



[FIRST NAME GOES HERE],

This month's client memo will follow our regular format and includes the following four sections:

1. **Year-to-Date Market Returns Through the Month Prior**
2. **Financial & Investment Planning Thoughts**
3. **Resources**
4. **Personal Notes**

As always, I welcome any and all thoughts or questions you may have.

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## 1. Market Returns Through July:

Here are the year-to-date returns for select indexes through the end of July:

### **Stock Indexes (As of 7/31/2020)\***

Dow Jones Industrials [ -7.39% ]

S&P 500 Index [ +1.25% ]

Russell 2000 (Small Cap) [ -11.27% ]

NASDAQ (Tech) [ +19.76% ]

MSCI EAFE (International) [ -10.64% ]

## Bond Index (As of 7/31/2020)\*

Bloomberg Barclays Aggregate Bond Index [ +7.72% ]

*(Source: Raymond James)*

*The inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.*

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## 2. Financial & Investment Planning Notes:

### "Two Planning Ideas"

To say we are living in a unique world right now would literally be the understatement of this century. Not only do we have COVID, which is probably about to rear its ugly head again as school gets back underway, but the financial world is turned upside down.

As a result, I wanted to share two planning ideas with you that may help you take advantage of the upside-down financial world with regard to your cash flow and savings accounts.

**Planning Idea #1: Refinancing your mortgage.** I know that quite a number of you no longer have a mortgage (that's great!), but for those of you who do, now may be the best time in our nation's history to refinance.

Beth and I are in the process of refinancing our mortgage to a rate of 2.375%. To me, that is just crazy! When we purchased our home back in 2011, our mortgage rate was 4% which I thought meant we would never refinance. Even as rates dropped over the past year, we evaluated the options and settled on not refinancing because it just wasn't worth the effort. However, given the COVID world, this is no longer the case. If you haven't looked into this yourself yet, now is the time!

As a guideline, if your mortgage rate is 3.5% or above, a refinance might be a worth looking into. I'm happy to chat about it if you would like!

**Planning Idea #2: Rethink your banking relationship.** Most people I know continue to use brick and mortar banks because that's what they have always done. But as a result, the interest rates on their savings accounts have been paltry with the national average being 0.06%.

As I understand it, and it makes sense logically, this is because these banks must maintain their brick and mortar presence and they do that by offering lower savings rates, thereby increasing the spread between lending and savings rates. But if you value higher interest rates more than your physical location, you may consider switching your bank to an online bank.

For example, the interest rate on our savings account is 1.00% or 16 times the national average.

If we need to deposit checks, we use the deposit function on their mobile app which is very intuitive. If we need cash, we can use any ATM in the country and the bank reimburses the ATM fee back into our account. So, for us, this is actually far more convenient, less costly, and offers far better rates. A win, win, win as far as I'm concerned.

If you find yourself with questions or concerns, please feel encouraged to call me!

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## 3. Resources:

Here are two articles I found interesting this month:

- [You Don't Need Alpha](#) by Nick Maggiulli: Alpha is a measure of performance against a benchmark index. Beta is a measure of risk used to compare a security or portfolio to the market as a whole. In this article, Nick explains why what we really need is more Beta, yet most investors focus on Alpha. The article is relatively jargon-free and I think it reinforces how I tend to think about investing.

- [What Happens If You Pass Away Without a Will?](#) from Mullooly Asset Management: It is more common than you think for people not to have a will. Much of the time, they think everything is okay because everything will go to their spouse. But state intestacy laws may say otherwise. It's important to get everything in order before this could be an issue.
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## 4. Personal Notes

School is currently scheduled to start in two weeks. Beth and I sat in on a 3.5-hour virtual school board meeting the other night - yikes! Not surprisingly, there doesn't appear to be a solution that will make even half of the parents happy. That was to be expected.

We will see how this whole thing plays out as I think we will be in a Dodgeball scenario where we are reacting to everything as it happens. "Dodge, duck, dip, dive and dodge" as Patches O'Houlihan would say.

Emory's golf swing is continuing to develop. Each week, his starting point is better than the previous time and is improving each week. Most importantly, he is enjoying it! Also, Turner is all but refusing to be left behind though now, so trying to teach both at once is a struggle...and a blessing for sure!

We continue to get outside quite a bit! Below are a couple of photos from our adventures over the past couple of weeks. The first one is from Raccoon State Park where we rented a boat to explore the lake (both of the boys drove the boat) and the second is from a creek near our house where we spend hours at a time. Recently, we caught salamanders, minnows, and crawfish.





Half-marathon update: Last month, I said I had five weeks to go until the official (not annual) "Ashby Daniels' Half Marathon." What I didn't anticipate was my typical lack of patience as I skipped the last three weeks of training and instead chose to run the half marathon on August 1st. I was more ready than I thought and felt great afterward. So, that's complete!

Now, I have set up a similar style schedule with more typical workouts while having occasional 3-5 mile runs mixed in.

I am making progress again on Book #2 and hope to have the first draft completed by the end of September.

Lastly, I have a request...I would love to begin putting pictures up from client adventures in my office as a reminder for the real reason I do what I do - helping you live a fulfilling life however you define it! So, if you are willing, I would love it if you would send a couple of digital photos from your adventures that I can have printed and framed to hang in my office. :)

I hope all is well with you and yours and am thankful to be a part of your life. It is my pleasure to serve you and thank you for all the wonderful responses I get to this writing.

Stay the Course,  
Ashby

P.S. Send pictures!

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*index is an unmanaged index that is generally considered representative of the international stock market. The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. An investment cannot be made in these indexes. International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.*

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