



# Agenda

## Mr. & Mrs. Client

- 1 Your Questions & Concerns
- 2 Confirming Your Financial Legacy
- 3 Potential Impacts from Tax Law Changes
- 4 Topping of your War Chest & Minor Adjustments
- 5 What would you do with \$10k if you had to spend it?
- 6 Action/Follow-up Items

Your Agenda Items:



Investments | Mrs. Client



Value	Company	Account Title	Primary Beneficiary	Primary Percentage	Beneficiary Receives	Contingent Beneficiary	Contingent Beneficiary %	Contingent Beneficiary Receives
\$325,700	John Hancock Annuities	Individual Retirement Account	Mr. Client	100%	\$325,700	Kristen M Hudgins Trust	75%	\$244,275
						Kaylee R Cabbera Trust	25%	\$81,425
\$70,800	Fidelity EFT	Individual Retirement Account	Mr. Client	100%	\$70,800	Customized Instructions On File	100%	\$70,800
\$199,000	Fidelity EFT	Roth	Mr. Client	100%	\$199,000	Customized Instructions On File	100%	\$199,000

Investments | Mr. Client



Value	Company	Account Title	Primary Beneficiary	Primary Percentage	Beneficiary Receives	Contingent Beneficiary	Contingent Beneficiary %	Contingent Beneficiary Receives
\$0	Fidelity EFT	Community						

Property estate documents

\$205,900	Fidelity EFT	Roth	Mrs. Client	100%	\$205,900	Customized Instructions On File	100%	\$205,900
\$753,600	Fidelity EFT	Individual Retirement Account	Mrs. Client	100%	\$753,600	Kaylee Rae Cabrera Trust	25%	\$188,400
						Kristen Marie Hudgins Trust	75%	\$565,200

Making sure your wishes are honored after your passing is just one of the many services we provide for your family. During our next meeting together we will review your beneficiaries including the appropriate use of “per stirpes” designations.

Please remember that this report is for your information and that only the information you receive from the custodian is official.



## *2021 Tax Strategy Review*

### *Mr. & Mrs. Client*

While we don't prepare your taxes and we're certainly not tax professionals, our involvement in your financial life uniquely positions us as your tax 'helper.' In this role we help gather tax information to make tax season easier for you. We provide tax strategy help based on your financial goals and because of our extensive record keeping, we can provide invaluable assistance should the IRS ever have questions for you.

As a bit of education, based on your **2020** tax return:

- Your 'taxable' income was **\$104,255**.
  - Of which, \$0.00 was a strategic ROTH IRA conversion.
- Based on this income, your tax bill for the year was \$14,366.
- This puts you in the **22%** tax bracket for 'ordinary income' (i.e. **\$0.22** of every additional dollar goes to the IRS)
- Separately, your long-term capital gains rate is **15%**

*If you are concerned that tax rates will go up in the future and/or you would rather 'pay the devil you know,' and assuming your **2021** income is similar to **2020**:*

- *Take **\$66,795** of taxable income without pushing into a new tax bracket.*
- *If you really wanted to get aggressive on tax planning, you could have an additional **\$155,549** of taxable income inside of the **24%** tax bracket.*

If you have any questions about this estimate or our role as your tax helper, please call or email, otherwise, we look forward to discussing this and other financial strategies during our next meeting together.

-Your Jarvis Financial Team

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## **Mr. & Mrs. Client**

1/1/2014 - 9/30/2021

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2021 3rd Quarter Report

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## NOW Can We Worry About Inflation?

In 1974, with inflation at 11% and the markets down more than 40%, newly elected President, Gerald Ford decried inflation as “Public Enemy #1.” While under President Ford, inflation did drop to nearly 5%, by the end of President Carter’s administration, it was back to nearly 12%. To put this in perspective, at a 10% inflation rate, what cost \$100 at the beginning of the year would cost \$110 by the end of the year. Or said another way, the \$100 you deposited at the beginning of the year would 12 months later be worth \$90.

It took nearly 20 years, until the mid-1990s, before the Federal Reserve was able to get inflation back to their target rate of 2% annually and for most of the 1990s, 2000s, and 2010s inflation was largely forgotten.

