

RNL & Associates

Working Toward Reaching Your Financial Goals



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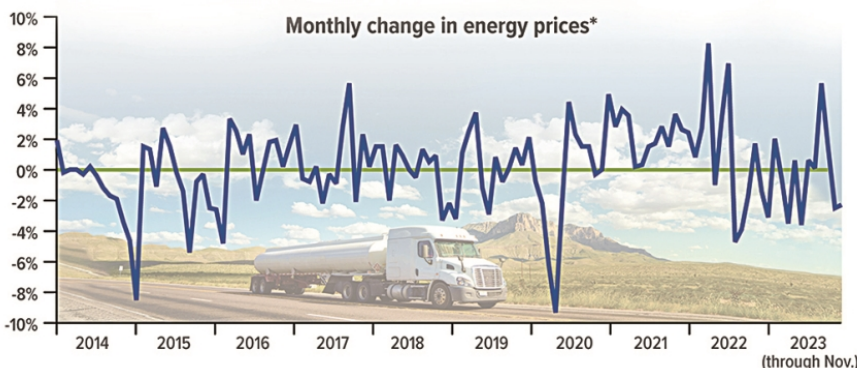
Total U.S. electric vehicle sales in Q3 2023, a record high and an increase of 49.8% over the same period of the previous year. EVs accounted for 7.9% of U.S. car sales in Q3 2023, up from 6.1% in Q3 2022. Annual EV sales were expected to surpass the 1 million mark for the first time.

Source: Kelley Blue Book, October 12, 2023

Two Ways That Volatile Energy Costs Fuel Inflation

Energy prices can fluctuate dramatically based on changes in supply or demand. According to the Consumer Price Index (CPI), energy prices across the economy fell 2.5% in October and 2.3% in November, following a surge of 7.2% over the previous two months. Gasoline prices fell 5.0% in October and 6.0% in November, providing relief after a painful summer spike of 14.3%. In fact, rapid swings in gasoline prices were often a key contributor to the monthly changes in CPI in 2023.

When energy costs are high, it can also impact inflation indirectly, as many businesses that rely on energy to produce and transport goods, or to provide services, may have to raise the prices they charge consumers.



***The CPI-U energy index tracks prices for motor fuels such as gasoline and diesel; fuel oil and propane (used for residential heating); and utilities, including natural gas and electricity.**

Source: U.S. Bureau of Labor Statistics, 2023

Trailblazers: Women Who Made Financial History

March is Women's History Month. What better time to reflect on the contribution women have made to the field of finance? What follows are the stories of just five of the many women who helped blaze the trail for others in investing, banking, finance, and economics.

Victoria Claflin Woodhull and Tennessee "Tennie" Claflin

Victorian-era sisters Victoria Woodhull and Tennie Claflin were pioneers on many fronts. Not only did they launch the first brokerage house by and for women, they started a progressive newspaper supporting women's rights and were also suffragists. In 1872, Woodhull was the first woman to run for president.

The sisters' rise to fame had quite unconventional beginnings. Their father was a "snake oil salesman" who made his young girls serve as psychics and healers in his scams. Woodhull later parlayed this unusual experience into a business relationship with the superstitious tycoon Cornelius Vanderbilt. With the backing of his fortune, the sisters opened Woodhull, Claflin & Co., New York's first female-owned brokerage firm. Through surreptitious means (a hidden back door and a women-only lounge), the company helped women manage their own money during a time when it was frowned upon to do so.¹

Maggie Lena Walker

Maggie Lena Walker was born to enslaved parents in 1864 in Richmond, Virginia. At just 14 years old, she joined the local council of the Independent Order of St. Luke, an African-American benevolent society that aided the sick and elderly, promoted humanitarian causes, and encouraged individual self-sufficiency. Walker eventually assumed leadership of the organization, where she served until her death. Among her achievements were launching *The St. Luke Herald* newspaper, which encouraged economic independence and, in 1903, becoming the first African-American woman to charter a bank — the St. Luke Penny Savings Bank.

Upon opening, the bank helped hundreds begin saving money, including one person who opened an account with just 31 cents. Walker also encouraged children to save by handing out penny banks and allowing them to open accounts after saving 100 pennies.

The bank later merged with two others to become The Consolidated Bank and Trust Company, the nation's oldest bank continually operated by African-American management until 2009.²

Muriel Siebert

The first woman to buy a seat on the New York Stock Exchange (NYSE) and the first to be a superintendent

of banking for the state of New York, Muriel Siebert was also the first woman to lead a NYSE member firm.

