Life Income Management™
Creating income for life.

Melody A. Juge*
Founder
Investment Advisor, *registered*
Fiduciary
877-Mel-Juge
melody@lifeincomemanagement.com

Samuel S. Young, MBA
West Coast Regional Director
Investment Advisor, *registered*
Fiduciary
909-566-2111
sam@lifeincomemanagement.com

ED SLOTT'S ELITE IRA ADVISOR GROUP
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FINANCIAL OUTLOOK

NOVEMBER 2023

Managing Bond Risks

All investments are subject to risk, although the types of risk can vary. While you can't totally eliminate those risks, you can develop strategies to minimize them. For bonds, consider these strategies:

Interest rate risk — Interest rates and bond prices move in opposite directions. A bond's price will rise when interest rates fall and decrease when interest rates rise. This occurs because the existing bond's price must change to provide the same return as an equivalent, newly issued bond paying prevailing interest rates. The longer the bond's maturity, the greater the impact of interest rate changes. Also, the effects of interest rate changes tend to be less significant for bonds with higher coupon interest rates.

To reduce this risk, consider holding the bond to maturity. This eliminates the impact of interest rate changes, since the total principal value will be paid at maturity. Thus, selecting a maturity date that coincides with your cash needs will help reduce interest rate risk. However, you may still receive an interest income stream that is lower than current rates. Selecting shorter maturities or using a bond ladder can also help with this risk.

Reinvestment risk — You typically know what interest income you will receive from a bond, but you must then take the periodic income and reinvest it, usually at varying interest rates. Your principal may also mature at a time when interest rates are low.

Staggering maturities over a period of time (laddering) can lessen reinvestment risk. Since the bonds in your ladder mature every year or so, you reinvest principal over a period of time instead of in one lump sum. You may also want to consider zero-coupon bonds, which sell at a deep discount from par value. The bond's interest rate is locked in at purchase, but no interest is paid until maturity. Thus, you don't have to deal with reinvestment risk for interest payments, since you don't receive the interest until your principal matures.

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7 Ways to Pay Less for College

With the cost of college steadily rising, students and their parents are looking for ways to ease the financial burden. Fortunately, there are ways to reduce college expenses for your child, even if a full tuition scholarship isn't a possibility.

1. Take college-credit courses in high school. If they can handle it, pack your child's high school schedule with advanced placement (AP) classes so they can start earning college credits early. Students who do well on AP exams may be able to skip general education requirements in college, which could mean graduating early. Some high schools also offer dual-credit courses, allowing students to earn college credit for high school classes or to enroll in classes at a local college or university during their time in high school.

2. Apply for aid. Always apply for financial aid, even if you think you might not qualify. Even if you earn a lot of money, your child may still be granted some assistance, depending on your family's circumstances. And remember that some assets (like those in retirement plans)

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Bond Risks

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Inflation risk — Since bonds typically pay a fixed amount of interest and principal, the purchasing power of those payments decreases due to inflation, which is a major risk for intermediate- and long-term bonds.

Investing in short-term bonds reduces inflation's impact, since you are frequently reinvesting at prevailing interest rates. You can also consider inflation-indexed securities issued by the U.S. government, which pay a real rate of return above inflation.

Default and credit risk — Default risk is the risk the issuer will not be able to pay the interest and/or principal. Credit risk is the risk the issuer's credit rating will be downgraded, which would probably decrease the bond's value.

To minimize this risk, consider purchasing U.S. government bonds or bonds with investment-grade ratings. Continue to monitor the credit ratings of any bonds purchased.

Call risk — Call provisions allow bond issuers to replace high-coupon bonds with lower-coupon bonds when interest rates decrease. Since call provisions are generally only exercised when interest rates decrease, you are forced to reinvest principal at lower interest rates.

U.S. government securities do not have call provisions, while most corporate and municipal bonds do. Review the call provisions before purchase to select those most favorable to you.

Keep in mind that the assumption of risk is generally rewarded with higher return potential. One of the safest bond strategies is to only purchase three-month Treasury bills, but this typically results in the lowest return. To increase your return, decide which risks you are comfortable assuming and then implement a corresponding bond strategy. Please call if you'd like help with your bond investing strategy. ❍❍❍

Avoid These Estate Planning Mistakes

When it comes to estate planning, Americans are making a lot of mistakes. You can save time and money for those you leave behind by not making these estate planning mistakes.

Not Having a Will — Not having a will is probably the biggest estate planning mistake you can make. It's also one of the easiest to fix. An attorney can help you draft a simple will that offers instructions on what to do with your assets and who should care for your minor children, among other matters. What happens if you don't have a will? The courts decide who gets your property and who will assume guardianship of your kids — and it may not be who you would have chosen.