Today, the official inflation rate is ~5.3%. Because the official rate has a two-month delay, several economists have projected the current rate being closer to 6% or even higher. Depending on where someone sits on the political spectrum, this increase can be described as a temporary spike/rebound from the COVID shutdowns OR on the opposite, it can be described as a repeat of the terrible inflation we experienced in the 1970s and 1980s.

Politics aside, WHAT-IF we are headed into another two-decade run of high inflation?

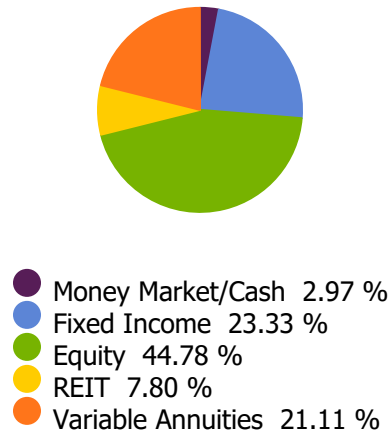
1. **We want to protect ourselves against inflation:** Long-term, the best protection against inflation has always been to own companies (aka equities or ‘the market’) as these companies can, over time, raise their prices and/or reduce their costs to offset inflation.
2. **We want to prepare for higher interest rates:** Because fixed income (aka the cash and bonds in your war chest) are most at risk for inflationary erosion, we want to remain very conservative with the bonds we own, so that if/when rates do go up, we can take advantage of higher rates.
3. **We want to avoid ‘sexy’ investments:** While they make for great headlines, trying to buy enough gold or other commodities (e.g. silver, oil, etc) to offset inflation is very difficult and very risky, especially as commodities have not provided long-term protection from inflation.

If this sounds like what we’ve been doing all along, you’re right. One of the advantages of an ‘all-weather’ portfolio is that you’re never caught in the rain without an umbrella.

*\*Sidenote on inflation numbers: there are dozens of different ways to calculate inflation. For this article we used the Federal Reserve’s “Personal Consumption Expenditures”*

*Past performance is no guarantee of future results. The data on the following pages is for information only and does not replace the statements you receive directly from Fidelity and other companies. While every effort is made to ensure the accuracy of these reports, mistakes do happen.*

