MARK AHO FINANCIAL GROUP

Your Vision, Our Mission

1st Quarter 2022

Pictured left to right:

Ross Aho, Financial Advisor

Amanda Zorza, Registered Client Associate

Joe Jeeves, CFP®, CIMA®, Financial Advisor

Mark Aho, MBA, CFP®, CIMA®, President, MAFG, Financial Advisor

Nicole Burony-Noble, Registered Executive Assistant

Eric Froberg, AAMS, Financial Advisor

Dear Friends,
So here we are…again…as a nation facing many domestic as well as global troubling issues. What is the rational long-term investor supposed to do in times like this? It seems we are at a crossroads as to the potential reordering of the world. The current war in Ukraine is tragic for people who have lived there in a free society since the breakup of the Soviet Union. These people have lived in a new world for the past thirty years or so and are now being dragged back to the potential draconian autocratic dictatorship of Russia's Putin. An awful situation for them. What are we to do as a sovereign nation who battled for a free Republic built on democracy to be forever free of tyranny and the sorts of socialism or communism seen in the world such as Russia, North Korea, Venezuela, or yes China. I bring this to your attention is for each of us to realize and to some sort of degree feel what these poor people are going through in Ukraine.

Speaking of China, I believe it is coming to our attention that the (USA's) offshoring of manufacturing is not working out as well as our past leaders both Democrat and Republican had thought. This is now well documented with the severe supply chain issues we currently face. We must start to realize China is not a nation we as Americans should be placing our trust in. We need to get our manufacturing base back home or to other nations where we can rely on and become trusting partners.

The energy situation is another issue which has all of our attention. The high cost of energy in all forms is certainly taking a lot of money out of our pockets. What is the cause of this? The current administration's policy on drilling, fracking, pipelines and such? Russia's war in Ukraine? The energy companies taking advantage of all of this and making enormous profits? Maybe all of this has some responsibility. However, I do think this all started with the new administration's policy toward fossil fuels. I think we can all appreciate this "New Green Deal" for we all want a clean earth. However, this change cannot happen overnight. We need to have the alternative type of new energy in place before this can happen. Economics will play a major role here no matter what we try to push into our world. Currently we have many years of petroleum and natural gas as well as coal. Since we have quite frankly an exorbitant amount of these resources it seems to me we will continue to use them until the next

form of energy, say enhanced lithium batteries like quantum glass or solid state become economically feasible. We are kidding ourselves if we think this will occur before it is economically feasible. We as citizens will certainly direct this with how we spend our hard earned money. I don't believe you would spend a hundred dollars for a fifty dollar value.

The other issue which has our attention is the increasing proof of inflation. The administration has said there are no concerns here for it is all transitory. The reason given was because of the pandemic causing supply shortages. Yes, I do agree this has been a cause of the supply chain issues which of course has led to higher prices for a limited amount of available products. But I would go back to economics 101….as one of my favorite economists (Milton Friedman) would state….watch the money supply (M1, M2). As you can see from this chart it has increased at an alarming amount.

The result of all this money being pumped into our economy is you eventually end up with too much money chasing too few goods. This raises the cost of just about everything. On top of this… due to the pandemic (and I would also add increased government money handed out to too many people who decided not to work) we ended up with a shortage of workers. Therefore, a supply shortage caused by manufacturing shut downs. So again, the government (FED) was pumping money into our economic system while the supply chain froze up, ending in a situation of too much money chasing too few goods and the result….inflation. This is just my simple view of this and since I am not a full time economist, one could argue a different viewpoint. But I don't think I am too wrong about it.

Looking forward…..I do see some storm clouds and as I write this it is already starting to rain. The FED over the past many years now has kept interest rates at near zero and has been buying bonds in the market place. Remember when the FED buys bonds in the market they print money to make the purchases. This is how they move money into the market. This is referred to as quantitative easing (QE). Well, as you already know they are starting to increase the fed funds rate. It was increased .25% in March and they are talking about continuous increases this year. On top of the rate hikes they are

now starting to take down the enormous amount of bonds on their balance sheet. I believe it is up to $9 trillion. So when these bonds mature and are not replaced or they put the bonds back into the market and receive cash, they will then be doing what is referred to as quantitative tightening (QT). I suspect you will hear a lot about QT in the days ahead.

