



October 2020

FINANCIAL FOCUS:

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Dear friends, the third quarter of 2020 continued its amazing resilience in the face of a myriad of unanswered questions. As we begin the fourth quarter of what has already been an extraordinary 2020, a vaccine, a stimulus package and a presidential election make an astonishingly important troika of open issues that hopefully will be resolved, to a large degree, by the end of the year.

By Rodd D. Berro

T.I.N.A.

Clearly the markets continue to look past all the present uncertainties to getting back to a normalized economy. All three indexes were up for the quarter with the tech heavy Nasdaq continuing to lead the pack despite being down 5% for the month of September. The Nasdaq Composite ended September up 11% for the quarter and a remarkable 24.5% for the year. The S&P 500 closed out the month with a gain of 8.5% for the quarter and 4.1% for the year. The Dow Jones Industrial average rose 7.6% for the quarter and is still down 2.7% for 2020. Gold ended the quarter at \$1,887.5 per troy oz. up 24.22% for the year but down 8.7% from its recent highs as the dollar rallied. Crude oil closed at \$40.22 per barrel down 34.13% for the year.

Acronyms are a favorite on Wall Street to help explain the unexplainable. The FAANG stocks (Facebook, Amazon, Apple, Netflix, and Google, which have now grown into the FANGMAN stocks (add Microsoft and Nvidia) account for 30% of the value of the S&P 500. 7 stocks equal to 30% of the value of the largest 500 stocks. Definitely the need for an acronym! So why is the market going up with the turmoil and dangers surrounding us in

2020. Again, Wall Street comes to the rescue with an acronym. T.I.N.A. "There is no alternative". With the 10-year treasury at .6% and CD's well below 1%, the alternatives to the stock market for liquid assets are unattractive. Therefore, with over 5 trillion dollars on the sidelines waiting to be invested, the most logical placement remains the US equity market. Of course, we live in a world where change happens swiftly, so one should always be on the lookout for the next acronym.

RETIREMENT ACCOUNTS

With the passage of the SECURE Act and CARES Act, there have been several changes to IRA contribution & distribution rules. See below for some highlights. Be sure to contact your tax professional before taking any action on this information.

IRA CONTRIBUTIONS:

- The 2020 contribution limit is \$6,000; or \$7,000 if you're age 50 or older; or your taxable compensation for the year if less than the above.
- New for 2020, there is no age limit on making regular contributions to traditional or Roth IRAs if you have taxable compensation.

IRA DISTRIBUTIONS:

- Your Required Minimum Distribution (RMD) is the minimum amount you must withdraw from your account each year at a certain age.
- Prior to 2020, the RMD age was 70½ years old. Due to changes made by the SECURE Act, if you reach the age of 70½ after December 31, 2019, then your RMD age is now 72 years old.
- The CARES Act allows RMDs from some retirement accounts to be suspended for 2020.

Please contact our office if you would like to suspend your 2020 RMD or if you would like to make a contribution to your IRA.

(over, please)



Checks

If you are submitting a check for deposit into your Charles Schwab account, either through the Schwab Mobile App or the mail:

- The check should be made payable to your account name & number, or include the account number on the memo line.
- Do not write or sign over the encoded account numbers at the bottom of the check.
- Be sure to endorse the back of the check, write "For Deposit Only", and include your account number again.

Pegasus Client Portal

Securely upload & download documents in the portal

To Access the Client Portal:

<https://pegasusassetmgt.portal.tamaracinc.com>

To Download Documents from the Client Portal:

- Click on the Documents tab at top of screen
- Click "All Documents" in blue on the left side of the screen
- Click a check mark next the documents you want to download
- Towards the top in the blue box, click on the down arrow next to the word "Action"**
- Click "Download" & follow your computer's prompts for a downloaded document

To Post Documents to the Client Portal:

- Click on the Documents tab at top of screen
- Click "All Documents" in blue on the left side of the screen
- Click on the down arrow next to the word "Action" in the blue box**
- Click on "Post Documents"
- Select the file to upload
- Click "Post" on the bottom right



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Exclusive of charts

Schwab & You

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Charles Schwab is dedicated to protecting your accounts. Visit <https://www.schwab.com/schwabsafe> for security details.

Schwab Alliance

<http://www.schwaballiance.com/>

Schwab Mobile App

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- Initiate Electronic Transfers
- Access Tax Documents
- View Statements & Trade Confirmations
- Open New Accounts Electronically
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