



NEWSLETTER 4th Quarter 2020



Pictured left to right:

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Dear Friends,

This past quarter has been a very difficult one for me. On November 5th I became ill with Covid 19. Unfortunately, I was in that small percentage of the population who have life threatening issues with this nasty virus. After 10 days of battling, taking some steroids and other drugs to help my lungs, I realized this was not working so my doctor admitted me to the hospital (UP Health System in Marquette). I spent eight days there hooked up to a lot of things. I was getting IV drugs, Remdesivir, steroids and oxygen. I was so sick I began to truly fear for my life. Fortunately, I have a very good doctor. He started consulting with the doctors at the Mayo Clinic, and I believe with their team I was able to improve and start a long road to recovery. During this time I lost a lot of weight for it was very difficult for me to eat. When I left the hospital, I could hardly walk. My legs and arms had lost most of my muscle. I also left the hospital

with viral pneumonia. After a series of chest Xrays the pulmonologist said this type of Covid 19 viral pneumonia usually takes about 3 months to clear up. Although I was concerned about lung scarring and other issues, I feel better knowing the prognosis is that it will clear up and not leave any lasting issues. I was also fortunate to be able to go home and be cared for by my wife Julie, who is a retired RN. She is also the primary reason I was able to improve as much as I have. I want to thank each of you for your thoughts, notes and most of all your prayers. I have found in my life we are all put through some difficult challenges. I believe with all my heart that no matter what, we should always be thankful to God. With a heart filled with gratitude even during difficult times, our Lord blesses us with his presence and peace. As hard as this time was for me, I found some joy in being in our Lords presence and peace. I also know that my family and friends prayers lifted me up and gave me strength to get through all of this. Again, I am very grateful! Thank you!

Another issue I would like to bring to your attention is the fact that within our organization we have a complete, high quality team to serve each of you during one team member's absence. The caliber and quality of my fellow team members is something which brings me great joy. They are all hard working and focused only on each of our client's goals, objectives and needs. It has always been my intent to make sure we treat every client or anyone who walks through our door with great respect and efficiency to help them with their current need. We feel our clients are like family. During the financial planning process we get to know each of you very well. Once we understand "you and your family" and we build a financial plan for you to reach your goals, we become invested in your wellbeing and you reaching all of the goals you have set for yourself. We know the road ahead has a lot of twists and turns, however this is why we are on board to help you navigate through all of this. For instance, this past year has been one for the record books. Let's take a look at 2020.

Review of 2020

Every once in a while we have a year which can serve as a tutorial, maybe even a master class in the principles of successful long-term, goal focused investing. Let's take a look at some of the numbers. We will use the S&P 500 as our Index. On December 31, 2019 the Standard and Poor's 500 Index closed at 3,230.78. As we closed out 2020, December 31, 2020 it closed at 3,756.07, which is 16.26% higher. With reinvested dividends, the total return of the S&P 500 was about 17.88%.

As you look at these bare facts you would conclude 2020 was a very good year. And yes it was a good year. What is more important and so very instructive to the long-term investor is **how** we got there. Let's go back and take a look at the market's trail. On February 19, the market reached a new high and was about to start to understand the seriousness of the greatest public health crisis in a century to our country. The markets reacted quickly and lost about a third of its value in about 5 weeks. Both the Federal Reserve and Congress responded with massive interventions. The economy learned to work around the lockdowns and the result was the S&P 500 regained its February high by mid-August.

The lifetime lesson: With such dramatic turning points, **the economy cannot be forecast, and the market cannot be timed.** Instead, by having a long-term financial plan and having the patience and discipline to stick to it is a more solid approach. Your investment policy, in a nutshell, calls for us to be "acting", rather than reacting. This once again has demonstrated its enduring value. A couple of other sub lessons to think about. 1.) The velocity and trajectory of the market recovery essentially mirrored

the violent decline in February and March. 2.) The market went back up to high ground even as the pandemic continued to surge and some economic devastation was still raging. This again proves that for those who sold out during the drop waiting for the economic picture to clear up before investing, became a formula for significant underperformance.

The American economy and its leading companies continued to move ahead and demonstrate resilience through year end. It also appears cash dividends are on track to exceed what was paid in 2019. Also, at least two vaccines with high efficacy were approved and the distribution of this warp speed vaccine was in place. The general population will hopefully be able to receive this by year end 2021.

