

# Quarterly Portfolio Review

Dec 31, 2022

No winter lasts forever; no  
spring skips its turn.

- Hal Borland

## Year in Review

- 30 year mortgage rates are 6.6% and 15 year mortgage rates are 6%.
- Treasury yields continue to climb on the short end of the yield curve with the 3 month Treasury at 4.6%. However the 10 year treasury is only 3.5%
- Car sales are starting to make a comeback but the cost of a new car or truck are at record levels. Used cars are still in high demand.
- Inflation may have peaked in 2022. However the Federal reserve plans to continue to raise rates to bring inflation down even further.
- Major tech companies have begun to announce significant layoffs. The markets fear there is a recession on the horizon.

## BENCHMARKS YTD THROUGH 12/31/2022

FTSE World Gov't Bond Index 3-7 Yr. Hedged	-10.37%
Russell 2000 (US Small Cap index)	-21.56%
S&P 500 (US Large Cap index)	-19.44%
Wilshire 5000 (US Total Market index)	-21.43%
MSCI EAFE (International Stock index)	-16.79%

## TAXES, TREASURIES, INTEREST RATES

Tax season is of course upon us once again. Charles Schwab will be releasing 1099s approximately mid February and any corrected 1099s late February. AFA will not have any early access to these tax documents. For those clients who are having regular withdrawals from their IRAs, after you have your taxes completed, please let us know if we need to make any adjustments to the tax withholding from your IRA account. Please make sure you confirm these changes with your tax professional prior to make any tax changes to your monthly withdrawals.

Over the latter half of 2022, the three month Treasury yields were climbing above, 3.5% and higher. As of the writing of this newsletter they are currently at 4.6%. Rates can and will change daily. We sent out multiple emails to our clients letting them know if they have idle cash at their local banking or credit union earning less interest we would help them purchase a Treasury. We do this at no cost to our clients—it's a service we provide. If you have questions about this program, please contact our offices at your convenience.

Interest rates have climbed throughout 2022. This has not been a good year for home purchases or home refinancing. It has also not been a good year for those financial an automobile. Its important that when you have a major purchase or finance decision to contact your advisor prior to discuss the decision. Once the decision has been made and forms signed, it cannot be reversed. The time to call is well in advance. "I wanted to call you because in X months, I'm planning to .....". We are here to help.

IRA withdrawals. We are seeing significant IRA withdrawals outside of the normal monthly IRA distributions. Just as noted in the paragraph above, if you have to take a large withdrawal from your IRA, please call us first to discuss the situation. It can have a major impact on your taxes. We will also include your Tax preparer if it warrants.

## QUARTERLY CLIENT WEBINAR

Date: Thursday , January 19th, Starting time: 12:00 pm, Eastern Standard Time

Meeting Number: 2634 767 9984 Password is **1234** if asked

Website link: <https://afadvisorsevents.webex.com/afadvisorsevents/onstage/g.php?MTID=c932919e65206ab0ed75f24597cd6ea6e>

To join the teleconference only: US TOLL: +1-415-655-0002 Access code: 2634 767 9984

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).