

A PIECE OF MIND



3rd Edition 2020

IT HAS BEEN A HECK OF A YEAR

FOCUSING ON THE POSITIVE & MOVING FORWARD

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This year has been a doozy. I think it's safe to say that 2020 will live in infamy for many. We lost basketball legend Kobe Bryant, fires ravaged Australia, the President went through an impeachment trial, and so many other things rocked our collective worlds.

Perhaps the biggest, most earth-shaking events this year were the global pandemic, COVID-19, and the subsequent stock market drop. And let's not forget that 2020 isn't over yet. Anyone else wish we should hit the reset button on 2020?

If you're like us, you could use a good pick-me-up. Here are a few good things that happened this year which you may have missed in the negativity-focused media.

THE SECOND PERSON IN THE WORLD WAS CURED OF HIV

Last year a man initially known as the "London Patient" appeared to be free of the HIV virus after a special bone-marrow transplant. First diagnosed in 2003, 40-year-old Adam Castillejo underwent a transplant to treat cancer, not his HIV. Now, thirty-months later, doctors found no active viral infection making him the second person cured by a bone marrow transplant.



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GALLERIES, MUSEUMS, AND EVEN BROADWAY SHARED VIRTUAL TOURS AND FREE SHOW RECORDINGS

In the unprecedented time of shelter-at-home and quarantine, the art and culture world came together and opened their virtual doors to us. We were able to visit places like the Louvre from the comfort of our couch. And with movie theaters closed, new movies were available to purchase the day they came out—possibly changing the movie industry forever.

TESLA SOARED HIGH

As our investment clients know, Bradford picked up this under-valued stock last year. In June, Tesla stock prices peaked above \$1,000 a share, an historic high for the electric automaker. This helped propel the youngest major US automaker to top Toyota's value!

SPACEX SOARED EVEN HIGHER WITH A SUCCESSFUL LAUNCH

“Today a new era in human spaceflight begins as we once again launched American astronauts on American rockets from American soil on their way to the International Space Station, our national lab orbiting Earth,” said NASA Administrator Jim Bridenstine.

Bradford traveled to Florida to watch the historic launch, while the rest of the HFF team caught footage from a live stream. For the first time since 2011, an American rocket from American soil left the atmosphere for a low-Earth orbit.



(Image Source: collectspace.com/)

STILL NEED REASSURANCE?

It's okay to not be okay right now. We all handle stress and fear differently. If you find yourself struggling with anxiety where your finances are concerned, here are six questions that might help you start to regain your balance. (And even if you aren't stressed by current events, these questions can help you find focus and clarity!)

WHAT'S YOUR TOP FINANCIAL PRIORITY THIS YEAR?

Think about where you want to be at the end of 2020 and decide on one or two realistic goals. If you have some large goals, try breaking them into bite-sized chunks. While setting goals on its own may not make you feel secure in your financial picture, having manageable goals as a focus point very well might instill that much-desired confidence.

WHEN WAS THE LAST TIME YOU LOOKED AT YOUR BUDGET?

I know, I know, we said that dreaded B-word—budget. In our experience, you must know where your money goes, and that often starts with a budget. Start by making a list of everything you spend money on. A great place to start is your bank and credit card statements. Once you have a comprehensive list, prioritize! If you're looking to trim back spending, look at what low-priority spending you can eliminate or reduce.

ARE YOU SAVING ENOUGH?

Are you saving enough money? If you're still working, look at what percentage of your income you're setting aside for your future. Even if you're retired, you also want to look at your cushion. Do you have emergency savings? If you received a surprise bill in the mail, would you be able to pay it?

ARE YOUR LOVED ONES PROTECTED?

Take a look at your estate plan and will. Check out the beneficiaries on your insurance policies and investment accounts. Reexamine your

power-of-attorneys (POA) and other legal documents that deal with end of life. And most importantly, make sure you have all of those things in the first place!

IS YOUR CREDIT REPORT ACCURATE?

At least once a year it's a good idea to request a copy of your credit report, not just look at your score. While the score is important, your credit report from TransUnion, Experian, and Equifax can help you identify and correct inaccuracies that can harm your overall financial health. These free reports can also help you identify identity theft.

DOES YOUR INVESTMENT STRATEGY MATCH YOUR GOALS?

There is a fine balance between risk tolerance and potential return. Combined with where you are in your life, work, and retirement journey, you could be investing for different purposes. It can be hard to find your sweet spot. The good news is that if you are our client with a financial plan and investment management, you don't need to worry about this. Our Custom Tailored Investment Strategy does this for you.

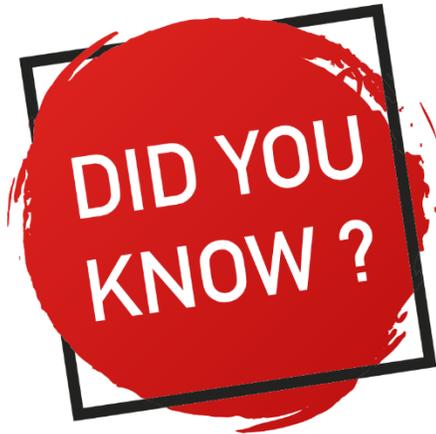
YOU NEED A FINANCIAL PLAN

In fact, all these questions can be answered with a Custom Financial Blueprint. Our comprehensive financial plan might help you find your balance easier and faster than anything you could do on your own.

Even better news, if we handle all of your investments [401(k), etc.], financial planning—including the Custom Financial Blueprint—is part of your management agreement!

This change to our fee structure happened early in the year and means that if we manage all your retirement accounts, you pay nothing for planning.

We are doing this because we've found that clients who have a thorough financial plan and investment management services handle the normal ups and downs of the markets better, worry less, and can find more peace. It truly is possible to stop worrying about your money.



In March of this year, Congress passed the \$2 trillion Coronavirus Aid, Relief, and Economic Security Act (the CARES Act).

The CARES Act enabled any taxpayer with a required minimum distribution (RMD) due in 2020, including a 401(k), 403(b), or an IRA, to skip those RMDs this year.

Here are a few points about the CARES Act and your RMD that you should know:

- If you took your RMD from an IRA earlier this year, before the CARES act, you can put the money back. You can return the funds by August 31st and it will be treated as a tax-free rollover.
- If you receive your RMD in monthly installments, you can still put the money back. The IRS has temporarily waived the one-rollover-every-12-months trap. But you still need to return the money by August 31st.
- If you withheld taxes for your RMD, and you want your entire pre-tax distribution to be considered a tax-free rollover, you must repay the entire amount.
 - For example, if your RMD was \$20,000 and you had 20% federal withheld you received \$16,000. You will need to repay \$20,000. In your 2020 taxes you will claim the \$4,000 withheld as taxes paid.

If you'd like to see how we can help you, book your free 15-minute call with us here:

<https://www.hffinancial.com/refer-call/>