

## *August 2022 Newsletter*

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### *Mistry's Musings: Providing A Little Perspective During A Rough Market*

Just when we thought we might catch a break in 2022, after experiencing a global pandemic the last two years, we are hit with the following news this year:

- The S&P 500 index is down 20% (as of 6/30/22)
- Inflation is at 9.1% (as of 6/30/22)
- Increasing interest rates and decreasing bond prices
- Recession fears
- Russia's invasion of Ukraine
- Monkeypox

Yes, we live in a scary and uncertain time, and it is often difficult to have a positive outlook amongst continued negative headlines. In times like these we are often asked, "How should current events affect how we invest going forward?" "What should investors be doing to protect themselves as well as possibly take advantage of the current environment?" We find that obtaining some perspective in tough market periods can often help investors stay disciplined and take appropriate action.

In a recent webinar, *Weathering the Current Storm*, hosted by Dimensional Fund Advisors, Jake DeKinder & Mark Gochnour provide some helpful perspective regarding the first half of 2022. ([Click here](#) to access this interesting webinar online.) We found some of the following points to be insightful as we navigate these uncertain

times:

- It is important to remember as an investor in the stock market, you bear uncertainty in some form. With return comes risk.
- Be careful of misleading market headlines, for example, “Markets Have Worst First Half of a Year in Decades” (Wall Street Journal, July 2022). Market headlines often begin with something like this to hook the reader but may not necessarily provide the entire picture.
- 20% declines in the market are not unusual. Further, beginning a calendar year with negative returns (in bond and stock markets) does not necessarily equate to a negative return by the end of the year.
- Missing the best days, weeks, and months in the market can have a tremendous impact upon long-term returns. Two decisions must be made when trying to time the market: when to get out and when to get back in. The stress of being out the market is replaced by the stress of when to get back in. Staying in your seat and sticking to a long-term game plan gives investors the best odds for a positive market experience.
- Has something fundamentally changed in your life and circumstances that impacts how you should be invested and the level of risk in your portfolio? Life circumstances and goals should affect how we invest, not what we think is going to happen in markets in the short-term.
- Stocks are a great way to outpace inflation over the long-term. Further, there is a lack of a persistent relationship between inflation levels and stock market performance.
- Markets are forward looking – expectations for interest rates, inflation and recessions are already priced into the markets. By the time an official recession is announced, we may already be out of it or on our way out.

If you are interested in more information and education regarding the markets, I welcome you to register for the upcoming webinar hosted by Dimensional Fund Advisors mentioned further on in this newsletter.

Additionally, in times like these, it is an important reminder to focus on what you can control when it comes to your financial picture. We have had some recent meaningful discussions around the following topics:

- ***Tax loss harvesting in after tax accounts*** – Capturing capital losses in an after-tax account can be reported on your tax return to help offset current and future capital gains. Dollars are immediately reinvested to take advantage of a potential recovery in the markets.
- ***Income tax planning*** – Examining current tax law and possible changes can help identify opportunities to reduce your tax bill.
- ***Rebalancing the existing portfolio*** – Your portfolio may be underweighted in stocks compared to your targeted allocation. It may be worth weighing the option of shifting dollars from bonds to stocks in your portfolio to buy stocks at a ‘low’ point.
- ***Investing excess or unneeded cash into the portfolio*** – As the adage goes, buy low and sell high. Given the decline in markets this year, we view the current environment as a buying opportunity. Examining current cash balances across checking and savings accounts may reveal cash that you may be able to part with to invest for the long-term and buy stocks at a discount.
- ***Roth IRA conversions*** – If you are in a low tax bracket or lower bracket compared to previous years, converting traditional pre-tax IRA dollars to a Roth IRA may be worth considering. It is helpful to do conversions when stocks are on discount to take advantage of the recovery or market growth in a Roth IRA, which is tax-free. Tax professionals along with your advisor can help examine if this is a good strategy for you.
- ***Revisit your financial plan*** – It is important to evaluate how a decline in the market may affect your long-term financial goals including your plans to retire, home renovations projects, or taking that family vacation. Should those goals be put on hold or can you move forward with them? Discussing these possible concerns with your advisor may reveal that you are in better shape than originally thought despite market fluctuations.

