

Quarterly Portfolio Review

Sept 30, 2022

“The greatest glory in living lies not in never falling, but in rising every time we fall.”

-Nelson Mandela

Year in Review

- 30 year mortgage rates reached a high of 6.90%
- 2 year Treasury reached a high of almost 4.3% causing the equity markets to struggle in the month of September.
- The average car price reached over \$50,000. Car loan rates are increase with the interest rate hikes. Some car loan rates are at almost 10% with some car companies extending loan payments up to 10 years.
- Real wages have fallen for 17 consecutive months.
- The UK's attempt to counter-act inflation cause the UK pound to drop to almost parity with the US dollar.
- October's CPI report will be announced on October 13th. Experts are hoping to see a meaningful decline.

BENCHMARKS YTD THROUGH 9/30/2022

FTSE World Gov't Bond Index 3-7 Yr. Hedged	-10.74%
Russell 2000 (US Small Cap index)	-25.86%
S&P 500 (US Large Cap index)	-24.77%
Wilshire 5000 (US Total Market index)	-24.72%
MSCI EAFE (International Stock index)	-28.88%

FINANCES

When the financial markets are doing well, many people ignore the basics of their financial situation. Spending goes up, discipline goes down. The encouragement of good markets can create a false sense of reality of 'free' money.

Difficult markets and stubborn inflation can shine a light on the some of the basics of every day financial management. There is no better time to review your financial situation across all areas.

Budget. Budgets get ignored for the most part. Particularly the entertainment portion of one's budget. Review your day to day spending. Most will be surprised at where their money is being spent.

Insurance. When is the last time you reviewed your car insurance? Home owners insurance? Life insurance? Many people haven't reviewed their car or home owners insurance for years. Do you know what your coverage limits are? What are you deductibles? Increasing your deductible may be able to save on your monthly or annual premiums.

Estate Planning: We send reminders to our clients to review their estate planning documents but often this is an area that is overlooked. This would also include creating a list of items such as account and passwords to be stored with your estate planning documents.

Car purchases. In our current environment of high prices and high rates, if you are looking for a car now would you be better off buying a car in the future when the prices and rates are lower?

Second home/Condo. Often clients own a 2nd home or a vacation condo. It may be worth the conversation to determine the annual carrying costs and/or the potential value of selling the property especially if its not being used on a regular basis.

Main Residence. We have seen over the last 1-2 years many people are upgrading to a larger home with greater carrying costs between taxes, insurance, and utilities. If you are considering moving or upgrading your home, please contact us to discuss the ramifications.

Emergency fund. We continue to see individuals use their IRA for the emergency fund. Through proper budgeting or cost savings, its possible to save up to 3-6 months for emergency purposes.

QUARTERLY CLIENT WEBINAR

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

Meeting Number: 2634 073 8255 Password is **1234** if asked

Website link: <https://afadvisorsevents.webex.com/afadvisorsevents/onstage/g.php?MTID=cc102bad8739272ea4259e86de5ab2e50>

To join the teleconference only: US TOLL: +1-415-655-0002 Access code: 2634 073 8255

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.