



2398 S Dixie Hwy, Miami, FL 33133 [www.TonkinsonFinancial.com](http://www.TonkinsonFinancial.com) T: 305-858-1628 F: 305-858-1627

- MARKET HIGHLIGHTS:**
- The economy was surprisingly resilient in the second half of 2022, with the Atlanta Fed estimating consumer-led GDP growth of 3.9% for 4Q following an upwardly revised 3.2% for the previous quarter.
  - Aggressive monetary tightening by the Fed has raised the risk of a recession and higher unemployment in 2023 led by interest rate sensitive sectors like housing and consumer durables.
  - In response to surging inflation, the Fed raised rates in 2022 at the fastest pace in four decades, hiking the upper range of the federal funds rate from 0.25% in March to 4.5% in December.
  - Fixed income markets posted mixed results amid growing confidence that central banks have succeeded in slowing inflation and will be able to pursue less restrictive policy.
  - US equity markets closed 4Q higher, capping a dismal year for stocks with the S&P 500 and Nasdaq logging their worst calendar years since 2008.
  - Non-US developed markets (DM) finished the year on a positive note, supported by softer inflation readings in several countries and receding fears of an energy shortage in Europe. The MSCI World ex USA Index gained 16.2%.

**NEWSLETTER HIGHLIGHTS:**

- Sound Advice : Cost of Living Adjustment ..... pg. 2
- Graphing the Markets ..... pg. 2
- Interesting Stats ..... pg. 5
- Secure 2.0 ..... pg. 5
- Streaming Services ..... pg. 6
- Book Review: ..... pg. 7
- Community Corner..... pg. 7

**Happy New Year!**

The Tonkinson Financial Team wishes your 2023 to be full of happy surprises and joy!  
 May this year be an incredible part of your journey!



**INDEX PERFORMANCE 12/31/2022**

	Q %	YTD %	1 Year %
Aggressive Allocation	8.44	-16.12	-16.12
Balanced Allocation	6.70	-14.88	-14.88
Conservative Allocation	4.88	-13.82	-13.88
S&P 500 TR	7.56	-18.11	-18.11
Russell 2000 TR	6.23	-20.44	-20.44
Barclays U.S. Agg Bond TR	1.87	-13.01	-13.01
MSCI EAFE NR USD	17.40	-14.01	-14.01

	As of 12/31/2022	As of 12/31/2021
10 Year Treasury %	3.88	1.52
Barclays 1-3m Treasury/Cash %	4.76	0.05
Price of oil	\$80.26	\$75.21
Real GDP YoY % change	1.90	5.60
U.S. Unemployment Rate %	3.50	4.20

*The aggressive allocation is made up of 50% S&P 500 TR, 8% Russell 2000 TR, 18% Barclays U.S. Agg Bond TR, 22% MSCI EAFE NR USD and 2% cash. The balanced allocation is made up of 39% S&P 500 TR, 5% Russell 2000 TR, 35% Barclays U.S. Agg Bond TR, 16% MSCI EAFE NR USD and 5% cash. The conservative allocation is made up of 29% S&P 500 TR, 2% Russell 2000 TR, 53% Barclays U.S. Agg Bond TR, 9% MSCI EAFE NR USD and 7% cash.*

*All indices are unmanaged, and investors cannot actually invest directly into an index. Unlike investments, indices do not incur management fees, charges, or expenses. Past performance does not guarantee future results.*

**MARKET REVIEW**

— By Rick Tonkinson, MBA, MPA, CFP®, CLU, AIF®

I have been managing money since 1991 – that is 31 years of ups and downs in the market. I have done damage control during 9/11, 2008, the COVID-19 pandemic and now 2022. These are events that did not just hurt the market but changed the way we live and think. This is when life experience becomes priceless.

Throughout 2022, we constantly asked ourselves “are we still in the right place?” We are constantly searching for investment opportunities, but if there is no better place to go, we stay the course. If we see an opportunity, we make the move. We do not trade to simply make it look like something is done.

Anticipating a bumpy year, we proactively increased cash reserves in our clients’ accounts. "Even with the terrible market our client’s remained confident that their cash needs to pay bills, travel and do projects were well met.

The big winners in 2021 were the big losers in 2022 with Communication Services down 40%, Consumer Discretionary down 37%, Technology down 28% and Real Estate down 26%. Consumer Discretionary spending, a.k.a. us buying stuff, makes up 68% of the total economy. Despite the fact the Christmas shopping was better than the year before, the biggest contributor to the Consumer Discretionary sector, Amazon (AMZN), decreased to the point of losing all the gains it made during the two years of the pandemic when everyone was forced to shop online.