The lifetime lesson: The presidential election cycle. This hyper-partisan election was more emotionally charged than what we have seen in recent elections. Both parties claim if the other party wins they could destroy or precipitate the end of the American democracy. If someone sold their long-term equity positions in anticipation of the outcome of the election....well they got completely skunked! The lesson here is to **never get your politics mixed up with your investment policy.**

Looking at 2021 there could be a lot of problems which we cannot see coming at us. Is the market overvalued at this time? Could the values of companies be significantly above what the earnings can support? Maybe. So, what are we, long-term investors going to do? How are we to make investment policy out of the possibility of troubles ahead? We don't, because we can't. Our strategy, as 2021 dawns, is entirely driven by the same steadfast principles as it was a year ago-and will be a year from now.

As far as Fixed Income (bonds) investments go, it is difficult for long-term investors to participate here knowing the Federal Reserve has made statements saying they will keep interest rates low for the next two to three years. In general, equities with their potential for capital appreciation over longer periods of time and especially their long-term growth of dividends seem to us to be the more rational approach. With a longer-term attitude we can tune out "volatility". This allows us to act and not to react. This of course worked out well in 2020 and I believe it will work out well in the future.

We look forward to seeing you at your next review and we are always thankful for the great relationship we have with you. It is a privilege to serve you.

God Bless you always,
Mark



The Numbers

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:

Capital Markets Snapshot

Index	12/31/2020	2019	Last 10 years
Dow Jones Industrial Average	7.25%	22.34%	10.21%
S&P 500 Index	16.26%	28.88%	11.56%
NASDAQ Composite Index	43.64%	35.23%	17.12%
Russell 1000G Large Cap Growth	38.49%	36.39%	17.21%
Russell 1000V Large Cap Value	2.80%	26.54%	10.50%
Russell 2000G Small Cap Growth	34.63%	28.48%	13.48%
Russell 2000V Small Cap Value	4.63%	22.39%	8.66%
MSCI EAFE Developing International	8.28%	22.66%	6.00%
MSCI EM Emerging Markets	18.69%	18.90%	4.00%
DJ US Select REIT U.S. Real Estate	-11.20%	23.10%	7.56%
Barclays US Intermediate Govt/Credit	6.53%	6.82%	3.12%
Citigroup World Government Bond Index	10.11%	5.90%	2.32%

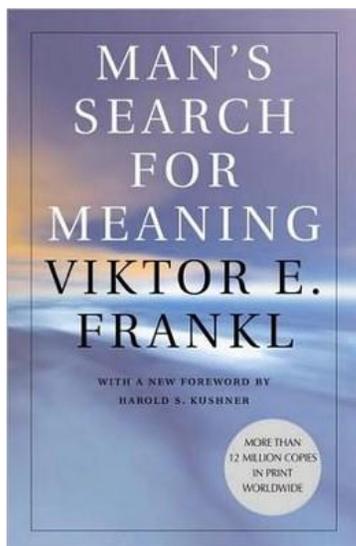
Russell 1000 Growth Index – Measures the performance of the 1,000 largest companies in the Russell 3000 Index, with higher price-to-book ratios and higher forecasted growth values. Russell 1000 Value Index – Measures the performance of the 1,000 largest companies in the Russell 3000. Index with lower 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.

COVID CLEANING? SHRED!



Do you have documents or personal information that should be shredded 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?



Man's Search for Meaning, Viktor E. Frankl (1959 latest version 2006)
 This is a very interesting WWII true life story about the experience Victor Frankl had while he was a prisoner of the Germans. Viktor was born in Vienna in 1905. He earned an M.D. and a Ph.D. from the University of Vienna. He was a clinical Psychologist. Victor had an opportunity to leave Vienna and relocate to the USA at the beginning of the War, however he decided to stay to care for his parents. He as well as his parents, pregnant wife and brother all ended up in the German concentration camps. While Victor survived all of his family perished. Victor spent his time at four different camps including Auschwitz. His life experience of survival is gripping. This true story will give you an internal view of what life was like and how he managed to survive such low odds of making it through to the day of liberation. There is much to learn from this book, even though it is dark with the evil of the German SS, there is also a side of hope, faith and a way of thinking which I believe can make us all better people. I highly recommend this sober yet faith filled book.

