Here's What's Current


M Financial Group

Q4 2021

WEALTH SOLUTIONS
CAPITAL MARKETS REVIEW

INDEX						PERIOD ENDING DECEMBER 31, 2021
U.S. Equity Markets	Qtr	YTD	1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return
S&P 500 TR USD	11.03	28.71	28.71	26.07	18.47	16.55
Russell 3000 TR USD	9.28	25.66	25.66	25.79	17.97	16.30
Russell 3000 Value TR USD	7.54	25.37	25.37	17.65	11.00	12.89
Russell 3000 Growth TR USD	10.89	25.85	25.85	33.21	24.56	19.39
Russell 2000 TR USD	2.14	14.82	14.82	20.02	12.02	13.23
Russell 1000 TR USD	9.78	26.45	26.45	26.21	18.43	16.54
Non-U.S. Equity Markets						
MSCI ACWI Ex USA NR USD	1.82	7.82	7.82	13.18	9.61	7.28
MSCI EM NR USD	−1.31	−2.54	−2.54	10.94	9.87	5.49
Fixed Income						
Bloomberg US Agg Bond TR USD	0.01	−1.54	−1.54	4.79	3.57	2.90
Bloomberg US Treasury US TIPS TR USD	2.36	5.96	5.96	8.44	5.34	3.09
Real Assets/Natural Resources						
DJ US Select REIT TR USD	17.22	45.91	45.91	16.84	9.65	10.70
S&P North American Natural Resources TR	8.13	39.94	39.94	10.06	1.27	1.27

Past performance is not a guarantee of future results.

GDP (LAGGING INDICATOR)
Q3 2021 (Third Estimate)
Increased at annual rate of 2.3%

EXISTING HOME SALES
Through November 2021
Increased by 1.9%

UNEMPLOYMENT RATE
Through November 2021
Decreased to 4.2% (seasonally adjusted).

CONSUMER PRICE INDEX
November 2021
Increased by 0.8% (seasonally adjusted).

| Q4 2021 WEALTH SOLUTIONS CAPITAL MARKETS REVIEW | 1

2022 Tax Reference Guide

These tax tables are designed to offer a quick summary of tax brackets and taxes for: personal income, capital gains, children, and both employer and personal retirement plans.

Read more >


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Q1 2022

WEALTH SOLUTIONS
CAPITAL MARKETS REVIEW

INDEX						PERIOD ENDING MARCH 31, 2022
U.S. Equity Markets	Qtr	YTD	1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return
S&P 500 TR USD	−4.60	−4.60	15.65	18.92	15.99	14.64
Russell 3000 TR USD	−5.28	−5.28	11.92	18.24	15.40	14.28
Russell 3000 Value TR USD	−0.85	−0.85	11.10	12.99	10.16	11.61
Russell 3000 Growth TR USD	−9.25	−9.25	12.86	22.68	20.16	16.64
Russell 2000 TR USD	−7.53	−7.53	−5.79	11.74	9.74	11.04
Russell 1000 TR USD	−5.13	−5.13	13.27	18.71	15.82	14.53
Non-U.S. Equity Markets						
MSCI ACWI Ex USA NR USD	−5.44	−5.44	−1.48	7.51	6.76	5.55
MSCI EM NR USD	−6.97	−6.97	−11.37	4.94	5.98	3.36
Fixed Income						
Bloomberg US Agg Bond TR USD	−5.93	−5.93	−4.15	1.69	2.14	2.24
Bloomberg US Treasury US TIPS TR USD	−3.02	−3.02	4.29	6.22	4.43	2.69
Real Assets/Natural Resources						
DJ US Select REIT TR USD	−3.71	−3.71	27.72	9.90	8.89	9.17
S&P North American Natural Resources TR	29.37	29.37	51.58	14.07	7.56	3.48

Past performance is not a guarantee of future results.

GDP (LAGGING INDICATOR)
Q4 2021 (Third Estimate)
Increased at annual rate of 6.9%

EXISTING HOME SALES
Thru February 2022
Decreased by 7.2%

UNEMPLOYMENT RATE
Thru March 2022
Decreased to 3.6% (seasonally adjusted)

CONSUMER PRICE INDEX
February 2022
Increased by 0.8% (seasonally adjusted)

| Q1 2022 WEALTH SOLUTIONS CAPITAL MARKETS REVIEW | 1

Q1 2022 Wealth Solutions Capital Markets Review

The U.S. equity market ended the first quarter down more than 5%.

Read more >

Participant Perspectives


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PARTICIPANT PERSPECTIVES
Q1 2022

HOW EXPOSED ARE YOUR RETIREMENT SAVINGS TO MARKET RISK?

Retirement plan savings can be exposed to risk during periods of market volatility. While no strategy offers a guarantee against losses, some strategies can help with managing the risks.