The best performers were Energy, up 66%, and Utilities, up 1.6%. Utilities were positive even with its largest contributor, as of 12/31/22 NextEra (NEE) was down 8.5%. NextEra is normally resilient when the market tanks but not in 2022.

The S&P 500 finished the year down 18%. Despite these dismal results, I am optimistic about America's future. 2022 is just one more bad year for the history books. The US economy has survived worse and is still the most prosperous country in the world.

Inflation was the monster that caused the damage in the markets. The Federal Reserve, in a reactive strategy, jacked up the interest rates to 4.5%. Thanks to lower energy and goods prices, inflation has moderated in recent months. The Consumer Price Index (CPI) was up 6.5% in 2022, after having posted a peak of 9.1% in June while the Fed's target is 2%. I am shocked when I shop in Publix. Remember when two weeks of groceries cost \$80?

When the stock market gets scary, like in 2022, people change from investors to savers. What was a 30-year time horizon changes to 30 seconds. People run to bonds for safety, but bonds were not safe in 2022, down 13%. They were just less bad than stocks, down 18%.

At least people who want to work had a job. We have full employment. Even with money in people's pockets, the Consumer Sentiment Index is now at 59.7 and off its 70-year all-time low of 50.0 in June 2022; however, it is still much lower than during 9/11, 2008, and the COVID-19 pandemic. This means we feel worse than we felt during what seems like worse times.

Are things that bad? I do not think or feel that they are. When times get tough, the stock market represents how we feel and not necessarily how the companies are actually doing. I do not know when things will get better, but a reality check is coming for the market to be more objective and reflect the fundamental strength in the economy. We will all feel a lot better when it does.

## SOUND ADVICE:

### Cost-of-Living Adjustment Information for 2023

— By Steven Tonkinson, CFP®, AIF®, CFS®



Social Security and Supplemental Security Income (SSI) benefits for approximately 70 million Americans will increase 8.7 percent in 2023, the Social Security Administration announced in October. On average, Social Security benefits will increase by more than \$140 per month starting in January.

The 8.7 percent cost-of-living adjustment (COLA) will begin with benefits payable to more than 65 million Social Security beneficiaries in January 2023. Increased payments to more than 7 million SSI beneficiaries will begin on December 30, 2022. The Social Security Act ties the annual COLA to the increase in the Consumer Price Index as determined by the Department of Labor's Bureau of Labor Statistics.

"Medicare premiums are going down and Social Security benefits are going up in 2023, which will give seniors more peace of mind and breathing room. This year's substantial Social Security cost-of-living adjustment is the first time in over a decade that Medicare premiums are not rising and shows that we can provide more support to older Americans who count on the benefits they have earned," Acting Commissioner Kilolo Kijakazi said.

Some other adjustments that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$160,200 from \$147,000.

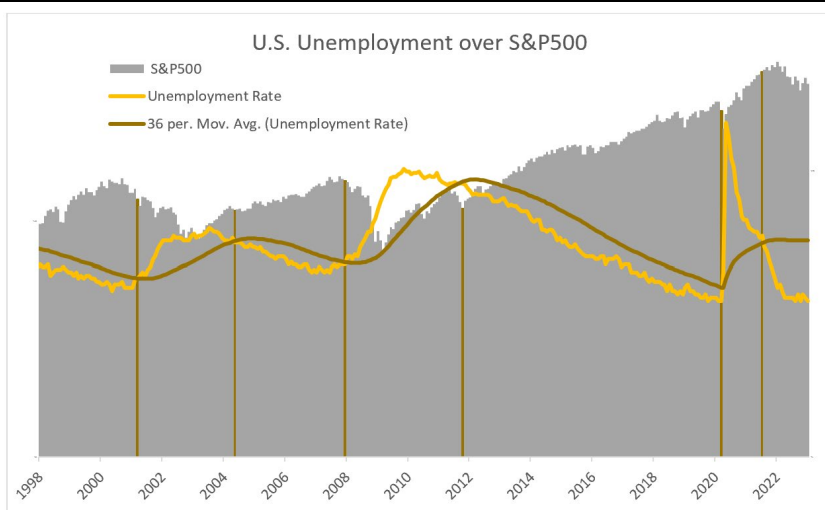
The earnings limit for workers who are younger than "full" retirement age will increase to \$21,240. (We deduct \$1 from benefits for each \$2 earned over \$21,240.)

The earnings limit for people reaching their "full" retirement age in 2023 will increase to \$56,520. (We deduct \$1 from benefits for each \$3 earned over \$56,520 until the month the worker turns "full" retirement age.)

