

Investment Insights

A Quarterly Publication | Forward-Looking Perspectives | January 2022

Our Philosophy A broadly diversified portfolio gives our clients the best chance to achieve their goals while taking as little risk as possible. However, there are fundamental economic realities that warrant consideration as we construct and modify portfolios.

Assumptions & Outlook

- Pandemic related supply chain disruptions continue to plague the markets and economies globally.
- As economic activity accelerates, there has been a significant spike in inflation compared to a deflationary 2020. The key question is; will higher prices stick or is the reopening inflation temporary?
- The Federal Reserve has taken unprecedented action to mitigate the economic impact of the global pandemic. The Fed is expected to begin increasing interest rates and unwinding their intervention in 2022.
- Congress has passed multiple bills aimed at providing fiscal aid for the coronavirus emergency. Congress tabled the Build Back Better proposal because of insufficient support.
- As of the end of December 2021, our Circuit Breaker is showing a "Normal" sign, with the closing Index value 11.4% above the "Underweight" sign.

Portfolio Implications

- For clients in the distribution phase, we will continue to review and manage an appropriate level of reserves (i.e. bank cash, money market funds and high quality bonds).
- For clients in the accumulation phase, rebalancing your portfolio to ensure you are aligned with your target allocation may have merit.
- We look for opportunities to harvest tax-losses in clients portfolio's where it makes sense.
- Our investment policy provides the framework and discipline for making investment decisions. We continue to invest globally, in both stocks and bonds.
- The outlook for bonds remains dismal. With absolute yields near zero, it is difficult for investors to keep pace with inflation.

As always, thank you for your trust and confidence.



INDEPENDENT WEALTH MANAGEMENT

Jay Berger, CFP®

jay.berger@iwmusa.com

Steve Fisher, CFP®

steve.fisher@iwmusa.com

Scott Hackney, CFP®

scott.hackney@iwmusa.com

236 1/2 East Front Street
Traverse City, Michigan 49684

231 929 1086 tel
888 929 1086 toll free

231 346 5959 fax
www.iwmusa.com

Disclosure: 1. This presentation may include forward-looking statements. All statements other than statements of historical fact are forward-looking statements (including words such as "believe," "estimate," "anticipate," "may," "will," "should," and "expect"). Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Various factors could cause actual results or performance to differ materially from those discussed in such forward-looking statements. 2. Historical performance is not indicative of any specific investment or future results. Views regarding the economy, securities markets or other specialized areas, like all predictors of future events, cannot be guaranteed to be accurate and may result in economic loss to the investor. 3. Investment in securities involves the risk of loss of interest and/or initial investment capital. 4. Nothing in this letter is intended to be or should be construed as individualized investment advice. All content is of a general nature. Individual investors should consult their investment adviser, accountant, and/or attorney for specifically tailored advice. 5. The opinions expressed herein are solely the opinions of the respective authors. Certain material in this work is proprietary to and copyrighted by Forefield and is used by permission. Reproduction or distribution of this material is prohibited and all rights are reserved. Independent Wealth Management, LLC is a Michigan Registered Investment Advisor.