

IN YOUR BEST INTEREST

FALL 2021



A QUARTERLY FINANCIAL PUBLICATION
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PRESIDENT'S MESSAGE

"We live in interesting times." It's what people say in the face of extreme challenges, and it couldn't be more appropriate than it is today. I expect I'm not the only one who feels like a contestant on Survivor. In the past two years, one of the biggest challenges has been the COVID pandemic, but added to the mix has been extreme political polarization in the US, major shifts in European and global power, the US withdrawal from Afghanistan, loss of loved ones, and a literal tidal wave of environmental disasters—including the disastrous oil spill off the Southern California coast.

In "interesting" times like these, I find it comforting to shift my focus from macro to micro to find the good amid the turmoil. After being forced to cancel a trip to the Silk Road in Asia, I found the good in the situation, pivoting my agenda to spend one glorious week at Rancho La Puerta, followed by a visit to Santa Fe and Taos, New Mexico. While visiting the home and museum of the artist Georgia O'Keeffe, I was struck by a quote of hers: "Happy is so momentary—you're happy for a moment and then you start thinking again. Interest is the most important thing in life. Happiness is temporary, but interest is continuous." In other words, enjoy the moments of happiness, but stay curious and always keep learning.

I couldn't agree more. Our "interesting times" are not a curse (which, in Chinese tradition, is the source of the phrase), but a blessing. That's true even in the stock market, where taking risk is how investors get rewarded. Markets will fluctuate, and investors who take the right level of risk will always be the ultimate Survivors.

Enjoy the season, focus on the positive, and reach out if you need any guidance mucking through the challenges. I'm always here to help!

Best,

Lauren Klein

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 MARKET HIGHLIGHTS: Q3 2021

Market/Index	2020 Close	As of September 30	Monthly Change	Quarterly Change	YTD Change
DJIA	30,606.48	33,843.92	-4.29%	-1.91%	10.58%
NASDAQ	12,888.28	14,448.58	-5.31%	-0.38%	12.11%
S&P 500	3,756.07	4,307.54	-4.76%	0.23%	14.68%
RUSSELL 2000	1,974.86	2,204.37	-3.05%	-4.60%	11.62%
Global Dow	3,487.52	3,958.34	-2.59%	-1.08%	13.50%
Fed. Funds	0.00%–0.25%	0.00%–0.25%	0 bps	0 bps	0 bps
10-year Treasuries	0.91%	1.52%	22 bps	8 bps	61 bps

Performance data based on data reported in the WSJ Market Data Center as reported by Forefield, Inc. Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

The third quarter was a roller-coaster ride for the markets. Following a relatively steady climb in July and August, the Dow, the Russell 2000, the Nasdaq, and the Global Dow lost value in September, while the S&P 500 was able to eke out a small quarterly gain. Treasury yields, the dollar, and crude oil prices ended the third quarter higher, while gold prices dipped lower. Financials, information technology, communication services, and health care ended the quarter in the black, while energy, industrials, and materials fell by at least 4.5%. Despite the monthly and quarterly downturns, the benchmark indexes remain well ahead of their 2020 closing values, led by the S&P 500, which ended the quarter nearly 15.0% over last year’s pace.

September’s volatility disturbed investors’ confidence after a strong July and August. But experienced investors know that gains come in bunches and that monthly and quarterly fluctuations are expected. The combination of slowing economic growth, bumpy unemployment numbers, elevat-

ed inflation, supply-chain disruptions, a global energy crunch (have you been to the gas station lately?!), and China’s regulatory restrictions all added up to unrest for investors. That seems to be playing out in a cycle of selloffs and buys that have exacerbated volatility but, ultimately, not altered the general state of the economy.

Looking toward the final quarter of the year, watch for a winding down of stimulus measures, continued supply chain issues, and myriad other factors to keep this ride exciting for the foreseeable future. When it gets a little too wild for comfort, take a deep breath, know that this too shall pass, and remember that your portfolio and your strategic plan are structured for long-term growth—even in the face of short-term turbulence. And, of course, if you get too uncomfortable at any time, call me to schedule a time to talk. I’m always happy to offer my current perspective on the market, the economic outlook, and the expected impact (or lack thereof) on your financial health. ■

SPOTLIGHT ON MEDICARE

It's Time for Medicare Open Enrollment



Medicare open enrollment **begins October 7** and **closes December 15**. Mark your calendar: this is the only time you can make key changes to your plan for coverage beginning January 1, 2022.