There is no limit on earnings for workers who are "full" retirement age or older for the entire year. The Cost-of-Living Adjustment (COLA) adjustment in 2022 was 5.9%



As we start a new year, let's look at the long-term macro trends and review what happened over the last 12 months through the following 4 graphs.



### U.S. Unemployment over S&P500

#### What is it?

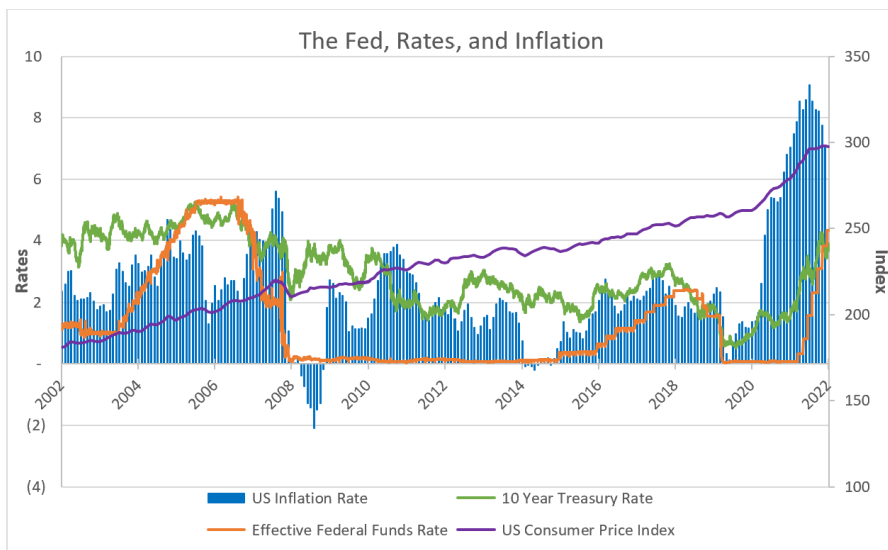
It is a graph of the US Unemployment rate with its 36-month moving average, laid over the S&P 500 equity index.

#### Why look at it?

This is one of the best indications of when to expect a recession. There is an inverse relationship between level of unemployment and forward stock market returns. The best returns, historically, have come after periods of high unemployment. Unemployment rates below its 36-period moving average coincide with stable economic conditions.

#### What happened over the last 12 months?

US Unemployment Rate is at 3.5%, compared to 3.9% last year. This is lower than the 36-month moving average of 5.7%. The unemployment rate has recovered to the pre-pandemic low of 3.5%. Most economists are calling for a tick up in the unemployment rate, however given where labor demand is, it is unlikely that there would be a dramatic jump for unemployment in the US in 2023. That said, when analyzing economic sensitivity, the pandemic spike in the unemployment rate needs to be removed. This gives us a lower number and a better chance at price stability in the labor market and inflation.



### The Fed, Rates, and Inflation

#### What is it?

This is a graph of the Fed's funds rate, the 10-year treasury rate, the US inflation rate, and the long-term US Consumer Price Index, or CPI.

#### Why look at it?

The Fed funds rate determines the short-term interest rates in the market. Inflation expectations, on the other hand, drive long-term interest rates. There is also an inverse relationship between the rate of unemployment and inflation. The Treasury yield curve is a graph that plots interest rates at different maturities. When short-term rates rise following a rise in the Fed funds rate, the

Treasury yield curve flattens, as the shorter end would rise more compared to the farther end. In general, when interest rates are low, the economy grows and inflation increases. Conversely, when interest rates are high, the economy slows and inflation decreases. Changes in interest rates have a direct effect on fixed income investment returns.

#### What happened over the last 12 months?

The Fed raised rates from 0.25% to 4.50% in 2022 and has become enemy number one for the market. However, we are seeing inflation peak, as well as a decline in the 10-year Treasury rate. The 10-year Treasury rate has inverted with the Fed's key rate. This is usually a warning sign of a recession; however, this time might be different as it may be the markets seeing past the Fed on inflation. Meaning the bond market has begun to preempt the Fed as inflation falls. As inflation slows the Fed will follow. There will most likely be two rate hikes in 2023, that will bring the key rate to 5.00%.

Followed by rate cuts late in the year, or early next year, to bring rates back to a more sustainable level. The long-term average for the Fed Funds Rate is 2.50%. The silver lining of this graph is the purple line, the CPI index, has dramatically flattened since the peak in US Inflation. This is very positive for our outlook on the US Economy.

