



MARK AHO
FINANCIAL GROUP

Your Vision, Our Mission



NEWSLETTER 2nd Quarter 2021



Pictured left to right:

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Financial Advisor**

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Eric Froberg, AAMS, Financial Advisor

Katie Move. Client Associate

Dear Friends,

First of all....Happy 4th of July! We are all so blessed to live in this great country. Freedom and liberty are at the heart of our souls which drives our inspiration to build and create....to make our lives better and the lives around us also better.

Twice a year (yearend and midyear) I review the general philosophy and principles of what I think are the foundation of successful investing or overall wealth building. These messages are like vitamin C. Our emotional investing wellbeing needs this message or what I call a shot of vitamin C on a regular basis to keep us on track. Therefore, we will start with "General Principles" and then cover "Current Events."

General Principles

- You and I have agreed to be long-term, goal-focused, planning driven and primarily equity investors. We generally own bonds, which at this time are high quality and short duration, for the withdrawals needed for your cash flow purposes. As such, we have found the best course of action is to formulate a financial plan and to build portfolios based NOT on a view of the economy or the markets, but on your lifetime financial goals.
- Since 1960, the Standard and Poor's 500 Stock Index has appreciated approximately 70 times; the cash dividend of the Index has gone up about 30 times. Over this same period, the Consumer Price Index has increased about 9 times. So on at least a historical basis, mainstream equities have functioned as an extremely efficient hedge against long-term inflation and has been an excellent source to building long term wealth. I believe this is more likely than not to continue in the long run, therefore your investment policy is weighted more towards owning successful companies than to lending to them.
- I believe in acting continuously on our long-term plan rather than reacting to current events. This type of thinking will likely offer us the best chance for long-term investment success. In simple terms, unless our goals change I see little reason to change your beautifully crafted financial plan. And if your portfolio is well suited to this plan, we don't often make significant changes to that portfolio, either.
- This next point is critical...We do not believe the economy can be consistently forecast, nor the markets consistently timed. Therefore, as difficult as this is, historically the most reliable way to capture the long-term return of equities is to ride out their frequent but temporary declines.
- Even though we pay attention to equity market benchmarks, it is irrelevant to your investment success as we define it. The only benchmark I care about is the one which indicates whether or not you are on track to achieve your financial goals.

Current Observations

- The American economy continued its recovery in the first half of 2021. The cause of this dramatic recovery is threefold.
 1. The successful development and distribution of vaccines against COVID-19 or the run of this virus throughout our population and the natural immunity which caused the retreat of the pandemic.
 2. Massive monetary and fiscal accommodation, which in the short term has lifted just about all financial markets. Longer term we will need to address this.
 3. Our Country's deep fundamental resilience, which ought never to be underestimated.
- The S&P 500 ended the first half at 4,297, an increase of 14.4% from its close at the end of 2020. Coming into the year, the consensus earnings estimate for the Index in 2021 was around \$165; as of this date the consensus for the next 12 months has reached \$200, and this amount may be raised. In my opinion, earnings drives everything. Therefore, this is something we pay close attention to.
- As we have probably all experienced, the economy is still struggling with supply chain imbalances, as well as the historic mismatch between the number of job openings available and continued high unemployment. The media chatter of journalists continue to speculate

when this will clear up; as long-term investors we know this will all clear up. It is just a matter of time.

- We are in the midst of an unprecedented time for fiscal and monetary policy; the outcome of this massive amount of fiscal accommodation is impossible to forecast. There certainly is the possibility of overstimulation of our economy by the recent resurgence of inflation. However, as the first half of this year ended, both fed chair Powell and Governor Bullard indicated their awareness of this risk and both said they will act against it. The markets did react well after their statements, as inflation hedges like gold and oil sold off, the equity market pulled back some and the 10 year Treasury settled back to around 1.5%. We cannot read too much into this at this time, however the Fed appears ready to act if need be and knows its credibility is essentially on the line here.
- There is certainly some unrest in the tax environment as the Biden administration is talking about radical changes to capital gains and estate taxes. However, as the first half ended, it appears these initiatives have been ebbing. As far as the political environment, the climate for capitalism and capitalists has been certainly negative.
- Maybe some of the best news for investors like us came a few days ago. It was that household net worth in this country increased by 3.8% in the first quarter of 2021. This increased to \$136.9 trillion. This gain came from increased equity and home values. Also, important was the fact that household debt to assets has continued to fall. This ratio is back to where it was some 50 years ago.
- When you look at our GDP numbers it is easy to see that the consumer powers our economy. That said, the consumer today is holding more cash than ever before. The National Retail Foundation raised its outlook yet again; it now expects retail sales to grow 10.5% to 13.5% year over year. As a confidence booster to this, just this past month Target raised its dividend by 32%.
- Let's look back; On February 19, 2020-the market's peak just before the pandemic took hold- the S&P 500 closed at 3,386. It then proceeded to decline 34% in 33 days, amid the worst global health crisis of the century. But if you bought the Index at the epic top, and were still holding it on June 30 of this year, your total return with reinvested dividends has been close to 28%. This has probably been one of the clearest market movements to give you a vivid demonstration of Peter Lynch's dictum that "The real key to making money in stocks is not to get scared out of them."