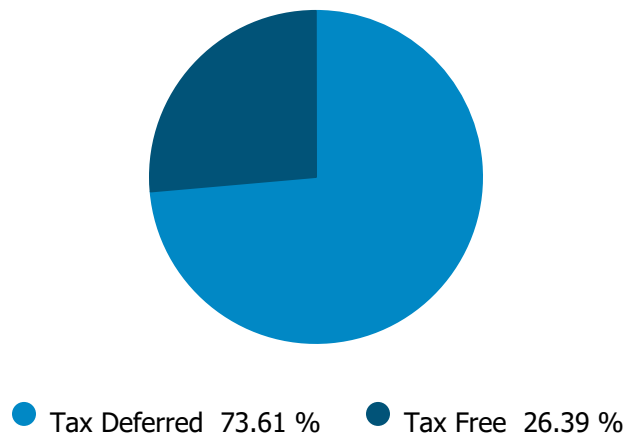
### Allocation By Asset Category



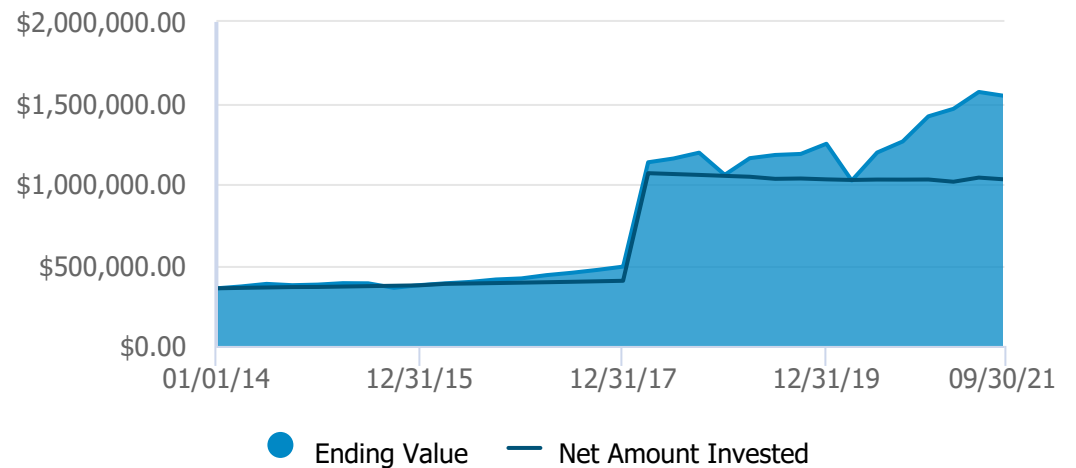
### Portfolio Summary

	YTD	2020	Last 3 Years	Since Inception
Beginning Value	\$1,417,252	\$1,248,108	\$1,193,041	\$355,654
Additions	\$43,871	\$16,442	\$77,867	\$796,750
Withdrawals	-\$43,000	-\$17,327	-\$105,404	-\$122,414
Investment Gain/Loss	\$125,492	\$170,030	\$378,112	\$513,626
Ending Value	\$1,543,615	\$1,417,252	\$1,543,615	\$1,543,615
Returns	8.80 %	13.72 %	9.87 %	7.02 %

### Allocation By Account Tax Status



### Net Investment and Market Value Since Inception





**Return Summary for Portfolio Accounts**

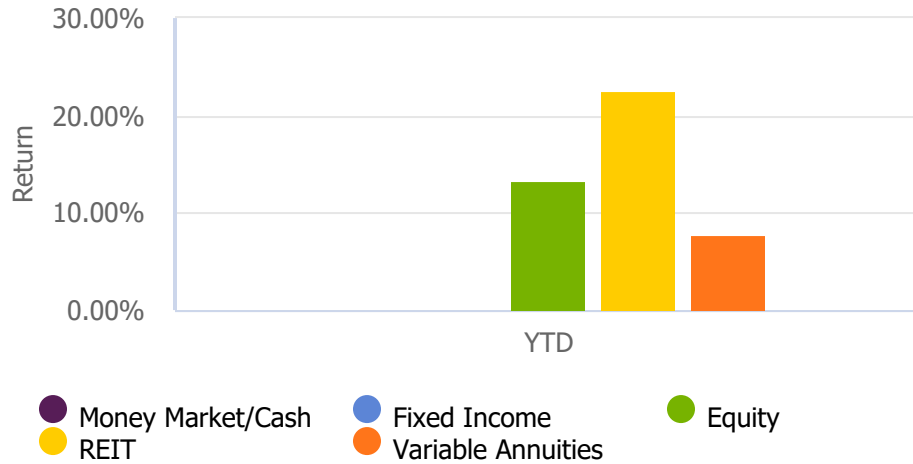
	<b>Ending Value</b>	<b>YTD</b>	<b>2020</b>	<b>Last 3 Years</b>	<b>Since Inception</b>
<b>Mr. &amp; Mrs. Client</b>	<b>\$1,543,615</b>	<b>8.80 %</b>	<b>13.72 %</b>	<b>9.87 %</b>	<b>7.02 %</b>
XXX-XX6136-Fidelity EFT-IRA, David	\$739,632	8.09 %	12.72 %	9.08 %	8.77 %
XXX-XX0563-Fidelity EFT-IRA, Candice	\$70,780	1.43 %	7.20 %	5.01 %	2.96 %
XXXXXXX7290-John Hancock Annuities-IRA, Candice	\$325,804	7.50 %	12.24 %	9.15 %	5.88 %
XXX-XX9139-Fidelity EFT-ROTH-IRA, David	\$206,237	12.49 %	21.99 %	14.06 %	10.51 %
XXX-XX9120-Fidelity EFT-ROTH-IRA, Candice	\$201,163	15.57 %	17.83 %	14.67 %	12.24 %