New Release!

A sneak peek at the 2nd Edition of Mark's book (formerly "Building Wealth and Living in Faith"), retitled as "Generations of Wealth" will be released in the next few weeks!

Also, his 2nd book, The Financial Four will be coming out soon as well!

We will let you know when they are available and ordering opportunities!



Surge in COVID-19 Scams

Fraudsters and scam artists have always looked for new ways to prey on consumers. Many are now using their tactics to take advantage of consumers' heightened financial and health concerns over the coronavirus pandemic. Federal, state, and local law enforcement have issued warnings on the surge in coronavirus scams and offer advice on how consumers can help protect themselves.

Here are some of the more prevalent coronavirus scams that consumers need to watch out for, along with some tips for protecting yourself from becoming the victim of a scam.

Fraudulent Treatments, Vaccinations, and Home Test Kits

The Federal Trade Commission (FTC) issued warnings about scam artists attempting to sell fraudulent products that claim to treat, prevent, or diagnose COVID-19. The FDA has warned consumers to be wary of companies selling products that are not authorized or approved by the FDA. You can visit [fda.gov](https://www.fda.gov) for more information.

Phishing Scams

Scammers have been using phishing scams related to the coronavirus pandemic to obtain personal and financial information. Phishing scams usually involve unsolicited phone calls, letters, emails, text messages, or fake websites that pose as legitimate organizations and try to convince you to provide personal or financial information. Once scam artists obtain this information, they use it to commit identity or financial theft.

Be wary of anyone claiming to be from an official organization, such as the Centers for Disease Control and Prevention or the World Health Organization. And remember that government organizations, such as the Social Security Administration and the Internal Revenue Service, will never initiate contact with you to ask for personal and financial information, such as your Social Security number. In addition, be on the lookout for nongovernment websites with domain names that include the words "coronavirus" or "COVID-19," as they are likely to be malicious.

Coronavirus-Related Charity Scams

During the coronavirus pandemic, many charitable organizations have been established to help those affected by COVID-19. Unfortunately, scammers sometimes try to pose as legitimate charitable organizations in order to solicit donations from unsuspecting donors. Watch out for charities with names that are similar to more familiar or nationally known organizations such as the American Red Cross.

Before donating to a charity, make sure it is legitimate. Never donate cash, gift cards, or funds by wire transfer. The IRS website has a tool to assist you in checking out the status of a charitable organization at [irs.gov/charities-and-nonprofits](https://www.irs.gov/charities-and-nonprofits).

FTC COVID-19 Complaints

Over 60,000 complaints related to COVID-19 were reported to the Federal Trade Commission during the period between January 1 and June 3, 2020, with a total fraud loss of \$45.32 million.



Source: Federal Trade Commission, 2020

Protecting Yourself from Scams

Here are some steps you can take to help protect yourself from becoming the victim of a scam, including a scam related to the coronavirus pandemic:

- Don't click on suspicious or unfamiliar links in emails, text messages, social media feeds and instant messaging services.
- Don't answer a phone call if you don't recognize the phone number — let it go to voicemail and check later to verify the caller.
- Never download email attachments unless you can verify that the sender is legitimate.
- Keep device and security software up-to-date.
- Maintain strong passwords and use multi-factor authentication whenever possible.
- Never share personal or financial information via email, text message, or over the phone.

If you receive a fraudulent email, text or phone call, report it to the appropriate government agency such as the Federal Trade Commission or Internal Revenue Service and your local police department.

THE FAMILY GROWS!



A small Christmas Eve celebration for the Jeeves/Zorza households this year.

Nicklas, Ben, and Vivian were anxiously awaiting Santa's arrival that night!



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.

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.

UP Chickens – (Nest-Egg Investing)



When my wife Mindy and I relocated back to the Marquette area (Negaunee) from the Copper County in April of 2020, the home we decided upon happened to already be home to a couple of chickens. I actually negotiated to keep the chickens when we made the offer on the home, which the seller happily agreed to. I had always wanted to keep chickens, and many years ago in my youth I actually found one on the side of the road and brought her home to live with my family for a summer...but that's another story!