Whether you are newly eligible or are a Medicare veteran, here are some key things to remember during open enrollment:

- **Figure out if your plan is changing.** Like investing, taking a 'set it and forget it' approach to Medicare can be a big mistake. If you're already enrolled, your plan is required to send you a notice that highlights changes for the coming year. Pay attention! Changes can be beneficial—or not—so it's important to take a close look at your plan every year to determine if it's still the right plan for you.
- **Review your Part D drug plan.** There are two things to consider closely when it comes to your Part D drug plan. First, if your plan has changed at all, review the details to be sure it is aligned with your current needs. Second, look at your current and potential prescription needs. Does your plan offer the best coverage for your medications? If not, exploring other options can potentially save you a bundle.
- **Explore the advantages of a Medicare Advantage Plan.** One major drawback of the standard Medicare plan is that it doesn't cover services you may need like dental

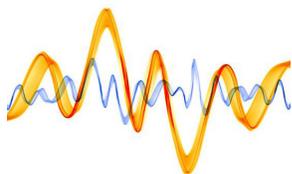
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FROM THE BLOG

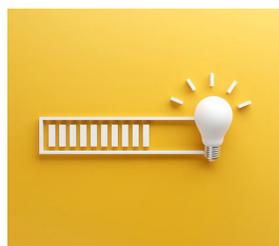
Be sure to **subscribe to our blog** to stay informed on topics that impact your finances, your family, and your future! Here are just a few of the most popular posts from this quarter:



**"Mom loved me best":
the perils of an
unspoken estate plan**



**Noise—and what we
can do about it**



**How to make better
money decisions**

Is there a topic you'd like me to tackle? Email me with your thoughts, suggestions, and feedback. ■

31 Q4 DATES TO REMEMBER

OCTOBER 7
October 7
Medicare open enrollment for 2022 begins (ends December 15)

OCTOBER 15
October 15
Final deadline to:
• File extended individual tax returns for 2020
• Fund a SEP-IRA or solo 401(k) for tax year 2020 (if an extension was filed)
• File extended returns for C-Corporations (IRS Form 1120)

NOVEMBER 7
November 7
Daylight Savings Time ends

NOVEMBER 25
November 25
Thanksgiving

NOVEMBER 29
November 29
Hanukkah begins

DECEMBER 25
December 25
Christmas Day

DECEMBER 31
December 31
Last day to:
• Establish Keogh or Solo 401(k) plan
• Make 401(k) contributions
• Sell stock to realize gains/losses
• Take RMDs
• Pay expenses for tax deductions
• Make tax-deductible gifts to charities
• Make annual tax-free gifts

Note: Klein Financial Advisors will be closed for the Thanksgiving holiday on November 25-26, and we will be closed for the week between Christmas and New Years. Cheers!

SPOTLIGHT ON FINANCIAL PLANNING

5 Keys to Financial Success



As a financial advisor, I've seen a lot in the past two decades. I've watched many clients exceed their goals, others fail to meet their objectives, and many more that achieve that sweet spot between earning, investing, saving, and spending to ensure they have the resources they need to support long, financially confident lives. In my experience, those that achieve the greatest success share these 5 key traits. I hope you do, too!

1. Know it takes time to be financially successful

They recognize financial success requires diligence and patience, and that 'investing early and often' is an adage to follow.

2. Believe in saving and investing

They understand the importance of building a strong **freedom fund**, and they know that being paid to take investment risk is the most efficient way to build wealth.

3. Don't look for the next windfall

They know that a solid financial plan is the trusted path to wealth, and they see gambling and the lottery for what it is: pure entertainment.

4. Don't try to time the market

They respect the ups and downs of the market, understand that long-term growth is built on a consistent investment approach, and know that staying invested—even in a down market—pays off in the end.

5. Don't focus on the noise

They put their time and energy into maintaining a strategic plan, and they steer away from daily stock movements and the noise of the financial press. ■

It's Time for Medicare Open Enrollment

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care, vision exams, or hearing aids. Not only does Medicare Advantage usually cover these services, but many Advantage plans offer other valuable benefits like meal-delivery services and wellness programs (like the popular **Silver Sneakers** membership) that not only improve your health, but enhance your general quality of life. Even better, many Advantage plans cost less than the standard Medicare plan—just be sure you know what each plan covers to be sure you have the right coverage for you. ■

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"Sorry, stock-market jitters."

Cartoon credit: Peter Kuper/The New Yorker Collection/The Cartoon Bank