Focusing our efforts on these different planning topics is how to best take advantage of our current market environment as well as ease concerns. Markets are going to do what they are going to do, and they are ultimately out of our control. However, there are other actions investors can take and redirecting focus to these more controllable items is a good place to focus energy. We welcome you to reach out to our office to discuss any of the above topics and ideas.

We at Portfolio Advisors recognize that when volatility strikes the market, it is hard to ignore and can impact our emotions. We aim to be a sounding board for the families we serve and do our best to reach out in times like these.

emotions. We aim to be a sounding board for the families we serve and do our best to reach out in times like these. We hope to provide third party objective perspective to your overall financial picture and lives. Please feel free to reach out if we can further help you navigate this current environment.

On a personal note, I am happy to announce that my husband and I are expecting baby #2, a girl, in early November. I will begin my leave of absence in mid-October and plan to return to the office in mid-December. The team and I have begun preparations for my absence, and they remain ready to continue to serve you during this time. (Baby pictures and announcements will be coming upon delivery!)

Regards,

Tina Mistry, CFP®

President/CEO & Financial Advisor

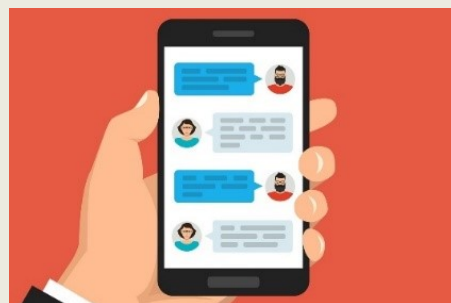
*(P.S. We welcome any feedback regarding our newsletter articles! Please feel free to respond to this email. Further, if I can be of any help to you or more specifically, if you have any feedback you wish to share with me regarding your experience as a client of Portfolio Advisors, I welcome you to contact me by phone or email. Thank you!)*

## ***Increased Communication Through Texting***

Here at Portfolio Advisors, Inc., we are happy to announce that we are able to communicate with all of you via **text messaging!**

First, our texting phone numbers are as follows:

- For our **Service Team – Jessica, Jesse, & Nathan:** 559-206-4947
- For **Tina Mistry:** 559-206-1066
- For **AJ Flores:** 559-408-5337
- For **Jordan Naffa:** 559-272-9935



Please save these numbers in your phone. Please note that our office phone number of 559-432-8400 has not changed.

Second, for your protection and security, we kindly ask that ***trade requests*** and ***withdrawal requests*** are not made via text. In this day and age of identity theft and security breaches, all trade requests and withdrawal requests will be verbally confirmed by phone.

We hope our new texting numbers provide convenience to each of you and we look forward to our continued work with all of you!



## ***Webinar Invitation***

Dimensional Fund Advisors will be hosting an upcoming webinar titled ***Recent Market Lessons on Crypto, FAANG Stocks, & International Markets***. Here are the event details:

- **Date & Time:** Wednesday, August 24<sup>th</sup> at 8:30 a.m. PST
- **Topic Details:** Join Dimensional's Jake DeKinder and Mark Gochnour for a conversation on a range of topics recently capturing investor interest. During the webcast, they will discuss the recent performance of cryptocurrencies, FAANG stocks, US growth stocks, and markets outside the US. They will offer insights on how to navigate the current market environment and provide practical advice on how to invest.

They will offer a perspective to reinforce key investment principles and help investors maintain a long-term approach during these challenging times.

- **Registration:** [Click Here](#) to register

We welcome you to register for this event as well as forward the invite to anyone you may know who might benefit from attending!

## ***Upcoming Changes For Portfolio Advisors, Inc. & You***



We are excited to share with you some upcoming changes to the client experience here at Portfolio Advisors, Inc.

**First**, in 2019, Charles Schwab announced the acquisition of TD Ameritrade. Since then, both companies have been working on merging various aspects of their respective entities and ultimately planning for the merging of the client and advisor facing platforms. We have been informed that such platforms and other client-facing materials will be changing this fall as a part of the final phase of the merger process. Our team is being updated on a regular basis as to the roll out of

these changes. Thus far, we do not anticipate clients having to complete new account paperwork, however, we do anticipate some of the following changes:

- 9-digit TD Ameritrade account numbers will be changed to 8-digit Schwab account numbers
- Online platform advisorclient.com is expected to change
- Monthly statements from TD Ameritrade will be reformatted to read Charles Schwab
- Clients may receive multiple 1099s (tax documents) in 2023 for the 2022 tax filing

Additionally, if you have not logged into the AdvisorClient.com site (TD Ameritrade site) for some time, you may begin receiving paper statements for your TD Ameritrade accounts. We ask that you log into the [Advisor Client site](#) to enroll or re-enroll in electronic statements. Please reach out to our office if we can provide some assistance here.