I believe with all my heart that I, as well as my team of associates were put here for just this reason: **to help you not get scared out of them.** As always, it is a privilege and an honor for me and my associates to work with you and your family.

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

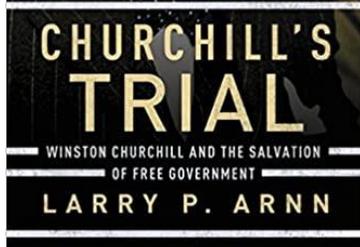
Index	06/30/2021	2020	Last 10 years
Dow Jones Industrial Average	12.73%	7.25%	10.76%
S&P 500 Index	14.41%	16.26%	12.52%
NASDAQ Composite Index	12.54%	43.64%	17.99%
Russell 1000G Large Cap Growth	12.99%	38.49%	17.87%
Russell 1000V Large Cap Value	17.05%	2.80%	11.61%
Russell 2000G Small Cap Growth	8.98%	34.63%	13.52%
Russell 2000V Small Cap Value	26.69%	4.63%	10.85%
MSCI EAFE Developing International	9.17%	8.28%	6.38%
MSCI EM Emerging Markets	7.58%	18.69%	4.65%
DJ US Select REIT U.S. Real Estate	22.94%	-11.20%	8.67%
Barclays US Intermediate Govt/Credit	-0.91%	6.53%	2.78%
Citigroup World Government Bond Index	-4.75%	10.11%	1.42%

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?

Churchill's TRIAL

By: Larry P. Arnn

This is an interesting biography of the life and times of Winston Churchill. The book starts with the early adult life of Churchill. He was a soldier in England's wars in Africa and India. He was a writer and also a war correspondent.

When the Great War arrived (WWI), Churchill saw the development of new war technology which greatly concerned him about the overall future existence of humankind. With this realization he was ever so careful about conflicts of the future. Unfortunately, he was not able to keep England out of WWII as Hitler gave them an unacceptable ultimatum, which thrust them squarely into this awful war. At an early age, Churchill had aspirations of being a leader or spokesman in the British Parliament. At heart he was a statesman and he felt the British Parliament the highest form of government on earth. However, he was a lifelong believer in also improving it. After WWII ended, Churchill was confronted with socialism in his home country. The author of the book then focuses on Churchill's despised view of socialism. Churchill stated that socialism goes against human nature and therefore eventually fails. This is a timely book to read and I would suggest if you have an interest in biographical history and also Churchill's beliefs, especially about socialism you will enjoy this read. – review by Mark Aho

NEW RELEASE!

The 2nd Edition of Mark's book (formerly "building Wealth and Living in Faith") retitled as "Generations of Wealth" has been released and available. Please let us know if you are interested in a copy. Also available on Amazon.

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

We will let you know when it is available and ordering opportunities!



Now you can help the people you love achieve financial confidence without compromising the religious and moral principles you hold dear.



Give Your Financial Privacy an Added Boost

LIFESTYLE AND TECHNOLOGY

Your trusted financial institutions should have solid privacy protocols in place. But you can take steps to protect sensitive information on your end, too.

Many of our day-to-day activities leave a trail of data behind – every phone call, credit card swipe and website click adds a speck of new information to our digital presence. And service providers want as much of that data as they can get. They collect and monetize information about your habits, browsing history, purchases and more.

You’re probably familiar with some of the ways this data is used. Shopped for a particular clothing piece? Suddenly, your ads are full of similar styles. Left an item in your virtual cart? The retailer follows up with an email, perhaps with a small discount to entice you further.

These conveniences may seem harmless. But the fact that your trove of personal data can be shared with others – typically without your knowledge or consent – is reason to be wary, especially when more sensitive information is involved.