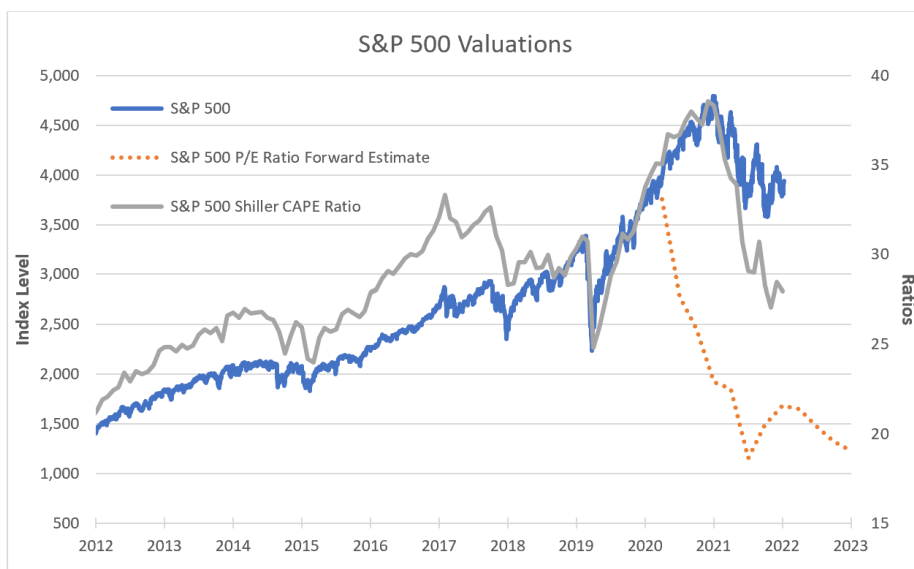
## S&P 500 Valuations

### What is it?

This is a look at the S&P 500 and its P/E Ratios: the CAPE ratio and the P/E ratio. The CAPE ratio is a Cyclically Adjusted Price-Earnings ratio. The P/E Ratio Forward Estimate uses estimated net earnings over the next 12 months.

### Why look at it?

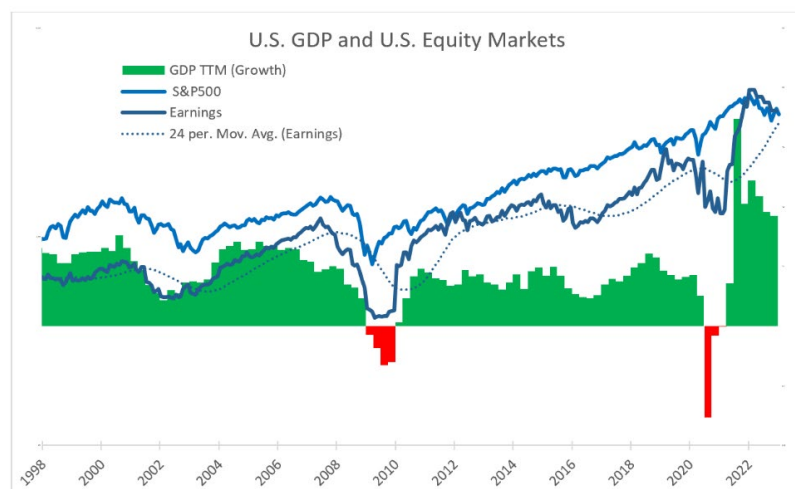
The CAPE Ratio smooths out and shows a more accurate representation of the ratio between current prices and earnings. Whenever the CAPE ratio of the market is high, it means stocks are overvalued, and in contrast, whenever the ratio is low, it means the stocks are undervalued. The P/E Ratio forward estimate tells what the market expects will happen to valuations.



### What happened over the last 12 months?

Earnings declined in the first and second quarters of the year then accelerated in the third and fourth. The S&P 500 declined the first, second, and third, then rallied in the fourth. The Earnings for the S&P 500 declined 8.72% while the index itself fell 19.4%. The Fwd. P/E Ratio fell from 22.90x to 19.03x and the CAPE Ratio fell from 38.30x to 27.95x. This multiple contraction is a positive for long-term equity returns compared to last year.

Unlike the two years prior when valuations were not only high, but near historical extremes, after this year's sharp decline in prices, they have reverted to more reasonable levels. In fact, for most of the year, the S&P 500's P/E ratio has been below its pre-COVID high. While valuations have really retreated, the S&P 500 is still far from 'attractive' levels and nowhere near the historical average of 15.8x dating back to the late 1920s.



## U.S. GDP and U.S. Equity Markets

### What is it?

This graph looks at the relationship between earnings, U.S. GDP and prices.

### Why look at it?

Stock portfolio will do better during periods of increasing prosperity in the country. The linkage between GDP, Corporate Earnings & Equity Prices can provide a long-term view of valuations and give basis for adjustments in equity allocations. We want heavier equity exposure when GDP, profitability, and sentiment measures look to be at historical low points.