Considered "a scrapper" with "the same brash attitude that characterized Wall Street's most successful men," Siebert made it her life's mission to fight for women to occupy the most vaunted seats at Wall Street's proverbial tables. She donated millions to help women secure careers in business and finance.

At a 1992 luncheon where she was honored for her life's work, Siebert said women "...are still not making partner and are not getting into the positions that lead to the executive suites. There's still an old-boy network. You have to keep fighting."³

Dr. Janet Yellen

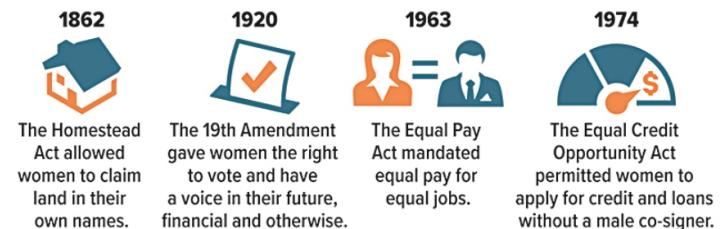
Currently serving as U.S. Secretary of the Treasury — the first woman to do so — Dr. Janet Yellen has been a standout in the field of economics for decades.

Born to a middle-class family in Brooklyn, New York, Dr. Yellen graduated summa cum laude from Brown University in 1967 and earned her Ph.D. in economics from Yale in 1971, the only woman to do so that year. After teaching at several top universities, including Harvard and the London School of Economics, she served as a member of the Federal Reserve Board of Governors.

In 1997, President Bill Clinton appointed her as the first woman chair of the White House Council of Economic Advisors. She later went on to serve the Federal Reserve System in a variety of leadership roles. In October 2013, President Barack Obama nominated her for the position of Federal Reserve Board Chair, the first woman to hold that role.

Dr. Yellen is not only the first woman to lead the U.S. Treasury, the Federal Reserve Board, and the White House Council of Economic Advisors, she also is the first *person* to have held all three posts.⁴

Milestones in Financial HERstory



Source: HerMoney, 2022

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- 1) Museum of the City of New York
 - 2) National Park Service and the National Women's History Museum
 - 3) *The New York Times*, August 25, 2013
 - 4) National Women's History Museum and Investopedia

Individual Bonds vs. Bond Funds: What's the Difference?

Individual bonds and bond funds can both provide an income stream, but there are important differences. An individual bond can offer more certainty and stability than a fund, while a fund can offer diversification that might be difficult to obtain with individual bonds.

Coupon, maturity, and yield

An individual bond has a coupon rate — the annual interest rate paid on the face value of the bond — and a maturity date, which is the date the principal is returned to the borrower. If you hold a bond to maturity, you will receive any interest payments due during the time you own it (typically paid quarterly or semi-annually) and the full principal at maturity, unless the bond issuer defaults. If you sell the bond on the secondary market before maturity, you will receive the market price, which may be higher or lower than the face value or the amount you paid, depending on market conditions.

By contrast, a bond fund does not have a coupon rate or a maturity date (with the exception of certain defined-maturity funds). A fund typically pays monthly distributions based on the bonds in the fund. The rate can change as bonds are replaced (due to maturity or sales), and as market conditions change. A fund also has fees and expenses, which reduce the interest paid, and fund managers can adjust to market conditions in various ways, depending on the fund's objective. Because there is no maturity date, you can hold the fund as long as the fund company remains in business. However, there is never a guarantee that you will receive your principal no matter how long you hold the shares. Fund shares, when sold, may be worth more or less than your original investment.

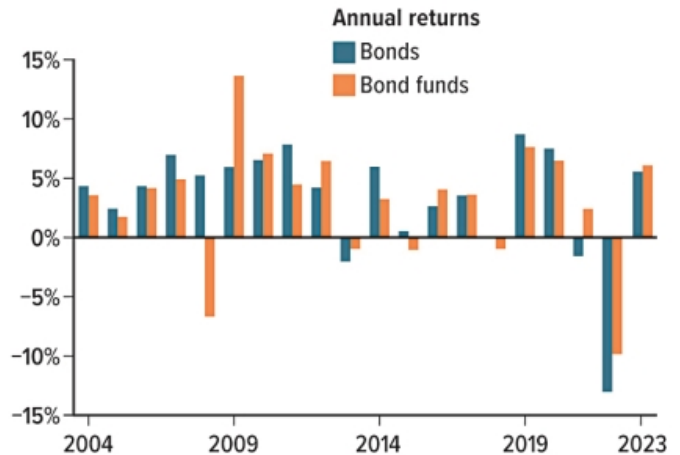
Yield is the expected return from a bond or bond fund, based on the interest rate and purchase price. If you buy a \$1,000 bond at face value with a coupon rate of 4%, the yield is 4%. But if you buy the same bond on the secondary market for \$800, the yield is 5%, because you receive interest based on the face value: $4\% \times \$1,000 \text{ face value} = \$40 \text{ interest} / \$800 \text{ purchase price} = 5\% \text{ yield}$. Bond fund yields are more complex, but the 30-day SEC yield (or standardized yield) offers a helpful comparison. This is typically calculated using the maximum share price on the last day of the month and projects annual net investment income assuming it remains the same as the previous 30 days.