The last time QT occurred to any large degree was back in the early 1980's when the then fed chair Paul Volker tamed the runaway inflation tiger. This caused not one but two recessions. So will we have a recession with the increasing interest rates as well as QT? All I can say is we are again in a "cloud of unknowing" about how this or any of the above issues will work out.

In my opinion, here is the good news….Current events are irrelevant to the investment policy of the long-term equity investor. Think of this when you look back to the technology bust (2000-03) or the great financial crisis (2007-09) or the Covid crisis causing the pandemic (2020). These are all major events and yes, we did have to ride through them with our portfolio values temporarily dropping. However in the grand picture of reaching your long-term goals, none of these events really mattered. Think of it this way. "Today's crisis invariably becomes yesterday's news." Many of our clients have been through all of these past big market events and they are all okay and have successfully reached or even surpassed their goals. The key item here is to stay rational during times of uncertainty. This quite frankly is one of our major tasks. If we stop one's emotional need to sell your high quality, well diversified portfolio in times of uncertainty….we will have done our job! This "one thing" will keep you on track to reach you goals. I hope you understand this because it is so important! Everything else we do from the initial goal based planning to the on-going investment management is also key. But even if that is all done to perfection and during just one of the above mentioned current events you bail out….most likely all is lost.

So my dear friends, it is my intention today to give each of you some current economic information and to also give you a shot of what I call "Successful Thinking Vitamin C." As always I consider it a privilege and honor to be able to work with each and every one of you.

God Bless you always,
Mark

Capital Markets Snapshot

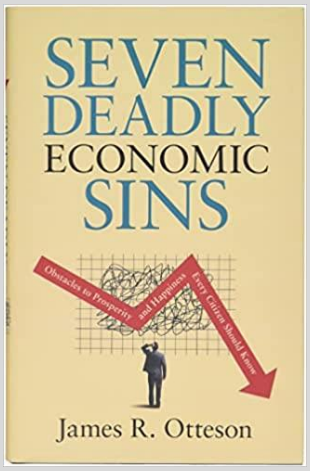
For a full analysis of the Quarter, please go to our web site at www.markahofinancialgroup.com. Then click on Resources> Education> Investment Strategy Quarterly. Below is a brief snapshot from the report:

Index		3/31/2022	2021	Last 10 years
Dow Jones Industrial Average		-4.57%	18.73%	10.13%
S&P 500 Index		-4.95%	26.89%	12.39%
NASDAQ Composite Index		-9.10%	21.39%	16.49%
Russell 1000G	Large Cap Growth	-9.04%	27.60%	17.04%
Russell 1000V	Large Cap Value	-0.74%	25.16%	11.70%
Russell 2000G	Small Cap Growth	-12.63%	2.83%	11.21%
Russell 2000V	Small Cap Value	-2.40%	28.27%	10.54%
MSCI EAFE	Developing International	-5.79%	11.78%	6.77%
MSCI EM	Emerging Markets	-6.92%	-2.22%	3.73%
DJ US Select REIT	U.S. Real Estate	-3.71%	45.91%	9.17%
Barclays US Intermediate Govt/Credit		-4.54%	-1.46%	1.85%
Citigroup World Government Bond Index		-6.46%	-6.97%	0.34%