### What happened over the last 12 months?

US GDP is at a current level of \$25.72T, up from \$23.55T one year ago. This is a change of 9.21% from one year ago. S&P 500 Earnings Per Share is at a current level of \$180.62, down from \$197.91 one year ago. This is a change of -8.72% from one year ago. We had a massive run in GDP off the pandemic lows. Even though GDP is decelerating, it is still growing at a faster pace than the long-term norm of 2-5%. The divergence between the US Economy and corporate earnings can be seen in this graph. The economy is booming; however, because inflation is squeezing margins, it's not showing up in corporate earnings. We saw an earnings recession in the S&P 500 this year due to high inflation.

It wasn't bad across the board. Some sectors did well, while other more sensitive sectors were hit harder. As inflation slows, barring an economic recession, corporate earnings should bounce back.

*\*\*All graphs in this article are sourced from YCharts.com*

## 2022 Headlines

It has been a very rough year. Here are some major headlines from 2022 that influenced the financial markets.

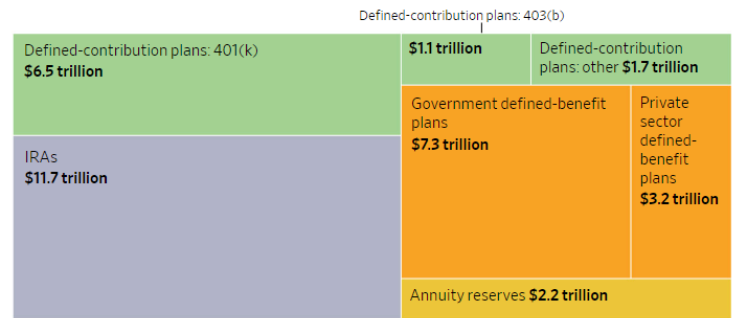
Jan 13	Inflation Hits Fastest Clip Since '82
Feb 24	Russia Strikes Ukraine
Mar 01	Inflation Reaches 40-Year High of 7.9%
Mar 17	Fed Lifts Rates and Signals Six More Increases
Mar 24	Russian Casualties Are Mounting
Apr 29	US Economy Shrinks 1.4%, But Spending Stays Strong
May 05	Fed Rate Rise Is Biggest Since 2000
May 11	Gasoline Prices Hit a Record
May 20	Slump Sends S&P 500 Near Bear Territory
Jun 03	Microsoft Cuts Its Forecasts, Citing Effect of Strong Dollar
Jun 16	Fed Sets Biggest Rate Rise Since '94
Jul 06	Oil Sinks Below \$100 as Demand Weakens
Jul 28	Fed Lifts Rates by 0.75 Point Again
Aug 16	Beijing Cuts Rates as Growth Pace Slows
Sep 01	Oil Prices Extend Fall Amid Growth Concerns
Sep 16	Mortgage Rates Jump Past 6%, Hit Highest Mark Since 2008
Oct 12	Ripples from U.K. Fiscal Crisis Slam Nasdaq, U.S. Junk Debt
Oct 21	U.K.'s Truss Quits After 45 Stormy Days
Oct 28	Mortgage Rates Hit 20-Year High
Nov 11	Stocks Surge as Inflation Cools
Nov 17	GOP Narrowly Wins Control of the House
Dec 01	Powell Signals Fed Will Slow Rate Increases
Dec 13	FTX Founder Arrested in the Bahamas

## INTERSTING STATS: Your Nest Egg

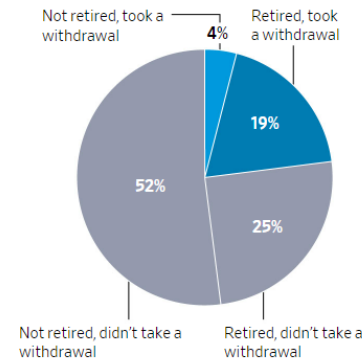
— By Steven Tonkinson, CFP®, AIF®, CFS®

Americans held \$33.7 Trillion in retirement assets as of June 30, 2022, with individual retirement accounts comprising the largest share.

7% of USA households only have IRAs while 26% have only employer sponsored-retirement plans. 30% have both IRA and an employer sponsored retirement plans while 37% of American households have no plans.