Interest rate sensitivity

Bonds and bond funds are sensitive to changes in interest rates. Generally, when rates rise, the market value of existing bonds and bond funds falls, because newly issued bonds pay higher interest rates. Conversely, when rates fall, the market value of existing bonds and bond funds rises. This only applies to market values and would not affect an individual bond held to maturity.

Varied Performance

Individual bonds and bond funds have performed differently over the past 20 years. In part, this is because fund managers may respond to the market in different ways; for example, they might try to preserve yield over share price or vice versa. Note that the performance of individual bonds only applies to values on the secondary market, not to bonds held to maturity.



Source: London Stock Exchange Group, 2024, for the period 12/31/2003 to 12/31/2023. Bonds are represented by the Bloomberg U.S. Aggregate Bond TR Index, and bond funds are represented by the Thomson US: All Gen Bond - MF Index. Expenses, fees, charges, and taxes are not considered. The performance of an unmanaged index is not indicative of the performance of any particular investment. Individuals cannot invest directly in an index. Rates of return will vary over time, particularly for long-term investments. Investments seeking higher rates of return involve a higher degree of risk. Past performance is no guarantee of future results. Actual results will vary.

If you owned bond funds during the period that the Federal Reserve was aggressively raising interest rates, you may have been frustrated as you watched the value of your shares drop. Now that interest rates seem to have stabilized, share values are likely to stabilize as well, and they may increase if rates begin to decrease. Bond funds typically replace underlying bonds as they mature, and new bonds added to funds over the last two years will generally pay higher interest rates, increasing the interest paid by the fund. Although it is impossible to predict future market direction, bond funds may be poised to offer solid returns if rates remain stable or begin to fall.

Diversification does not guarantee a profit or protect against investment loss. Funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Are You Spending Money to Keep Stuff You Don't Need?

It's estimated that more than one in 10 Americans leases a storage unit. In June 2023, the nationwide prices charged by self-storage facilities averaged \$165 per month, after rising 20% over the previous year.¹ Storage renters may pay more than that for large spaces or climate-controlled units, and at facilities in high-cost cities such as Los Angeles and New York.²

If you keep excess belongings stored away from home and well out of sight, this recurring monthly expense may not stay top of mind. However, finding the motivation to empty a storage space could create breathing room in your household budget and/or yield savings over time that helps you make progress toward important financial goals.

Reasons for renting storage space

Not enough space at home	40%
Moving	34%
Downsizing	8%
Changes in household size	7%
Business purposes	5%
Home renovation	3%
Other	2%



Source: StorageCafe.com, April 25, 2023 (does not equal 100% due to rounding)

For example, if you were to invest that \$165 per month in a college savings or retirement account, the balance could grow to \$28,559 in 10 years or to \$85,953 in 20 years (assuming a hypothetical 7% annual rate of return).

This hypothetical example of mathematical principles is used for illustrative purposes only and does not represent the performance of any specific investment. Fees, expenses, and taxes are not considered and would reduce the performance shown if they were included. Actual results will vary. Rates of return will vary over time, particularly for long-term investments.

Clearing space at home

It may not be your favorite way to spend a weekend but decluttering your closets, garage, and living spaces would be a good place to start. Prioritize and make room for the possessions and keepsakes you love most but resolve to let go of things that may not be worth keeping, especially if you must pay for storage indefinitely.

Try to sell furnishings, housewares, toys, or clothing that you don't use regularly for some extra cash by posting ads with photos on resale apps, websites, or social media, or possibly by having a yard sale. If you can't sell certain items, you can feel good about giving them away to friends, neighbors, or a local charity.

1) *The Wall Street Journal*, August 26, 2023

2) StorageCafe.com, April 25, 2023

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