Market volatility is an inherent part of investing and places investors at risk for lost capital. Investors confront several different types of risks, including market, inflation, and interest rate risks. Market risk is one that all investors, but especially those investing for retirement, should understand and prepare for. Essentially, market risk is the risk that the prices of securities may fall due to external factors like economic changes, world events, or investors' expectations and outlook. Stock investors are most likely to be impacted by market risk.

As traditional pension plans become less common, households with investments in 401(k) and other defined contribution plans increasingly bear the full brunt of stock market turmoil. Declines in major stock market indexes, such as the S&P 500, the Dow Jones Industrial Average, and NASDAQ, occur relatively frequently and have experienced dramatic declines over the last half century. In February-March 2020, during the early months of the COVID-19 pandemic, the value of equities in employer-sponsored retirement plans and household portfolios fell by $14.2 trillion.[1] While the stock market subsequently recovered, ongoing volatility continues to expose retirement plan assets to risk.

MANAGING MARKET RISK

While all investors must temper their hopes for gains with the realization that the market can also deliver

[1] Center for Retirement Research, Boston College, Issue Briefs, June 2020, *How Exposed are Retirement Savings to Market Risk?*

Q1 2022 | PARTICIPANT PERSPECTIVES | 1

Retirement plan savings can be exposed to risk during periods of market volatility.

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Readings in Review


M Financial Group
M WEALTH
PLANNING FOR A MARKET DOWNTURN

Because stock market crashes can be terrifying to contemplate, investors often avoid thinking about them at all—especially during long-running bull markets like the one we've seen these past 12 years.

Market downturns, or corrections, tend to happen when people least expect. Like a bad blizzard or dangerous hurricane, investors know another is likely to occur—but when and how big are anyone's guess. Even though no one can predict when the next storm will hit, there are things investors can do to feel better prepared for the next severe market decline.

And contrary to human behavior, the best time to act is before the next market downturn occurs. Waiting until the winds start to gust, or the rain starts to fall, can be costly. So, what can investors do now to prepare for market volatility in the future?

STAY INVESTED

First, it's important to acknowledge that basic human instincts are at odds with what it takes to invest successfully over the long term. After all, what did our ancestors do when faced with danger? It was either fight or flight. "Do nothing" probably wouldn't have been a good strategy, but it's exactly what most investors should do when a sharp downturn occurs.

BE PATIENT

Patience is key. As Oracle of Omaha Warren Buffet says, "The stock market is a device for transferring money from the impatient to the patient." When markets are volatile, either up or down, it's easy for investors to let emotions like euphoria or fear get the better of them, causing them to make impulsive investment decisions. Being aware of how emotions can impact decision-making is a great first step to avoiding making bad investment choices when a market decline does happen.

RESIST THE URGE TO SELL AT THE WRONG TIME

A well-known cognitive bias humans have is loss aversion. Put simply, people have a stronger negative reaction to losing money than they do a positive reaction to gaining the same amount. How does loss aversion play out for investors? It can cause investors to sell at their most panicked, when stock prices have already considerably declined.

Planning for a Market Downturn | 1

Planning for Market Downturn

Because stock market crashes can be terrifying to contemplate, investors often avoid thinking about them at all--especially during long-running bull markets like the one we've seen these past 12 years.

Read more >

Transition Time? Planning Counts When Continuity is the Goal

Are you a business owner who wants to retire someday? Do you want to see the business prosper even after


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TRANSITION TIME? PLANNING COUNTS WHEN CONTINUITY IS THE GOAL

Are you a business owner who wants to retire someday? Do you want to see the business prosper even after your exit, with younger family members and/or other key employees in charge?

According to the 2021 Business Owner Benchmark, 30% of business owners have no succession plan in place. And half of those who do have a plan are concerned about their successors' ability to run the business.[1]

It is possible to achieve the dual goal of retirement and business continuity, but it takes planning.

Because every situation is different, your plan should be tailored to achieve the results you desire. That said, here's just one example of how a transition plan could be crafted.

Step 1: Establish a new entity

Form a new business entity some time before your anticipated retirement date. Let's call this new entity "Company 2"— a limited liability company or LLC. Capitalize this new entity with contributions from the new owners and a small contribution from you.

Step 2: Transition operations

Company 2 operates alongside your old company during a buyout period, with you as the managing member. During that period, your old company finishes its existing work and collects its outstanding accounts receivable.

New work is funneled to Company 2 as it comes in. Company 2 rents equipment from your old company and gradually buys the equipment. Any new equipment that must be acquired during the transition period is purchased by Company 2.

Your old company receives a management fee for your assistance during the transition and is reimbursed for any operating expenses it incurs on Company 2's behalf. You continue to receive a salary from your old company. At a prearranged time and price, the new owners of Company 2 buy out your interest in Company 2.

Transition Time? Planning Counts When Continuity Is the Goal | 1

your exist, with young family members and/or other key employees in charge?

[Read more >]

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For additional inquiries, please email us HERE.