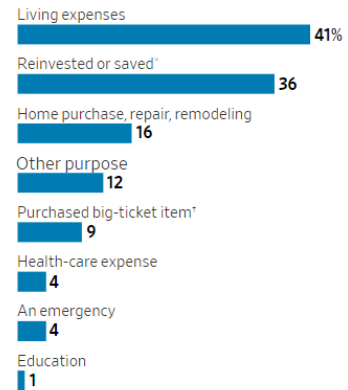


Fewer than one-quarter of households with a traditional IRA withdrew funds from their accounts in 2021



<sup>1</sup>In another account <sup>2</sup>E.g. a car or boat  
Source: Investment Company Institute

How retirees who withdrew funds from a traditional IRA in 2021 used the money



Source: WSJ: Wealth Management Journal Report 11/28/2022

## Secure 2.0: Key Take-Aways

— By Kristina Shamoina, CFP®, ChFC®  
Certified Senior Advisor (CSA®)



On December 29, 2022, President Biden signed into law the Consolidated Appropriations Act, 2023, an omnibus spending bill that included the SECURE 2.0 measure (a.k.a. the Securing a Strong Retirement Act 2.0).

Broadly, SECURE 2.0 is intended to make retirement savings more straightforward and accessible to a wider range of people. As such, it encompasses many aspects of financial planning and retirement saving.

While it takes time for the new law to be interpreted and applied, here are a few important key take-aways most likely to affect individuals:

### 1. Required Minimum Distributions

- Starting 01/01/23, the age at which retirement account owners must start taking RMDs increases

to 73 (from 72 previously). SECURE 2.0 will increase the RMD age to 75 starting 2033.

- Starting 2024, RMDs are eliminated for Roth accounts in employer-sponsored plans.
- The penalty for failing to take an RMD will decrease to 25% (from 50%, previously) of the RMD amount not taken. If corrected in timely manner, the penalty will be further reduced to 10%.

## 2. Student Loan Debt

- Starting 2024, employers are allowed to provide matching contributions to an employer-sponsored retirement plan equal to an employees' qualified student loan payments. This is great news for those overwhelmed with student loans, who have to choose between paying the loan or saving for retirement.

## 3. Qualified Charitable Distributions (QCDs)

- QCDs, currently limited to \$100,000 per individual, will be indexed for inflation year-over-year.
- SECURE 2.0 permits QCDs from an IRA to be made to a split-interest entity (such as a charitable remainder trust or charitable gift annuity) up to a lifetime limit of \$50,000.

## 4. Catch-up contributions increase

- Starting 2024, the IRA catch-up contribution limit (currently \$1,000) for people age 50 and over will be indexed for inflation year-over-year.
- Starting 2025, the employer-sponsored plan catch-up contribution limit will be also increased and indexed for inflation year-over-year.

## 5. 529 College Savings Plans

- After 15 years, unused 529 plan assets will be permitted to roll over to a Roth IRA, subject to the annual Roth contribution limits and an aggregate lifetime limit of \$35,000.

## 6. ABLE accounts

- The age from which disability must be present is raised from 26 years old to 46 years old, making ABLE accounts accessible to more blind and disables individuals.

## 7. Exceptions to 10% Early Withdrawal Penalty

- Numerous new exceptions are added, now to include withdrawals for domestic violence victims and for qualified long-term-care expenses, with each carrying varying limits on withdrawal timing and amount.

## 8. New 401(k) and 403(b) plans automatic enrollment and plan portability

- Starting 2025, business adopting new plans will be required to automatically enroll eligible employees at a contribution rate of at least 3%. Employees would need to opt-out if they don't

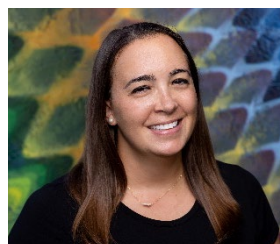
want to participate. Currently, it's the opposite - the employees must opt-in to enroll if they wish to participate in the plan.

- Automatic portability services would allow to transfer the employee's balance into the new plan as they change jobs, thus continuing their retirement savings.

Many of the provisions that make up SECURE 2.0 are designed to allow individuals more time for tax-deferred saving and savings growth before requiring distributions and to incentivize and promote retirement saving. However, since these will result in a lost revenue for Uncle Sam, SECURE 2.0 also includes a provision designed to limit tax benefits related to a strategy the IRS says runs afoul of the tax code. As such, those engage in "risky" tax strategies (e.g., use of a tax deduction through contribution to a charitable easement) should use extra caution and seek appropriate counsel before executing the strategy.

## Get the Most Out of Your Streaming Services

— By Lucy Foerster, Client Relations Coordinator



Inflation is today's buzz word and one that I hear lately at every dinner party I attend. The crowd's second favorite topic is what show they are currently watching. Costs are up on just about everything, and you may feel the pinch whether you have cable or streaming services. Having multiple subscriptions to services like Netflix, HBO Max, Disney Plus or YouTube TV can make it seem like you're paying as much as you were for cable alone, if not more. Personally, I know that when I stop paying attention these small increases have eaten away at my budget. Here to share some strategic steps that I have taken to keep within my spending limits.