Not Updating Your Estate Plan after Life Changes — Some people think that estate planning is a set-it-and-forget-it issue. But your estate plan needs to evolve with your life. If your family grows, a marriage ends, or you acquire new wealth, you may need to update your will, beneficiary designations, and other documents. One key thing to remember: don't forget to check your beneficiary designations on retirement plans and insurance polices periodically. The people listed on these forms will receive those assets, even if your will says otherwise.

Not Working with an Estate Planning Attorney — Online legal sites and fill-in-the-blank documents have given many people the mistaken idea that estate planning is a do-it-yourself activity. The legal issues surrounding estates can be quite complicated. A skilled attorney (working in partnership with your other advisors) can help you avoid complications and design an estate plan that is complete without unintended consequences.

Not Thinking about Long-Term Care — The average 65-year-old has a 68% chance of becoming disabled and needing long-term care during their lifetime. If you don't have a plan for how you might pay for that care, you can quickly exhaust your savings, leaving little for your heirs when you do pass away. Smart planning strategies, like purchasing long-term-care insurance or certain types of life insurance, can allow you to protect your wealth for your loved ones while also helping you afford the care you need.

Not Taking Steps to Avoid Family Conflict — Disagreements among family members over how your assets are distributed after your death can lead to permanently damaged relationships and expensive litigation. A detailed, well-thought-out estate plan will help prevent conflict, as your wishes will be clear and there will be less opportunity for legal challenges. Even more important, however, is thinking about your unique family dynamics and taking steps to ensure everyone you love is treated fairly.

Not Thinking about Digital Assets — As you develop your estate plan, you may want to include instructions for how to handle your digital assets. Putting together a master list of accounts and passwords will make things easier on your family. But you may also want to include information about your other online assets, like social media accounts, online photo albums, libraries of digital videos and music, and even online businesses.

Fortunately, it is fairly easy to avoid any of these estate planning mistakes. Working with an experienced estate planning attorney, along with your financial advisor and other professionals, can allow you to create a comprehensive estate plan. ❍❍❍

7 Ways

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aren't counted when determining federal student aid.

3. Start at a community college. Tuition at two-year community colleges is typically more affordable than at four-year private and public universities. Many students can save money by beginning their college education at these schools and then transferring to a four-year institution to complete their degree.

Community college may also be a good option for students who are not sure whether college is right for them, or those who are not sure what they want to study. Attending a two-year school offers a more affordable way to explore different fields and can ease the transition from high school to college. However, if your child is considering this option, make sure you understand if and how their credits will transfer.

4. Stay close to home. Heading halfway across the country for college will probably be expensive. If your child stays closer to home for school, they'll spend less on travel and may even be able to live with you, cutting costs even further. Plus, tuition at in-state public universities and community colleges is typically less expensive than their out-of-state counterparts.

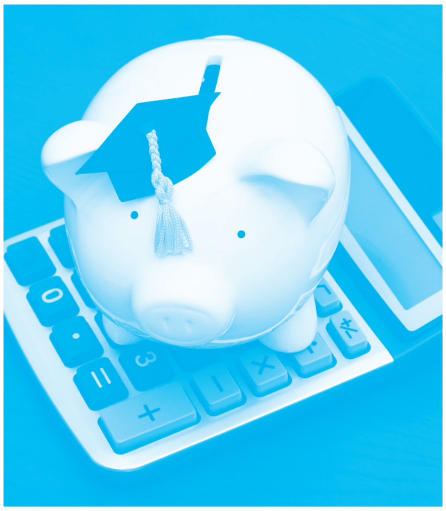
5. Get a job. College is hard work, but many students benefit from working at least a few hours a week while in school. Consider having your child rely on their part-time job, rather than you, for their spending money. Students may also want to seek out jobs at companies that help pay an employee's college costs.

6. Look for scholarships. Scholarships aren't just for top athletes and those with perfect SAT scores. There's aid money out there for all kinds of students, including those belonging to certain ethnic or religious groups, pursuing certain majors, or attending certain schools. Check with local groups, organizations your child participates in, and even your own employer to see if there are any scholarships offered, and then apply.

7. Choose a school that charges no or minimal tuition. Yes, there are colleges that charge students nothing, or virtually nothing, to attend. While admission to these schools is competitive and they won't be an option for all students, they are worth exploring, especially if you feel college is financially out of reach.

The U.S. federal service academies, including West Point and the U.S. Air Force Academy, charge no tuition in exchange for a service commitment after graduation. A number of work colleges allow students to attend for free or a nominal cost in exchange for working on campus. However, keep in mind that despite free or discounted tuition, students may still be responsible for room, board, and other fees.

Not sure how to fit the cost of a college education into your budget? Please call to discuss how college planning fits into your broader plan. ❍❍❍



Benefits of Low-Correlated Assets

Correlation is a statistical measure of how one asset class performs in relation to another asset class. Correlations can range from +1 to –1. A correlation of +1 means the two assets move very closely together in the same direction. Combining assets with a high positive correlation will not provide much risk reduction. A correlation of –1 indicates the assets move in opposite directions, a rare event in the investment world. A correlation close to 0 means no relationship exists in the price movements of the two assets.