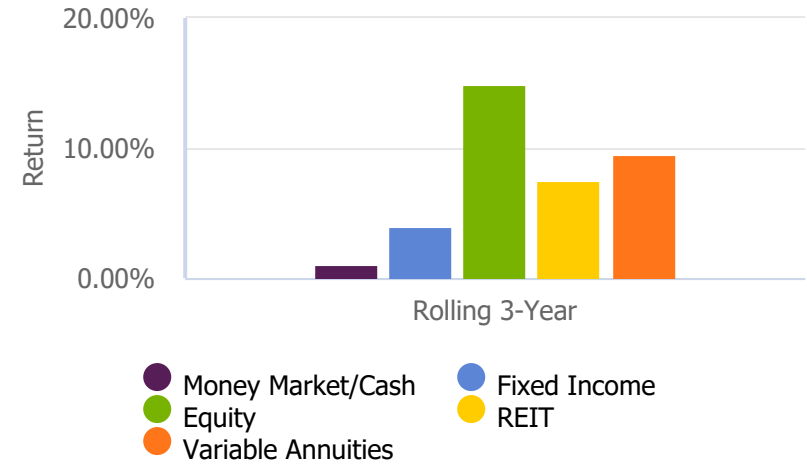
**Portfolio Class and Segment Detail**

	Allocation	Ending Value	YTD Return	2020 Return	Last 3 Years Return	Since Inception Return
<b>Mr. &amp; Mrs. Client</b>	<b>100.00 %</b>	<b>\$1,543,615</b>	<b>8.80 %</b>	<b>13.72 %</b>	<b>9.87 %</b>	<b>7.02 %</b>
<b>■ Money Market/Cash</b>	<b>2.97 %</b>	<b>\$45,910</b>	<b>0.01 %</b>	<b>0.29 %</b>	<b>0.91 %</b>	<b>0.61 %</b>
Cash	2.97 %	\$45,909.65	0.01 %	0.29 %	0.91 %	0.61 %
<b>■ Fixed Income</b>	<b>23.33 %</b>	<b>\$360,152</b>	<b>0.05 %</b>	<b>4.66 %</b>	<b>3.88 %</b>	<b>2.54 %</b>
<i>Bloomberg Barclays US Aggregate 1-3 Years</i>			0.07 %	3.08 %	2.78 %	1.60 %
Taxable Bonds	23.33 %	\$360,152.39	0.05 %	4.66 %	3.88 %	2.54 %
<b>■ Equity</b>	<b>44.78 %</b>	<b>\$691,276</b>	<b>13.10 %</b>	<b>22.90 %</b>	<b>14.78 %</b>	<b>11.80 %</b>
<i>S&amp;P 500 (TR)</i>			15.92 %	18.40 %	15.99 %	13.75 %
U.S. Large Cap	22.44 %	\$346,452.01	15.11 %	20.80 %	15.96 %	13.28 %
U.S. Mid Cap	14.80 %	\$228,461.71	11.66 %	32.17 %	15.78 %	11.90 %
International	7.54 %	\$116,362.74	8.72 %	9.75 %	8.25 %	5.33 %
<b>■ REIT</b>	<b>7.80 %</b>	<b>\$120,473</b>	<b>22.45 %</b>	<b>-11.81 %</b>	<b>7.44 %</b>	<b>8.72 %</b>
<i>Dow Jones US Select Real Estate Securities</i>			24.48 %	-11.20 %	8.32 %	9.26 %
REITs	7.80 %	\$120,473.16	22.45 %	-11.81 %	7.44 %	8.72 %
<b>■ Variable Annuities</b>	<b>21.11 %</b>	<b>\$325,804</b>	<b>7.50 %</b>	<b>12.24 %</b>	<b>9.31 %</b>	<b>6.19 %</b>
Variable Annuity	21.11 %	\$325,803.66	7.50 %	12.24 %	9.31 %	6.19 %

### Asset Class Performance



### Asset Class Returns: Last 3 Years (Cumulative)



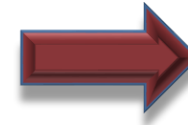
### Report Disclaimer

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# Income Strategy

*This strategy is designed to give you the highest possible monthly income, without jeopardizing your portfolio when (not if) the markets decline. It relies upon five key philosophies:*