We'll start with the hardest which is eliminating a service. According to a Nielsen survey it was found that among US households that pay for video streaming, nearly 60% have three or more subscriptions. Many of my friends say "it's just \$12 a month" but if you compound that over a year that's \$144. If you have three services, that is \$432 per year just of something you might not be using as much as you think. With so many subscriptions my thought is that you might run into a situation where you forget you're silently siphoning away your funds.

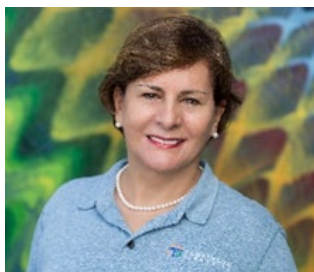
The next strategy is limiting service. I love sports! Many of you know college football is my favorite to watch, it doesn't even have to be my team, most Saturdays in the

fall are dedicated to watching games. I bring this up because only during August through January do I subscribe to YouTube TV to watch live games and then cancel the remaining six months of the year. This action keeps me in check because I don't otherwise use the service and don't need to be paying for something I am not using. The best thing about streaming services is they operate on a month-to-month basis so you can cancel and resubscribe at any time. Only paying for what you use is a helpful money saving opportunity.

A final thought is using "included" services. Did you know that some phone services include subscriptions to some streaming services? Note the word "include" does not mean "free." In a recent C-Net article it was mentioned that if you're a T-Mobile subscriber, and have the Magenta Max plan, you get a Netflix Standard subscription at no extra charge. AT&T's Unlimited Elite comes with HBO Max, while Metro by T-Mobile's Unlimited plan nets you Amazon Prime (and Prime Video along with it). Verizon will give you the Disney Bundle with two of its Unlimited plans. It "pays" to take advantage of all these savings strategies to keep more money in your wallet.

Spending time on optimizing your streaming life can benefit you and your wallet in the long run. If all this seems overwhelming, remember streaming TV and movies is supposed to be fun and a way to relax – so sit back & grab the remote.

**Book Review: *CON/ARTIST – The Life and Crimes of the World's Greatest Art Forger* - by Tony Tetro and Giampiero Ambrosi**  
— Margarita Tonkinson, Associate



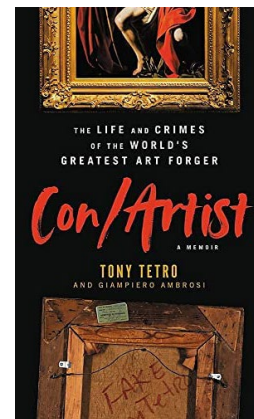
The art world is a much dirtier, nastier business than you might expect. Tony Tetro, one of the most renowned art forgers in history, will make you question every masterpiece you've ever seen in a museum, gallery, or private

collection. Tetro's Rembrandt's, Caravaggio's, Miro's, and hundreds of other works now hang on walls around the globe.

In 2019, it was revealed that Prince Charles received into his collection works by Picasso, Dali, Monet, and Chagall, insuring them for over 200 million pounds, only to later discover that they were actually "Tetro's."

In Tetro's words: "Even if some tycoon finds out his Rembrandt is a fake, what's he going to do, turn it in? Now his Rembrandt just became motel art. Better to keep quiet and pass it on to the next guy. It's the way things work for guys like me." The Prince Charles scandal is the subject of a forthcoming feature documentary with Academy Award nominee Kief Davidson and coauthor Giampiero Ambrosi, in cooperation with Tetro.

Tetro realized that the best plan was not to copy paintings by famous artists but to emulate their style and then make up a story about how the piece had been found in a dusty attic or forgotten collection. A key part of the forgery process was the creation of fake certificates of authenticity and other paperwork (provenance). He learned how to make a painting look pleasingly aged and which artists were the bestsellers. Chagall, Dalí, and Miró were fairly easy. Picasso and Caravaggio were more difficult, but Tetro eventually worked out their methods. He even forged a Ferrari car.



Tetro's memoir is a remarkable story, and with his co-author, investigative journalist Giampiero Ambrosi, explains Tetro's teenager years as a father and husband with low-paid jobs, his spectacular rise and then his dramatic fall. It is an epic, captivating and almost unbelievable but true story.

## COMMUNITY CORNER

---



### Clients in the Community: Born Free Pet Shelter

We want to take an opportunity to highlight the great work some of you are doing in the community. We would like to share the story of John and Rosa Redruello.

The Redruellos are serious dog lovers and enjoy participating in community events. Beyond supporting the pet shelter but they are also members of The 200 Club of Greater Miami. They are delighted to share about the Born Free Pet Shelter which is dedicated to providing dogs with a happy and healthy quality of life while they await adoption to a permanent and loving home. Currently the shelter is housing over 50 dogs, of all ages and sizes.