Although the original owner of our home had about ten chickens here at one time, only two remained at the time of closing on the house. It seemed the setup they had was not adequate to protect them fully during the winter, and upon springtime it was an even bigger muddier mess in their chicken run. I knew I would need to figure out a better solution for them if they were to thrive, and if I were to ever increase their numbers.



Once the snow melted, the two chickens began to lay! A healthy laying chicken will lay one egg per day, so we were now getting two eggs per day. These eggs were much larger and tastier than the store eggs we were used to, so having "real eggs" to eat obviously became our preference! You'll also see a lot of variance amongst the eggs they lay. (The picture comparing eggs to a chap stick were the two eggs I gathered from the nesting box one day!)



I knew I wanted to add to our "flock" of two, so I began determining the best way to improve their living situation, and how I could best protect them during the upcoming winter. There is a small outbuilding on my new property, which is a 3-walled, open-faced homemade car port. Attached to the side of it was a smaller enclosed "shack" which did have a door, but the roof on it was literally rotting away. (A large branch was poking THROUGH the roof when we got there.) The flooring inside was made from old, wet/deteriorating wooden pallets, and it looked as though it had been used for materials storage at one time. Amazingly, there are lights and an outlet wired up inside this shack, running from underground conduit coming from the garage. I decided to clean out the shack, replace the roof, and make this the future living space for my hens.



First, I removed all of the old wet wooden pallets, and cleaned everything out. Underneath it all there was actually some really nice

gravel. Next, I tore off the old rotted roof. The beams were of an odd size and mostly in good shape, so instead of replacing all of them I just reinforced the “punkier” ones. I decided to go with metal for this roof, because it sits beneath a lot of pines and the original roof had been eroded away by all the debris falling from the trees. My Dad (Mark) came and helped me lay the new sheets of OSB, the roofing tar paper, and the metal. The help was greatly appreciated - It’s amazing what a couple of guys can accomplish!



With the new “chicken shack” roof now keeping it nice and dry in there, it was time to build a new coop. The existing coop was somewhat “ramshackled” together...and I wanted something that would provide more safety, and be better insulated for winter. I found a \$10 design online (Etsy) I thought would suffice, and gathered up the materials needed. I went with a design that stated it was for 6-10 chickens. I was planning to build the flock up to six birds before winter, so this was perfect. Its construction was primarily 2x4’s, and I used pine board for the exterior. I had just enough of the tar paper & metal roofing left over from the shack so I put a functional metal roof on it as well. I should mention I was working on this amidst other house projects at the time, since we had just moved into a new home that demanded a lot of repairs which needed to be accomplished before winter-it was a busy summer!



In August, a good friend of mine who also got into the backyard chicken hobby mentioned they were going to pick up some “pullets” from Ironwood, and asked if I might be interested. (Pullets are young hens, about 7-9 weeks old.) Mindy and I had originally wanted to raise baby chicks, but this would guarantee we would receive females, and also because winter would be coming soon, they should reach their full size before the snow started to fall. So we picked up 4 new hens! Two are “Buff Orpingtons”, and the other two are “Silver-Laced Wyandotte’s”. The Orpington’s were allegedly known to be good winter egg layers, which was definitely a selling point!



I finished the coop setup just in time, and built a screen door for the shack as well. I added day floodlights inside so I could provide some more light for the hens during the extended darkness of winter. (I am covering that large screen vent on the coop during the winter to keep the coop warmer and prevent drafts.) The inside of the coop I also lined with an insulation liner as well. These hens should stay safe & dry this year, and they’ve already begun laying again! I’ve certainly had a lot of fun with this side-project, and I would recommend backyard chickens to anyone with the space to do it, and the interest!



In regards to the return on this investment, it would be safe to say the capital gains are primarily intangible...even taking into account the 2-6 eggs per day I should be receiving when my egg market is at its peak. Reviewing my overall expenses: The cost of the replacement metal roof on the chicken shack, the materials cost for the new coop I built, straw, pine shavings, feed, and the labor time for all of these items...it will be many eggs before I hit my financial break-even point!

But that's not truly the point of backyard chickens. If I simply wanted eggs at the lowest cost, they are available everywhere for mere dollars. The intangible gains behind this project is the satisfaction of providing a safe, healthy environment for these very personable birds. In return, they provide me and my wife a delicious protein source, and a lot of entertainment-they're a lot of fun just to watch!



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

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