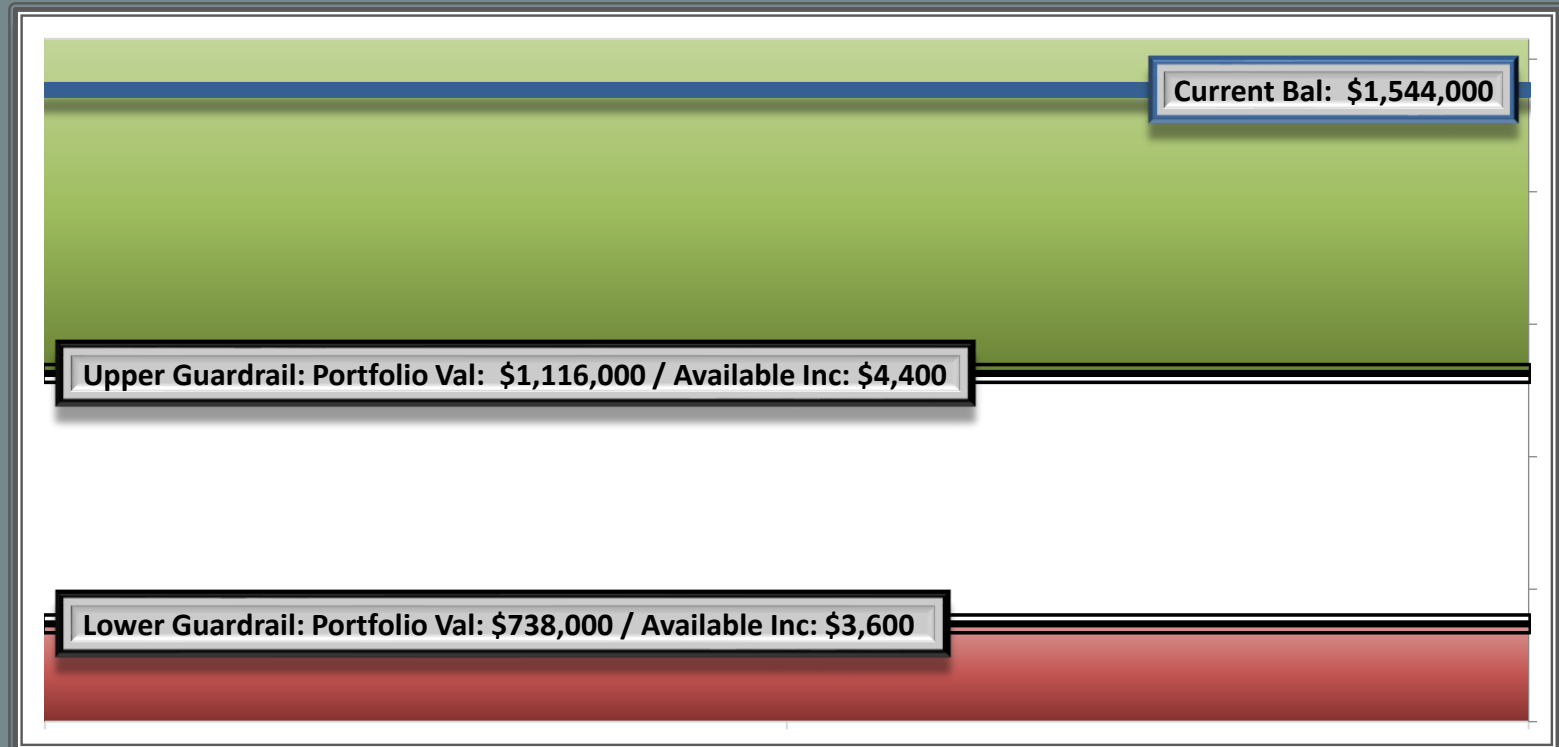


- War Chest of Cash and Bonds
- Strategic Rebalancing
- Careful Diversification
- Tax Efficiency
- Discipline

Mr. & Mrs. Client

[View Client Info](#)

	Available	Current***
Portfolio Value	\$1,544,000	\$1,544,000
Dynamic Distribution Rate	5.40%	3.11%
Upper Guardrail	\$1,930,000	\$1,116,000
Lower Guardrail	\$1,286,000	\$738,000
Baseline	\$1,544,000	\$889,000
Monthly Income	\$6,950	\$4,000
Upper Income	\$7,640	\$4,400
Lower Income	\$6,250	\$3,600



\*\*\* All figures referred to as 'Current' were last updated 09/30/2021.

## THIS REPORT IS NOT COMPLETE WITHOUT ALL ACCOMPANYING DISCLAIMERS!

Our attorneys would like us to remind you that this report is provided as a courtesy and is for informational purposes only. Only the statements you receive directly from the investment companies (e.g. Fidelity) should be considered official. While we spend a great deal of time and money ensuring the accuracy of this report, mistakes can happen. Thanks.