

# Quarterly Portfolio Review

It is only the farmer who  
faithfully plants seeds in  
the Spring who reaps a  
harvest in the Autumn.  
— B.C. Forbes

## Year in Review

- 30 year mortgage rates have risen to about 7.46% and the 15 year to 6.68%.
- The Federal Reserve is anticipating 3 rate cuts in 2024. The current 3 month Treasury yield is 5.35% and some Schwab money markets are yielding over 5%.
- If you expect to take new withdrawals from your IRA in 2024, please contact us to set up a money link to your local bank. We can set up tax withholding on Federal and State (if applicable) on these withdrawals as well.
- For those who are already taking withdrawals, if you need to adjust your tax withholding, please call our office.
- Emergency fund: We recommend at least 6 months in a savings or money market account to cover any unforeseen expenses.

## BENCHMARKS YTD THROUGH 3/31/24

FTSE World Gov't Bond Index 3-7 Yr. Hedged	-0.23%
Russell 2000 (US Small Cap index)	+4.81%
S&P 500 (US Large Cap index)	+10.16%
Wilshire 5000 (US Total Market index)	+9.57%
MSCI EAFE (International Stock index)	+5.06%

## CARS: BUY VS LEASE

When it comes to acquiring a new vehicle, the decision between buying and leasing boils down to your priorities, financial circumstances, and lifestyle preferences. Let's explore the key differences between the two options.

**Ownership vs. Flexibility:** Buying a car means you own it outright after paying off the loan, giving you full control over modifications and usage. On the other hand, leasing offers flexibility without ownership responsibilities. You essentially rent the car for a predetermined period, returning it at the end of the lease term.

**Monthly Payments:** Leasing typically involves lower monthly payments compared to buying since you're only paying for the vehicle's depreciation during the lease term. Buying, however, builds equity over time, eventually leading to ownership once the loan is paid off. You can customize loan terms and down payments to fit your budget when buying.

**Long-Term Costs:** Leasing may seem cheaper initially, but it's important to consider long-term costs. Leasing means you'll never own the vehicle, necessitating continuous payments. Buying, once the loan is paid off, means you own the car outright, reducing monthly expenses to maintenance, insurance, and other fees.

**Mileage and Wear and Tear:** Lease agreements come with mileage restrictions, and exceeding them incurs fees. Additionally, you're responsible for excessive wear and tear. Buying offers unlimited mileage and freedom to customize the vehicle without penalty.

**Depreciation and Resale Value:** Leasing shelters you from the vehicle's depreciation, as you return it at the end of the lease. Buying requires managing depreciation and resale value, though choosing a car with strong resale value can mitigate costs.

**Tax Implications:** There might be tax advantages with leasing, such as deducting lease payments if used for business. However, buying can offer tax benefits like deducting loan interest and depreciation, but it depends on individual circumstances and tax laws.

Ultimately, the decision hinges on your priorities. If you value ownership, customization, and long-term savings, buying might be preferable. However, if you prioritize flexibility, lower monthly payments, and driving the latest models, leasing could be more suitable. Consider your financial situation, driving habits, and future plans to determine the best option for you.

## QUARTERLY CLIENT WEBINAR

Date: Thursday, April 18th, Starting time: 12:00 pm, Eastern Standard Time

Meeting Number: 2630 335 1627 Password is 1234

Website link: <https://afadvisorsevents.webex.com/afadvisorsevents/j.php?MTID=m91d47edc905750c00096e0bf0d379602>

To join the teleconference only: US TOLL: +1-415-655-0002 Access code: 2630 335 1627

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).