

Focusing on Positivity

The first half of 2020 has seen our world change irrevocably. We have all had to adjust to a new normal as COVID-19 quarantine and isolation measures continue. Some people are dealing with grief, financial hardship, or other uncertainties in their lives. Meanwhile, the 24/7 news cycle and social media continue to deliver a nonstop stream of scary headlines and inflammatory commentary. It can sometimes be difficult to find positivity in these times.

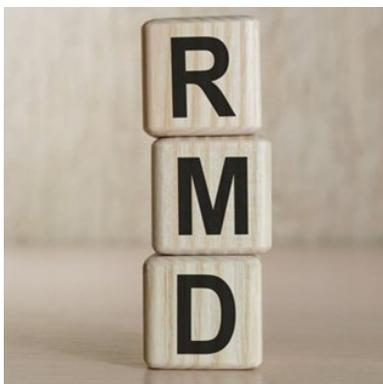
Being mindful of this, our AWM team is making it a priority to highlight the good and fun things that are happening around us—no matter how small! First and foremost, we are very proud of how quickly and seamlessly our entire staff was able to transition to working remotely, and how efficiently and effectively we have been able to continue to work in this way.

We also wanted to highlight a few personal successes for our firm. In June, Reanna Edds passed her Series 7 securities exam, and is now a Registered Financial Assistant. We are very proud of her hard work—Congratulations, Reanna!

Another member of our team, Becky Clevenger, marked her 10-year anniversary with the firm on June 1st. She says she is looking forward to another 10 great years!

And finally, our partner firm Commonwealth Financial Network was recently honored in the [J.D. Power 2020 U.S. Financial Advisor Satisfaction StudySM](#), where they were ranked “Highest in Independent Advisor Satisfaction Among Financial Investment Firms”—for the seventh year in a row! We are honored to work with them, and agree that they are top-notch!

Revised RMD Rules for 2020



In March of this year, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed, which waived the mandate for Required Minimum Distributions* (RMDs) from retirement accounts in 2020.

While this was a nice benefit, the legislation did not provide guidance for those who had *already* taken all or a portion of their RMD for 2020.

Since then, the IRS has provided some relief for those who have already taken some or all of their RMDs for 2020, with provisions allowing

some or all of these funds to be returned to their respective accounts. This new notice also applies to those who took RMDs from Inherited IRAs in 2020 and allows some or all of those amounts to be returned to their respective Inherited IRAs as well.

The catch is that these distributions must be returned by **August 31, 2020**. Any taxes that had been withheld and sent to the IRS cannot be reversed.

If you have taken an RMD in 2020 and would like to discuss your options and situation in more detail, please reach out to our office. There are some considerations as you make your decision and we can also help with the logistics if you choose to return a portion or all of an RMD amount that has already been taken. We also encourage you to share this information with any family or friends who may be affected, so they are aware of the updated guidance.

*For those who are unfamiliar with RMDs, RMDs are a requirement to begin withdrawing annually from some retirement accounts for those account holders age 72 and above.



A Time of Need

The Summer of 2020 brings a new meaning to the “lazy days of summer.” Many of our favorite outings such as concerts, theaters, golf tournaments, bike/road races, nature centers, etc. have been canceled or closed due to the pandemic. Some of us have found creative ways to fill our days while non-profit organizations struggle with the loss of their annual fundraising events. With the halt of these activities, the revenue loss will have significant impacts on the philanthropic programs throughout our country for years to come.

Charitable organizations will no longer be able to do business as usual, while at the same time faced with increased demands. They will struggle to continue providing our communities with the programs that house, feed, clothe and offer support to those in need.

With layoffs and uncertainty surrounding our economy, it may be difficult for some to make a monetary donation at this time. Every penny counts whether it is by donating supplies, donating your time, attending a virtual fundraising event or signing up to make a recurring donation.

For those of you who can please consider a gift to help your favorite organization through this challenging time. Whether it is a monetary gift or volunteering of your time, your gift will not go unnoticed.





Financial Decisions in Uncertain Times

Way back in March, when stocks were down about 30% and bonds had suffered their worst decline in a long time, most everyone was calm. We had been encouraging everyone to anticipate a serious market decline, and when it happened it seemed like everyone was accepting that the inevitable had finally occurred. Few people wanted to sell at that time.

As we write this newsletter we find the stock market is close to the February highs, before the pandemic was fully understood. Now we find many clients are much more anxious than they were in March. Why?

We said in a past newsletter that the only things certain in life are death and uncertainty (not taxes, since some people don't owe or pay them!). Perhaps not since World War II has the nation faced such an uncertain future. How bad and how long will the recession run? How long before COVID-19 is under control and we can return to normal lives? What will the new normal look like? And what will be the results and consequences of the elections this November?

The acceptance in March of the downturns in the financial markets has given way to people convinced it will be catastrophic if certain events happen (for example, the "wrong" party wins the election, there is a constitutional crisis regardless of who wins, COVID-19 gets worse, the economy collapses, etc.). Some clients are saying that they will want to reduce their stock positions if negative events like these happen. We continue to urge you to NOT change your investment strategy while or after markets drop. If you believe you will sell "if" certain things happen, then we encourage you to contact us so we can restructure your portfolio NOW!

