



Financial Resilience

Positioning Your Assets to Protect You During Challenging Times

BaerWealth

Mark Beal, CFP®
April 23, 2020

Resilience

Recover quickly from difficulties

Toughness

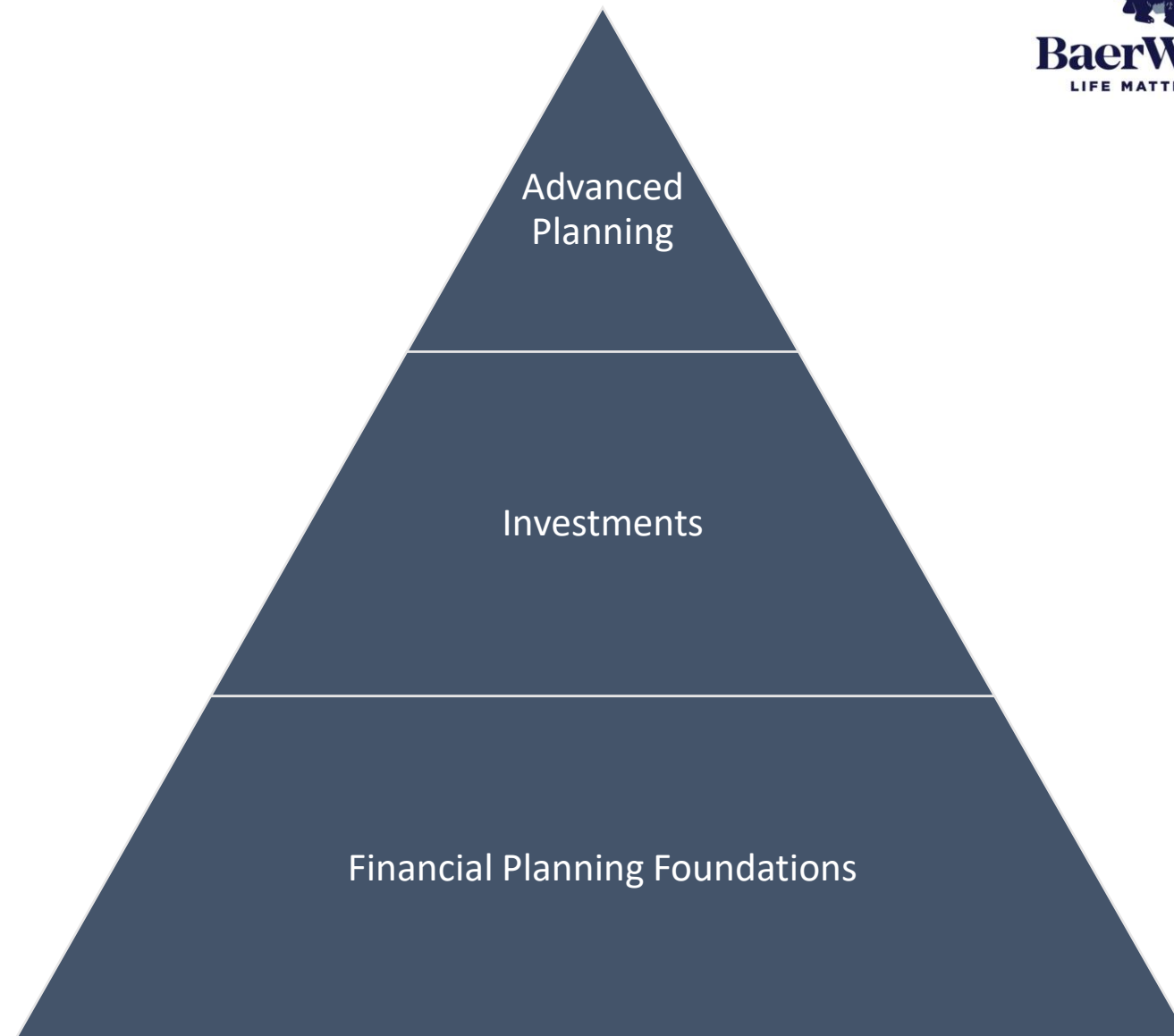
Ability to spring back into shape
after bending or stretching