**TF:** What drew you to this organization?

**RF:** The fact that this shelter has a no kill policy is what makes them stand out in our hearts. As a non-profit rescue they have been sheltering dogs since 1981. There is no time restriction on how long a dog lives at shelter which we appreciate.

**TF:** How are you involved?

**RF:** A close friend of ours who is one of the many volunteers asked us to attend one of their fundraisers. It started out just the two of us attending but over the years we keep growing our community of attendees! We help by sharing the mission and asking others to participate. Additionally, there is a donation program opportunity that provides dogs with a one-year supply of food. This way in the event that a dog doesn't get placed in a permanent home there are funds to feed them for a year.

**TF:** What has been your most rewarding experience with this organization?

**RF:** Again as dog lovers we feel connected to the cause and we enjoy spreading their mission with others just like this with all of our clients.

To learn more, please visit: [www.bornfreeshelter.org](http://www.bornfreeshelter.org)

## Commonwealth Special Service Award

Our broker-deal, Commonwealth Financial Network, hosted their National Conference this past fall which is open to all their advisers. The week activities include workshops, lectures, and opportunities to network among other firms just like ours.

Each year at the conference an annual award is given out called Commonwealth's Special Service Award, which recognizes members of the Commonwealth community who have gone above and beyond in one or more of the following areas: excellence in wealth management, a track record of collaborating with fellow advisers and Commonwealth staff, and charitable contributions and giving-back efforts. We are excited to share that Steven's time & effort in the community was recognized for this award.

When it comes to giving back, we all know that Steven is a flat-out force for good. Serving on four charity boards—including The Woody Foundation and ShelterBox—his ongoing efforts range from helping disaster victims and those with disabilities to promoting education, literacy, and healthy living.

How fitting that he was named this year's Special Service Award recipient at the 2022 National Conference,

where the theme was "finding the good." It's the highest honor Commonwealth bestows each year, and no one is more deserving than Steven.



*Securities and advisory services offered through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser. Fixed insurance products and services offered by through CES Insurance Agency. This material is intended for informational/educational purposes only and should not be construed as investment advice, a solicitation, or a recommendation to buy or sell any security or investment product. Please contact your financial professional for more information specific to your situation. Past performance does not guarantee future results.*

*Investing in individual stock involves principal risk – the chance that you won't get all the money back that you originally invested—market risk, underlying securities risk, and secondary market price. Talk to your financial advisor before making any investing decisions.*

*Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Past performance is no guarantee of future results.*

*Certificates of deposits (CDs) typically offer a fixed rate of return if held to maturity, are generally insured by the FDIC or another government agency, and may impose a penalty for early withdrawal.*

*DJ Industrial Average (DJIA): Computed by summing the prices of the stocks of 30 companies and then dividing that total by an adjusted value—one that has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are invested to reflect the actual performance of the underlying securities. NASDAQ Composite Index: Measures the performance of all issues listed on the NASDAQ Stock Market, except for the rights, warrants, units and convertible debentures. Barclays Capital Global Aggregate Bond: This index provides a broad-based measure of the global investment-grade, fixed-rate debt markets. Citigroup 3-month T-Bill: Measures monthly return equivalents of yield averages that are not marked to market. The 3-month Treasury Bill Indexes consist of the last three 3-month T-Bill issues. MSCI China: This free-float adjusted capitalization-weighted index is designed to measure the performance of China-based equities. MSCI EAFE (Morgan Stanley Capital International Europe, Australia, Far East): This index is a capitalization-weighted index that tracks the total return of common stocks in 21 developed-market countries within Europe, Australia and the Far East. MSCI Emerging Markets EMEA: This index captures large and mid-cap representation across 8 Emerging Markets (EM) countries in Europe, the Middle East and Africa (EMEA). With 139 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Russell 2000: This index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. Standard and Poor's (S&P) 500: This index tracks the performance of 500 widely held, large-capitalization U.S. stocks. S&P Consumer Discretionary: A market capitalization weighted index that tracks the performance of consumer discretionary companies. S&P Consumer Staples: A market capitalization weighted index that tracks the performance of consumer staples companies. S&P Energy: A market capitalization weighted index that tracks the performance of energy companies. S&P Health Care: A market capitalization weighted index that tracks the performance of health care companies. S&P Materials: A market capitalization weighted index that tracks the performance of materials companies. S&P Technology: A market capitalization weighted index that tracks the performance of technology companies. S&P Utilities: A market capitalization weighted index that tracks the performance of utility companies.*