Security and privacy

Data security and data privacy are often used interchangeably, but there are distinct differences.

Data **security** relates to tools used to protect your data from external attackers and other bad actors. “We typically think of security as being that front-line perimeter for us,” says Raymond James Chief Privacy Officer Rob Patchett. “Data **privacy** is more concerned with lawful collection and use of one’s personal information.”

Any company that you’re trusting with your information – especially personally identifiable information, or **PII** – should have robust policies and infrastructure around both privacy and security.

Examples of PII include:

- Your name
- Date of birth
- Home address
- Personal email address
- Social Security or Medicare number
- Identification cards such as a driver’s license or passport
- Financial, credit and debit account numbers
- Medical information and health records

Tips for protecting your financial privacy

The companies entrusted with your data should have strong privacy protocols in place, but there are small steps you can take on your end, too. “Individually, we have a responsibility to be mindful of how we’re sharing our information and are protecting it – not leaving it open for easy access,” says Patchett.

Here’s some guidance to get you started:

Review your financial statements. As soon as they arrive, look through your bank, brokerage and credit card statements to confirm that the listed transactions were legitimate.

Tip: Requesting paperless delivery wherever possible can help provide easy, timely access to important documents.

Update your contact information. Be sure your financial institutions always have the most up-to-date mailing and email addresses to reach you.

Secure confidential documents. Keep all your financial documents in a secure place to further deter ransomware, theft, viruses or technology failures. Your financial advisor may have access to tools for securely storing digital files.

Don’t respond to requests for personal information. Criminals often “phish” for PII by impersonating legitimate organizations through email, text message or advertisement. If you receive a request like this – particularly via an unencrypted email – call your financial advisor or the bank, Credit Card Company, etc. directly to confirm you’re speaking with the real deal. “Do not open those emails. Delete those emails immediately,” Patchett emphasizes.

Tip: If you use Gmail, the small downward-facing arrow beside the “to” field will reveal whether an email was received through an encryption method.

Check for secured websites. When you access your financial accounts online, check that the log-in page is a secured site. There should be a security protocol in the browser address – “https” rather than “http”, explains Patchett. Secured sites’ URLs will also display a key or closed padlock that, when clicked, confirms the identity of the site.

Enable multi-factor authentication (MFA). Many institutions require this safety measure already. But if given the choice, always turn on MFA – meaning you’ll provide an additional verification method such as a text, email or fingerprint when logging in. Patchett adds, “Really make sure you’ve got a strong password in place, and don’t use the same password with your other accounts.”

Ask the question. If you’d like to know more about a financial company’s data privacy policies, ask – your financial advisor can provide more information, and many organizations often outline their account protection standards on their website. It’s one small step you can take to stay informed about the use of your personal data.

Summer Recipe

Chicken Pineapple Salad

- 1.) 4 cups diced cooked chicken
- 2.) 4 ounce can pineapple chunks drained (Set juice aside for dressing)
- 3.) 2 cups red or green grapes
- 4.) 1 cup chopped celery
- 5.) 2/3 cup chopped salted nuts



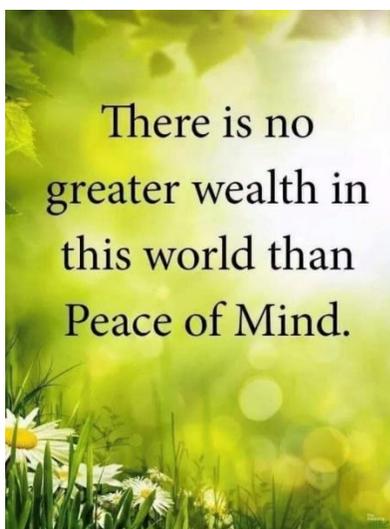
Dressing:

- 1.) ½ teaspoon dried tarragon
- 2.) 1 cup Mayo
- 3.) 2 Tablespoons Lemon Juice
- 4.) 2 Tablespoons drained pineapple juice

Directions:

Chop up the first 5 ingredients and mix together in a bowl big enough for mixing. I like to use up leftover chicken or a rotisserie chicken for this recipe.

Combine the dressing ingredients in a separate container and mix well. Once the dressing is mixed add it to the bowl of ingredients that you chopped up in the first step and combine all together. Once you feel it is mixed well refrigerate until you are ready to serve. A few different ways that I like to serve it is over a bed of mixed greens, in a wrap with mixed greens, on a sandwich, or with crackers. Enjoy this quick and simple summer time recipe. Enjoy!



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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!

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.

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

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