Hi, I'm Mark



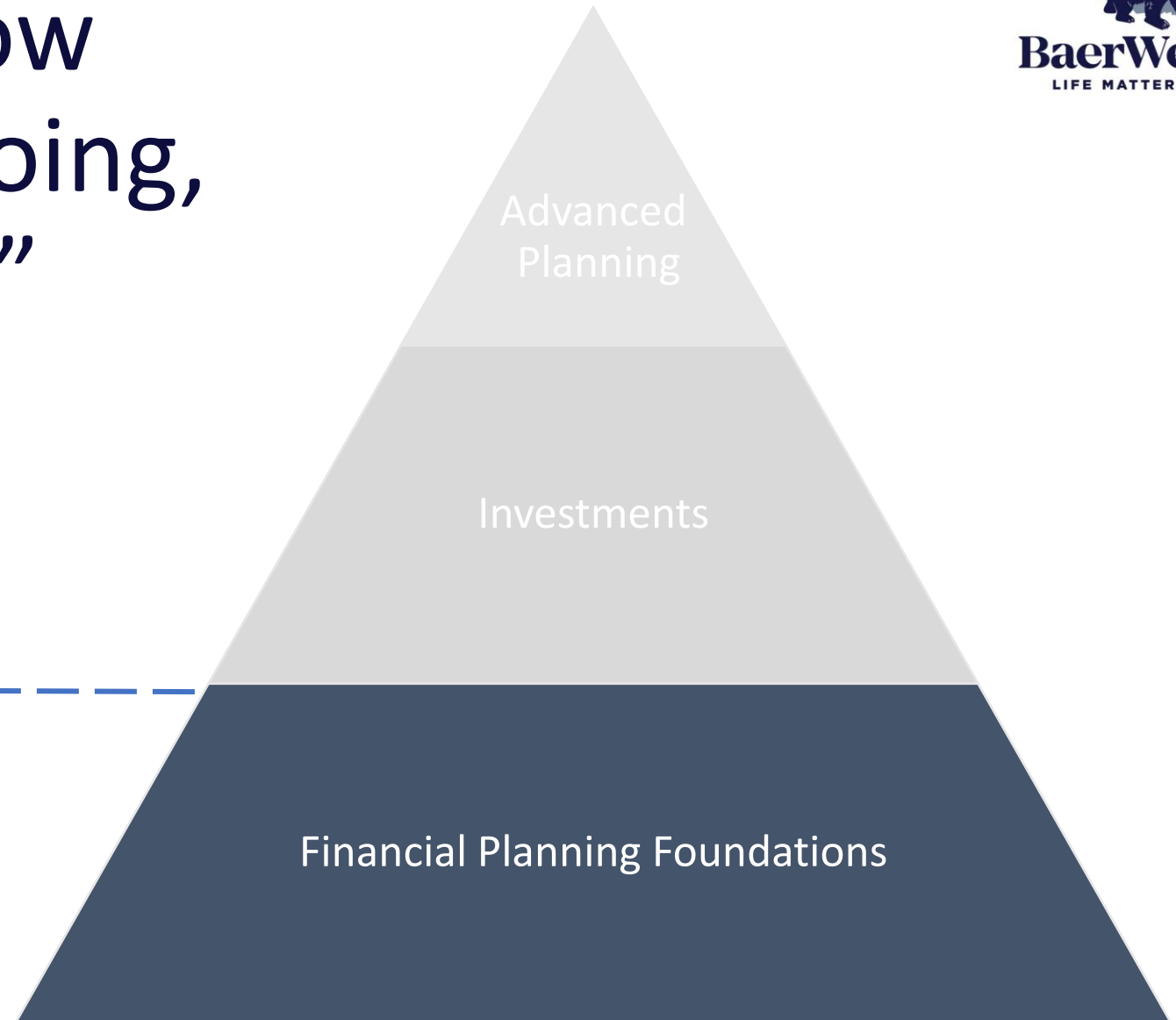
RUSENKO
— CPA, PC

Your Financial Success Matrix