*Russell 1000 Growth Index – Measures the performance of the 1,000 largest companies in the Russell 3000 Index, with higher price-to-book ratios and higher forecasted growth values. Russell 1000 Value Index – Measures the performance of the 1,000 largest companies in the Russell 3000. Index with lower price-to-book ratios and lower forecasted growth values. Russell 2000 Growth Index –Measures the performance of the 2,000 smallest companies in the Russell 3000. Index with higher price-to-book ratios and higher forecasted growth values Russell 2000 Value Index – Measures the performance of the 2,000 smallest companies in the Russell 3000. Index with lower price-to-book ratios and lower forecasted growth values. MSCI Emerging Markets Index – A market capitalization weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Dow Jones U.S. Select REIT Index intends to measure the performance of publicly traded REITs and REIT-like securities. Barclays Capital U.S. Intermediate Credit Bond Index measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year and less than ten years. The Citigroup WGBI G7 x U.S. (USD) is an unmanaged market value weighted index comprised of debt issued by countries in the group of 7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) excluding the United States. The MSCI EAFE is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 21 developed nations. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The **Dow Jones Industrial Average** (DJIA), commonly known as "The Dow", is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. The **NASDAQ** composite is an unmanaged index of securities traded on the NASDAQ system. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.*

SPRING CLEANING? SHRED!

Do you have documents or personal information that should be shred versus placed in the garbage? Protecting personal information and your identity are very important in today's world. We offer a free shredding bin available for your use. It is locked, and our shredding service comes once a month to shred the contents of the bin on-site. You may stop at our office at any time during business hours to place paperwork in our shredder. We welcome you to take advantage of this free and valuable service.



Mark's Book Review – Looking for something to read?

Seven Deadly Economic Sins – by James R. Otteson

This book is an ideal book for just about everyone to learn the "real" meaning of economics. I think this should be read by everyone. (Especially our government employees.) Our legislature governing our national laws and interests would do well to read and understand the message in this book. I believe there is hope for our government to become more efficient and functional as far as their influence on our economy. However, they need to understand the foundation of the material presented in this book. As an example here is one powerful excerpt from the book. "We should therefore not seek equality of resources, income, or wealth. But that does not mean that there is no conception of equality that is worth defending. On the contrary, we should defend equality of moral agency, for all people, out of respect for their dignity as rational and autonomous beings. That means respecting their choices, even when we disagree with them. Although this is a moral, and not strictly speaking an economic, argument, nevertheless respecting people's equal moral agency also enables considerable economic benefit that accrues from the prosperity to which people's individual choices in the search for cooperative mutual betterment can lead." This book is relatively easy to read, however it reads more like a textbook than a story. I highly recommend this book and hope you will not only read it but share this book with many of your family and friends.

Are you and your partner on the same retirement page?

RETIREMENT AND LONGEVITY

Many couples don't agree on when, where or how they're going to spend their golden years.

When Fidelity Investments asked couples how much they thought they'd need to save for retirement to maintain their current lifestyle, 49% said they had "no idea." Over half the survey respondents – 54% – disagreed on the amount needed to retire, and 43% had differing answers when asked their planned retirement age.[1]

In some ways, that's not surprising – many couples disagree on financial and lifestyle matters long before they've stopped working. But adjustments can become more difficult in retirement, when you've generally stopped accumulating wealth and have to focus more on controlling expenses and dealing with unexpected events.

Ultimately, the time to talk about and resolve any differences you have about retirement is well before you need to. Let's look at some of the key areas where couples need to find common ground.

When and where

Partners often have different time frames for their individual retirements, an issue that can be exacerbated if one is significantly older. Sometimes, differing time frames are due to policies or expectations in their respective workplaces; sometimes, it's a matter of how long each one wants – or can physically continue – to work.

The retirement nest egg is also a factor here. If you're planning to downsize or move to a location that's warmer or nearer your children, that will affect your timeline as well. There's no numerical answer (65 as a retirement age just isn't relevant in today's world) and this may be a moving target, anyway. But you both need to have a general idea on when each is going to retire.

You also need to be in agreement on where you're going to live, because a mistake on this point can be very expensive to fix. If one of you is set on a certain location, try to take a long vacation (or several) there together and discuss how you each feel about living there permanently.

> How much you spend and save NOW plays a major role in determining how much you will be able to accumulate and therefore how much you can spend in retirement.