Strategies to maintain financial calm in the midst of peak uncertainty include:

1. Know yourself, that is, anticipate how you will likely react when markets decline or negative events occur.
2. Have a financial plan and investment strategy that takes into account your current needs, your long-term goals, your tax status, and the potential health-care costs of yourselves and loved ones.
3. Commit to not changing this plan based upon what the financial markets do; contact us for change when the issues listed in # 2 have changed.
4. Contact us immediately if you find yourself stressed, challenged, or concerned.

If you do all this, you will be doing the best you can. And ... we are always here to help!

Now, we'd like to call to your attention that it was 5 years ago this month that we created and sent out our first newsletter. And this was the market commentary in that issue!

2015 has been an eventful year in the financial markets so far! Stock and bond markets have been both up and down in fairly dramatic fashion, and we have seen the increase in volatility that we have been cautioning you to expect for several years now. The dramatic drop in the price of oil over the last year has sent waves through the markets, waves which have bounced off other interesting geopolitical events such as the nuclear negotiations with Iran, the near-exit of Greece from the Eurozone and the last-minute (but temporary) resolution, and the dizzying rise and sudden fall of the Chinese stock market. Here in the United States, the stock and bond markets are close to even with where we started this year, despite all the excitement. While markets in general are mostly flat, there is a small group of "popular" stocks that have done very well, and many people see this as a worrying sign. This article examines that theme in more detail: (<http://www.wsj.com/articles/the-only-six-stocks-that-matter-1437942926>). We will have to wait and see what the rest of 2015 will bring, but we will be watching intently along the way! If you have any questions about the markets or your accounts, please be sure to give us a call.

While conditions do change, some things remain the same.

We wish you all good health, prosperity and happiness. And as always we appreciate that opportunity to work with you.



Connect with Bob

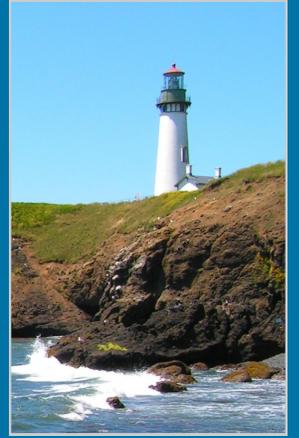


Connect with Ted



Connect with Traci





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Who Should Refinance?

The public health crisis has upended people’s daily lives, created historic volatility in the financial markets and brought mortgage interest rates to all-time lows. In July, we saw 30-year mortgage rates fall below 3%, which is the lowest we have seen it in almost 50 years.

Historically low mortgage rates are great at motivating people to consider their options for refinancing their homes. However, we feel there are a handful of factors, besides interest rates, that one should consider when deciding if refinancing makes sense for them financially.

To start, there are multiple ways individuals can refinance their home, from taking on a longer-term loan, a shorter-term loan, a larger loan and all the variations in-between. A good general rule of thumb when determining if refinancing makes sense is to determine the breakeven period. The breakeven period is simply calculating how many years it will take for you to recover the cost of your refinance. If you plan to live in your home well past the breakeven period, it could make sense to consider refinancing – but again, not always!

Even if you will break even on your refinancing cost, another important consideration is how extending the term of your loan or taking a larger loan could lead you to paying more in total interest over the lifetime of the new loan. If you plan to live in your home for a longer period of time, make sure you calculate how much more in total interest you will end up paying over the lifetime of your new loan, as the monthly savings might not make sense in the long run.

Ultimately, we feel that the loan amount, interest rate, and loan term make it impossible to provide a one size-fits-all answer when it comes to refinancing. Every individual has a complex and nuanced situation; therefore, we feel the best place to start is to connect a local credit union, bank or mortgage professional to understand your options. Once you have a clearer picture of your options, we encourage you to reach out to our office so we can discuss and review what makes sense for you personally.

North Marion Magic



Advanced Wealth Management continues to support youth sports in 2020! This year we have sponsored the North Marion “Magic” fast pitch softball team for girls 14 and under. The team is based in Aurora at North Marion High School, but the players come from all over the metro area.

Quarantine and Covid-19 seriously delayed their season and continues to throw curve

balls their way, but they were finally able to start playing in June. New safety measures have been implemented, such as limits on crowd numbers, and umpires can now choose to stand 6ft behind the catcher or 6ft behind the pitcher – both take some getting used to, so everyone is learning to adjust!

The Magic have been able to play in a few local tournaments and made it to the championship bracket twice already. Normally about 60 games would have been played by August, but with the delay of the season and cancelled tournaments they have only been able to play about 25 games so far. The team plans to play through most of August and hopefully into the fall to enjoy the summer weather at the ball fields.

Office Closures

Labor Day
September 7th

Thanksgiving
November 26th & 27th

Christmas
December 25th

New Year’s Day
January 1st

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