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Fall 2021
Volume 13, Issue 5

To our clients, their families and all partners in our endeavor,

The 3rd Quarter is Behind Us!

I hope this newsletter finds both you and all your families – well!

A colleague of mine has in the past always started our phone conversation with a question: "What are you excited about?" each and every time we talk. To answer, I am excited about the Fall, apples, young wine, colder days, as well as football and soccer seasons being in full swing. I am also excited that we navigated successfully the first three quarters of this year in spite of all the uncontrollable risk and headwinds associated with it.

While the end of the quarter brought us a somewhat unsettling September with the largest index of U.S. based companies (S&P 500) correcting -4.8%, the same still eked out a positive (+0.2%) return for the quarter (for its sixth consecutive quarter of gains) *(source: Standard and Poor's data 09/30/2021).* Most, if not all, September correction was attributed to fears of political gridlock that could lead to a downgrade of U.S. sovereign debt as well as an increase in goods prices that were up +5.5% on year over year basis (*source: U.S. Bureau of Labor: Inflation and Prices).* While I continue to stand by my previous assessment of transitory inflation, the impact of rising rates on the stock market has historically depended on not just the speed of change but on the level as well. Given the September change in US Treasury yields mostly associated with inflation and more aggressive Fed (which gave us a better timeline on when tapering will begin), the monthly market performance was impacted as such. Through it all, Dow Jones still remained at +13.72%, while the S&P 500 settled at +17.26% on a year-to-date basis (*source: S&P Dow Jones Indices LLC).*

While LPL Financial Research tells us the 4th quarter is historically the best for stocks (with 3rd Quarter the worst) (*source: LPL Research, FactSet 09/29/21)*, I do not believe it will be easy to maintain the momentum of the last 6 quarters. A 5-8% pullback may be in the offing, as we have not experienced one in a while. While there may be a perfect storm brewing, I would like to stay with the Goldman Sachs market commentary (10/1/21), in that the market will stabilize from recent volatility going forward as the current interest-rate levels remain supportive of risk assets.

As the year year-end approaches, I will be excited to assist you with pruning your portfolios, maximize tax-efficiency and help you with both short (holidays) and long term (income) budgets and planning beyond this year. Your plans will also get reviewed when we get into early next-year.

As always, thank you for the trust and the opportunity to serve you.

Nenad (Ned) Tufekcic

IRA and Pension Limits 2021

IRA Contribution $6,000
Age 50 and over $7,000

SIMPLE elective deferral
Under age 50 $13,500
Age 50 and over
$16,500

401K, 403B, 457
Elective Deferral
$19,500
Age 50 and over
$26,000