
| S&P 500 (US Large Cap index) | 26.89% |
| Wilshire 5000 (US Total Market index) | 22.82% |
| MSCI EAFE (International Stock index) | 8.78% |

TAX SEASON IS UNDERWAY

Tax season is upon us. Per Schwab, 1099s for taxable accounts (capital gains, interest, and dividends etc) and 1099Rs for retirement account distributions will be sent out around the middle of February with some 1099s not being distributed until the end of February.

Important dates:

January 18th, 2022: Deadline for Q4, 2021 estimated tax payments
 January 31st, 2022: Deadline for employers to deliver W2s
 March 15th, 2022: Deadline for LLC and S Corporation returns
 April 15th, 2022: Deadline for Individual returns and C corporation
 October 17th, 2022: Deadline for Individual return with an extension

2022 Tax Information:

IRA Contribution Limits: \$6,000 for those under 60, \$7,000 for those over 50.
 Maximum elective deferral to retirement plans: \$20,500
 Catch up contribution to 401k, 403b: \$6,000
 Max Defined Contribution plan addition: \$61,000
 Health Savings Account contribution limits: \$3,650 Individual/\$7,300 Family
 Standard Deductions: \$12,950 Single, \$25,900 Married-Joint return

It's important to contact your CPA or tax preparer early to discuss your tax situation. Do not delay. Last year the IRS had considerable delays in processing refunds—up to 9 months in some cases.

QUARTERLY CLIENT WEBINAR

Date: Thursday, January 20th, Starting time: 12:00 pm, Eastern Standard Time

Meeting Number: 2634 533 0761 Password is 1234 if asked

Website link: <https://afadvisorsevents.webex.com/afadvisorsevents/onstage/g.php?MTID=cac3c11fb4bd532f8de3303b31680a92c>

To join the teleconference only: US TOLL: +1-415-655-0002 Access code: 2634 533 0761

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.