Your lifestyle in retirement

Some people see retirement as a time to do very little; others see it as the time to do everything they couldn't do while working. While these are individual choices, they'll affect both of you as well as your joint financial planning. After all, if there's a trip to Europe in your future, there's a hefty expense in your future as well.

While you may not be able to (or want to) pin everything down precisely, partners should be in general agreement on how they're going to live in retirement and what that lifestyle will cost. You need to arrive at that expense estimate long before retirement, while you still have time to make any needed changes to reach that financial target.

Your current lifestyle

How much you spend and save now plays a major role in determining how much you will be able to accumulate and therefore how much you can spend in retirement. A key question: What tradeoffs (working longer, saving more, delaying Social Security) are you willing to make now to increase your odds of having the retirement lifestyle you want?

Examining your current lifestyle is also a good starting point for discussing how things might change in retirement. Are there expenses that will go away? Are there new ones that will pop up? If you're planning on working part-time or perhaps turning a hobby into a little business, should you begin planning for that now?

Retirement finances

This is a major topic, including items such as:

- Monitoring and managing expenses
- How much you can withdraw from your retirement portfolio annually
- What your income sources will be
- How long your money has to last (be sure to add a margin of safety)
- What level of risk you can jointly tolerate
- How much you plan to leave to others or to charity
- How much you're going to set aside for emergencies
- Who's going to manage the money, and what happens if he or she dies first

... and the list goes on. You don't want to spend your retirement years worrying about money, but not planning ahead might ensure that you will. Talk about these subjects now.

Unknowns

"Expect the unexpected" applies all the way along the journey toward retirement, but perhaps even more strongly in our later years. What will your healthcare costs be, and how much of that will have to come out of your own pocket? Will you or your spouse need long-term care, and should you purchase insurance to cover that? What happens if the market suffers a severe downturn right after you retire?

While you obviously can't plan precisely for an unknown, talking about what might happen and how you'd respond will make things easier if the unexpected does occur. Included here is the reality that one of you will likely outlive the other, so your estate planning should be done together and the day-to-day manager of your finances should be certain their counterpart can take over when needed.

Communication is vital, especially when it comes to something as important as retirement. Almost all of us will have to make some tradeoffs and adjustments (as we do throughout our relationships), and it's important to remember that the earlier you discuss and negotiate what those are going to be, the better your chances of achieving the satisfying retirement you've both worked so hard to achieve.

[1] 2018 Fidelity Investments Couples & Money Study

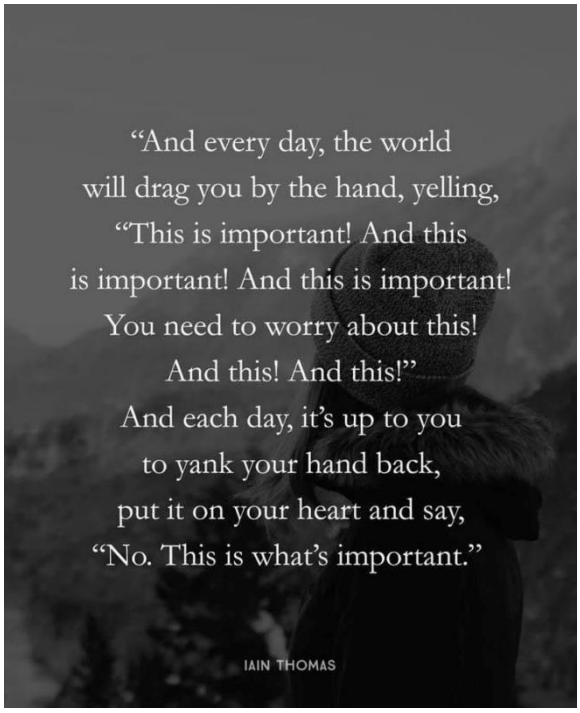
Raymond James is not affiliated with Fidelity Investments

Low Sugar Green Smoothie

This recipe is delicious and packs in servings of veggies and fruit into one glass. Enjoy for breakfast, a snack, or easy meal on the go!