Further, you will be receiving additional communication directly from TD Ameritrade & Charles Schwab about these upcoming changes. However, our team plans to keep you apprised of additional changes and the appropriate time frame. Our team remains ready to help you navigate through these changes and answer questions.



**Second**, here at Portfolio Advisors, we are undergoing a technology change of our own. We are in the process of changing systems that document our client data, generate client reports, and host our online document vault. We are in the process of making internal changes and getting ready to launch a new reporting format to you along with rolling out a more interactive and useful client portal and document vault. In the coming months, you will receive additional communication about these changes including the new reporting format and registration for the new client portal, along with instructions on how to access our new mobile app (for smart phones and tablets). We are excited to share these new tools with you to enhance your experience.

As we navigate these changes, we kindly ask for your patience and understanding as we will do our best to continue to serve you at the highest level possible and in a timely fashion. We recognize that change is not easy, however, we aim to make these changes to improve upon your experience as a client and to ensure that Portfolio Advisors is around for years to come to serve you and your family. As these changes are rolled out, we welcome your feedback as to how we can continue to improve or modify. Again, we thank you for your patience and understanding.

## ***Portfolio Advisors, Inc. Team Profile***



# *Allow me to reintroduce myself... Jessica Sadredin*

Foreword by Tina Mistry, CFP®



In this installment of team profiles, it is my pleasure to reintroduce you to one of our most seasoned team members at Portfolio Advisors, Inc., Jessica Sadredin. Jessica has been with our firm for 13 years, serving as our Client Services Manager and Chief Compliance Officer. I often tell clients that our firm prides itself on exceptional customer service, and that is thanks to Jessica. She has developed a wealth of knowledge in our firm's back office, making the machine work as efficiently as possible! Further, in her newer role as Chief Compliance Officer, she implements the necessary policies and procedures that continue to keep our client's interests first. Many of you have had the pleasure of meeting Jessica over the years at the office and at our client events, and know that she has a genuine heart for serving all of you. (This article is #5 of a 6-part series. To take a look at article #4, [click here](#). Stay tuned for more Team Profiles in our future newsletters.)

I recently posed some questions to Jessica to allow her the opportunity to share more about herself with all of you. Here we go...

## *What is your role at Portfolio Advisors, Inc.?*

- I serve as the Client Services Manager and Chief Compliance Manager.

## *What do you enjoy most about your work?*

- I enjoy interacting with and helping our clients. It is always nice to catch up with clients and make sure they are taken care of. I always want to make sure that they have a great service experience.

## *What are some of the most important lessons you have learned during your time at PA?*

- Continuous personal and professional improvement is essential.
- Business is about people and trust.

## *Anything else you would like to share with our audience?*

- I volunteer at the Fresno Bully Rescue. I enjoy walking and playing with the dogs that are waiting to be adopted. I also have fun helping as I can at their events.
- I recently moved into my first new home!

## *Here are some fun facts about Jessica:*

- **Favorite book:** Too many to choose from! Here are some of my favorites: The Three Musketeers by Alexandre Dumas, The Outsiders by S.E. Hinton, the Harry Potter book series by J.K. Rowling, ACOMAF by Sarah J. Maas, and Me Before You by Jojo Moyes.
- **Favorite quote:** "You are braver than you believe, stronger than you seem, and smarter than you think." — Christopher Robin, Winnie the Pooh
- **Favorite place you have traveled:** Iguazu Falls
- **Hobbies/Interest:** Movies, Disney (Disneyland, DCA, Marvel, etc.), travel, reading, hiking, and concerts.

- **Family:** My mom and dad live in town along with my sister. I also have two adorable nieces.
- **Favorite show you watched on Netflix recently:** Shadow and Bone



Hanging out with River at Fresno Bully Rescue.



Fun family Disneyland trip!

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Portfolio Advisors, Inc. ("PAI"), or any non-investment related content, made reference to directly

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Give us a call and learn more today!