Combining assets with consistently high correlations to each other does little to reduce risk. The greatest combination benefit to a portfolio seems to be achieved by combining assets with consistently low correlations, which results in consistently reduced risk.

When selecting investments for your portfolio, don't just look at their risk and return characteristics. Also consider the diversification aspects for your overall portfolio. While correlations change over time, general observations include:

- Stocks tend to have a low positive correlation with corporate and government bonds.
- Short-term bonds tend to have a low correlation with long-term bonds.
- Stock markets around the world are all positively correlated to some degree. In general, European stock markets are more closely correlated to each other and the U.S. than to markets in Japan or Asia. Correlations between developed countries tend to be higher than correlations between developing and emerging countries.
- Real estate tends to have a low correlation with stocks and bonds.

If you'd like to discuss correlation in more detail, including how it may impact your portfolio, please call. ❍❍❍

Financial Data

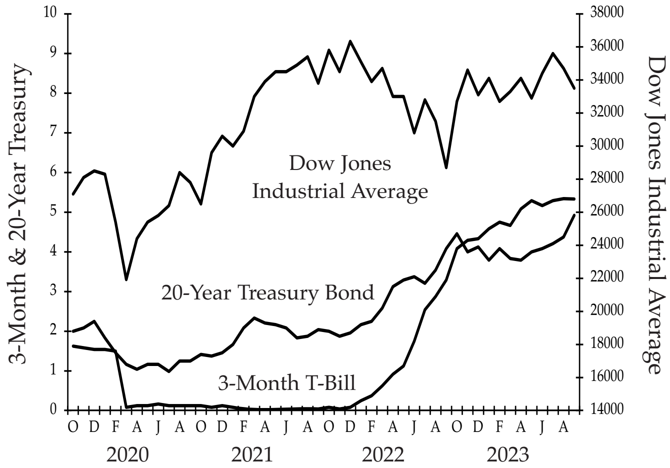
Indicator	Month-end Jul-23	Aug-23	Sep-23	Dec-22	Sep-22
Prime rate	8.50	8.50	8.50	7.50	6.25
Money market rate	0.56	0.57	0.48	0.33	0.20
3-month T-bill yield	5.28	5.34	5.33	4.35	3.27
10-year T-bond yield	3.97	4.09	4.59	3.88	3.83
20-year T-bond yield	4.22	4.39	4.92	4.14	4.08
Dow Jones Corp.	5.54	5.78	6.08	5.54	5.76
30-year fixed mortgage	7.38	7.66	7.90	6.80	6.92
GDP (adj. annual rate)#	+2.60	+2.20	+2.10	+2.60	-0.60

Indicator	Month-end Jul-23	Aug-23	Sep-23	% Change YTD	12-Mon.
Dow Jones Industrials	35559.53	34721.91	33507.50	1.1%	16.6%
Standard & Poor's 500	4588.96	4507.66	4288.05	11.7%	19.6%
Nasdaq Composite	14346.02	14034.97	13219.32	26.5%	25.0%
Gold	1970.65	1942.30	1870.50	3.2%	11.9%
Consumer price index@	305.11	305.69	307.03	3.1%	3.7%
Unemployment rate@	3.60	3.50	3.80	2.7%	2.7%

— 4th, 1st, 2nd quarter @ — Jun, Jul, Aug Sources: *Barron's, Wall Street Journal*

4-Year Summary of Dow Jones Industrial Average, 3-Month T-Bill & 20-Year Treasury Bond Yield

October 2019 to September 2023



Past performance is not a guarantee of future results.

News and Announcements

The Need for an IRA

In some ways, a 401(k) plan or defined-benefit plan from an employer can provide a false sense of security. You may feel, without analyzing the situation, that you're saving enough for retirement. But the reality is that the plan may not be enough to provide the retirement you had in mind. Thus, you may also want to contribute to an individual retirement account (IRA) for some or all of the following reasons:

❍ **You'll probably need the additional funds for retirement.** Even with Social Security and pension or 401(k) benefits, you'll probably need other savings to fund your retirement.

❍ **You'll lower your taxes.** With a traditional deductible IRA, you receive a tax deduction on your current-year income tax return. When you withdraw the funds in the future, you'll owe ordinary income taxes on the contributions and earnings. With a Roth IRA, you don't receive a current year tax deduction, but qualified distributions are withdrawn without paying any federal taxes.

❍ **You're more likely to use the funds for retirement.** Tthe government discourages the use of IRA funds for other purposes by assessing a 10% federal income tax penalty when funds are withdrawn before age 59½ (except in certain limited circumstances). That makes it more difficult to withdraw the funds and more likely they'll stay in the IRA.

❍ **You have a wide variety of investing options.** With a 401(k) plan, you typically have a limited number of investment options. However, with an IRA, you can invest in a wide variety of investments. ❍❍❍

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