- 2 cups unsweetened almond milk
- 2 scoops Vanilla Bean Protein
- ½ banana or Stevia (for low/no sugar)
- 1 ½ cup baby spinach
- 1 tbsp. all natural peanut butter or almond butter
- 1 tbsp. ground flax seed
- 1 tbsp. chia seeds
- Ice cubes – more for a thicker shake

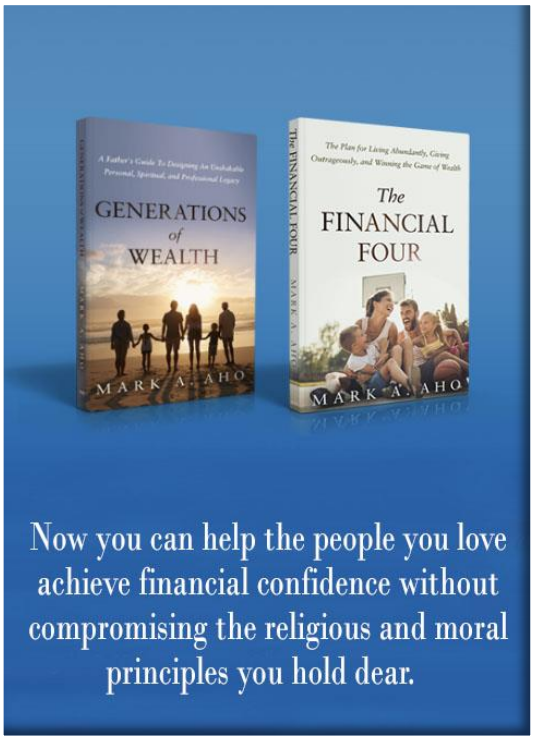
Pour the almond milk in a blender container and then add remaining ingredients. Blend on high until smooth. Enjoy, and feel great!



THE FINANCIAL FOUR IS NOW AVAILABLE!

Mark's 2nd book, The Financial Four is now available! Please let us know if you are interested in a copy of this book and we will send to you.

Also available is the 2nd Edition of Mark's book "Generations of Wealth". Both are available through us or on Amazon.



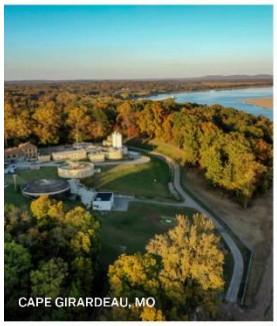
At Mark Aho Financial Group, we start them YOUNG to learn about their financial future! It's never too early to achieve financial confidence.

Young Jesse watching Grandpa during the book launch!

TRAVEL IDEAS

We know many of you like to travel, but sometimes putting the “bucket list” trip together on your own can be overwhelming. From time to time, we would like to provide opportunities for you to talk with a friend who is an experienced travel agent and can help you find trips you might enjoy. Please see the below upcoming trip for July 2022, and if any of you are interested in more information, please give our office a call and we will connect you with the travel group.

MEMPHIS, TN


CAPE GIRARDEAU, MO

AMERICAN QUEEN VOYAGES™

QUILTING THE FABRIC OF AMERICA

Aboard the American Duchess™

MEMPHIS TO ST. LOUIS

July 16, 2022 - July 24, 2022

Special Rates:

Deluxe Suite with Private Balcony: $5,799pp

Veranda Suite with Private Balcony: $3,699pp

Inside Stateroom: $1,499pp

Rates are per person based on double occupancy. Single supplement is 150%.
Port Fees are additional at $199 per person.
Rates are subject to change at any time.

