



January 2021

FINANCIAL FOCUS:

A Pegasus Newsletter[©]

www.pegasusassetmgt.com

Dear friends, the fourth quarter of 2020 ended with continued strength and optimism brought on by a 900-billion-dollar stimulus package and the approval of two vaccines. The world looks ahead to reducing and hopefully eliminating the threat of Covid-19 and returning to some form of normal by the end of 2021. Our team at Pegasus wishes you a happy and healthy New Year and looks forward to working with you for many years to come.

By Rodd D. Berro

All Time Highs?

The markets ended the year robustly with many indexes at all time highs. The Dow Jones Industrial average ended the year up 7.3%, while the S&P 500 clocked in at 16.3%, the Russell 2000 small cap index at 18.4% and the tech laden Nasdaq composite at an exceptional 43.6%. Gold ended the year up 24.6% while the loan laggard of the group, oil, ended down 20.5% for the year. Interest rates remained low throughout the year with the 10-year Treasury ending at .93% down from 1.9% at the end of 2019 while the 30-year ended at 1.7% down from 2.4% a year ago. 2020 saw an extraordinary amount of liquidity enter the US economy. On top of the 900-billion-dollar package just beginning to be distributed there was the 2.2 trillion-dollar stimulus from the spring and a 3 trillion-dollar expansion of the Federal reserves balance sheet. Added together these 6.1 trillion dollars of cash flow represents almost 30% of the entire 2019 GDP of the United States. It is estimated that the US economy will have shrunk 3.5% for 2020 or 750 billion dollars. Without the stimulus packages, however, the economy would have declined substantially more,

considering the 31.7% drop in the 2nd quarter alone. So, although all the governments contributions clearly kick started the economy, the third quarter GDP rising 33.4%, there is a lot of cash sloshing around in the system. Some of it, 1.3 trillion dollars has been added to money market accounts which now stand at 4.3 trillion and arguably much of it went into the stock market. Maybe not so surprising we currently stand at all-time highs.

Tax Documents

Charles Schwab issues your account tax documents such as 1099s and 1099-Rs. You can access & download your tax documents when they become available at: <http://www.schwaballiance.com/> or through the Schwab Mobile App. Tax documents are issued from January through late March. Schwab may also generate corrected tax documents.

K-1 tax documents are issued by the holding companies and are mailed directly to clients by the end of March-beginning of April. Pegasus Asset Mgt. does not receive copies of K-1s so please keep the copy you receive in the mail and give it to your accountant prior to filing your taxes. To find out if you will receive K-1s, check your 1099 tax document section titled "Supplemental Information" for Partnership Distributions. You can view the status of your K-1s or retrieve an electronic copy of any K-1s by visiting: <https://www.taxpackagesupport.com/>.

If you have any questions or need assistance accessing your tax documents, please contact our office. Client authorization is needed first before our office can communicate directly with accountants.

(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:

- Make check payable to your account name and #, or include the account # on the memo line.
- If the check is an IRA contribution, write the contribution year on the memo line.
- Do not write or sign over the encoded account # at the bottom of the check.
- Be sure to endorse the back of the check, write "For Deposit Only" and your account #.

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 Alliance

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

Schwab Mobile App

1-800-515-2157

Secure, online access to your accounts is easy, visit the Schwab Alliance website or Schwab Mobile App to view account balances & transactions, access tax documents, open new accounts, and more.

Retirement Accounts

Be sure to contact your tax professional before taking any action on this information.

IRA CONTRIBUTIONS:

- The 2021 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.
- The contribution deadline is April 15th, please be sure submit your contribution so that it is received at least 1 week early.
- There is now 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 IRA each year at a certain age.
- You will have a RMD if you turn 72 years old in 2021.

Please contact our office if you would like to make a contribution to your IRA or open an IRA.

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 Pegasus Asset Management, Inc.), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Pegasus Asset Management, Inc.. Please remember to contact Pegasus Asset Management, Inc., **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. Pegasus Asset Management, Inc. is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. A copy of Pegasus Asset Management, Inc.'s current written disclosure statement discussing our advisory services and fees is available for review upon request.