9 DAYS	
1	Memphis, Tennessee | *Hotel Stay*
2	Memphis, Tennessee | *Embark*
3	River Cruising
4	Columbus, Kentucky
5	Paducah, Kentucky
6	Cape Girardeau, Missouri
7	Chester, Illinois
8	St. Louis, Missouri
9	Alton, Illinois | *Disembark*

Quilting the Fabric of America

Imagine a quilting bee that is traveling up and down the river. On this cruise, expert guest quilters will lead hands-on sessions; think of it as a floating quilting convention. This is a voyage for creative expression - and you'll be sure to enjoy the new patterns, tips and tutorials that you'll pick up along the way.

OUR ALL-INCLUSIVE FARES INCLUDE:

- **1-Night Pre-Cruise Hotel Stay**
- **Ground Transfers Between Hotel & Vessel**
- **Unlimited Included Guided Tours**
- **Unlimited Beverages**
- **Open Bars & Lounges**
- **Acclaimed Cuisine in Multiple Venues**
- **All-Day In-Room Dining**
- **Unlimited WiFi**
- **Bicycles* & Hiking Sticks**
- **Live, Daily Onboard Entertainment & Enrichment**

**River Cruises Only*

Critics Choice VACATIONS

Call Now to Book!
Susan Boehnstedt

Unless specified otherwise fares quoted are in U.S. Dollars, are per person based on double occupancy and do not include government taxes and fees, port charges, gratuities, airfare, insurance, personal expenditures or transportation costs incurred while traveling to and from embarkation ports. Promotional fares and amenities are capacity-controlled, may vary by sailing and category of accommodations and may be withdrawn without notice. The *American Queen*,® *American Empress*,® *American Duchess*™ and *American Countess*™ are operated by the American Queen Steamboat Company, LLC; are regularly inspected by the U.S. Coast Guard; are of American Registry; and employ American officers, crew and staff.

*Raymond James is not affiliated with and does not endorse the opinions or services of Regent Seven Seas Cruises or Critics Choice Vacations.

Online Access – to log on to your online access, please go to our website above. You will click on CLIENT ACCESS, and then ENROLL IN CLIENT ACCESS.

You will need to set up a login and password, and then enter one of your new account numbers. You can find that on your statement, or give us a call at 906-226-0880, and we will gladly give you that information.

DON'T WANT TO DRIVE FOR YOUR APPOINTMENT???

We are now happy to offer Zoom Meeting as an option for your appointments with us.

With an easy to use, screen sharing, web based meeting, you can talk with us and just follow along on your computer without having to leave your home.

We will provide you with easy to follow instructions, and you can enjoy your meeting in the comfort of your home. Consider this option for your next meeting with us!

Let us help you help those you care about. Contact us today.

205 N. Lakeshore Blvd, Ste. B., Marquette, MI 49855
906-226-0880
Fax 906-226-1767
markahofinancial.com

Mark Aho Financial Group is not a registered broker/dealer and is independent of Raymond James Financial Services. Investment advisory services offered through Raymond James Financial Services Advisors, Inc. Securities offered through Raymond James Financial Services, Inc., Member FINRA/SIPC.

MARK AHO
FINANCIAL GROUP
Your Vision, Our Mission

Investments and strategies mentioned may not be suitable for all investors. Past performance may not be indicative of future results. Raymond James does not provide advice on tax, legal or mortgage issues. These matters should be discussed with an appropriate professional. Any opinions are those of the Mark Aho and not necessarily those of RJFS or Raymond James. Expressions of opinion are as of this date and are subject to change without notice. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Diversification and asset allocation do not ensure a profit or protect against a loss. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Rebalancing a non-retirement account could be a taxable event that may increase your tax liability. The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Holding stocks for the long-term does not ensure a profitable outcome. Investing in stocks always involves risk, including the possibility of losing one's entire investment.

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, CFP® (with plaque design)and CFP® (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements. Investment Management Consultants Association (IMCA®) is the owner of the certification marks "CIMA®," and "Certified Investment Management Analyst®." Use of CIMA® or Certified Investment Management Analyst® signifies that the user has successfully completed The Investments & Wealth Institute's initial and ongoing credentialing requirements for investment management consultants.