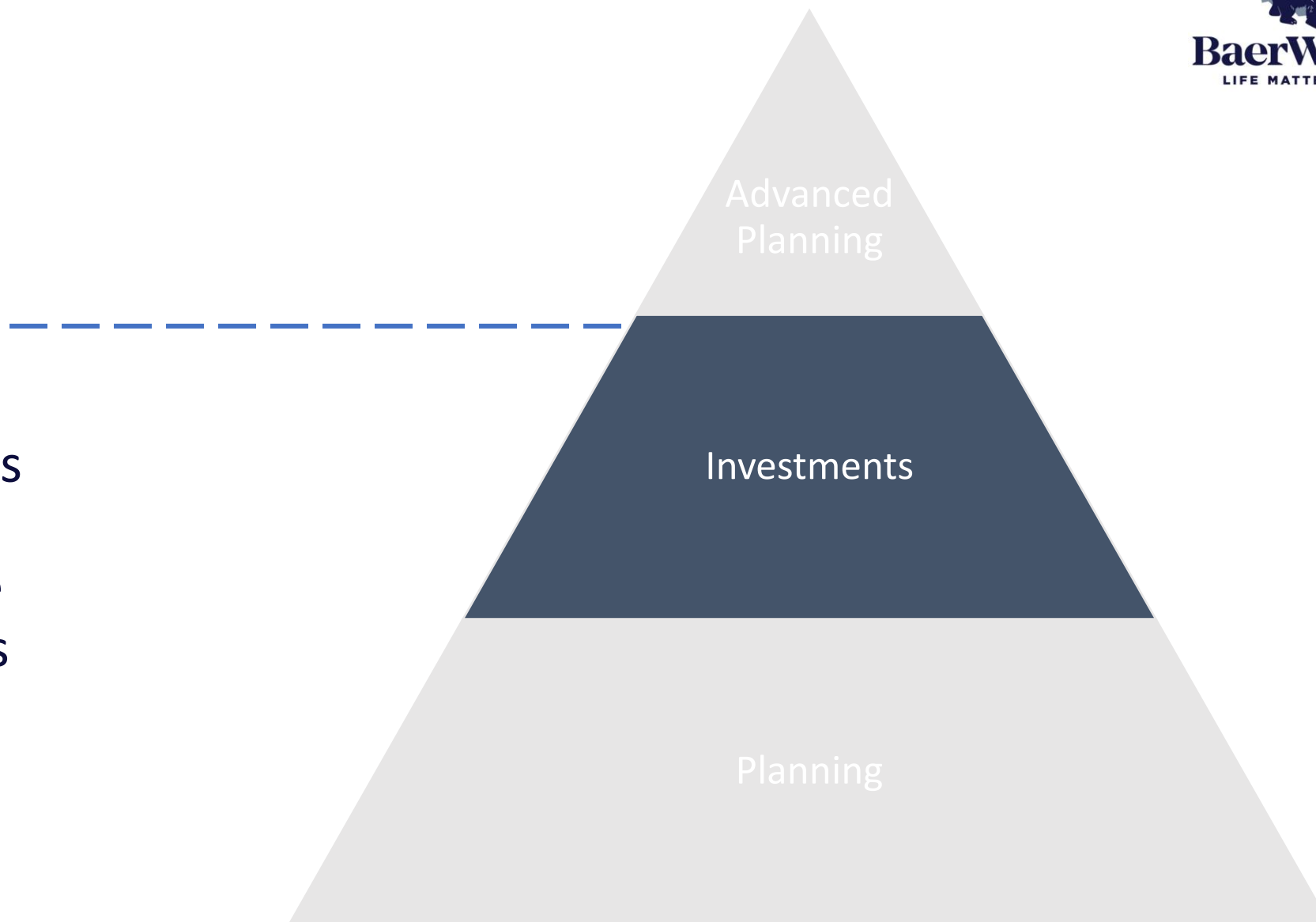


“If you don’t know
where you are going,
any road will do.”

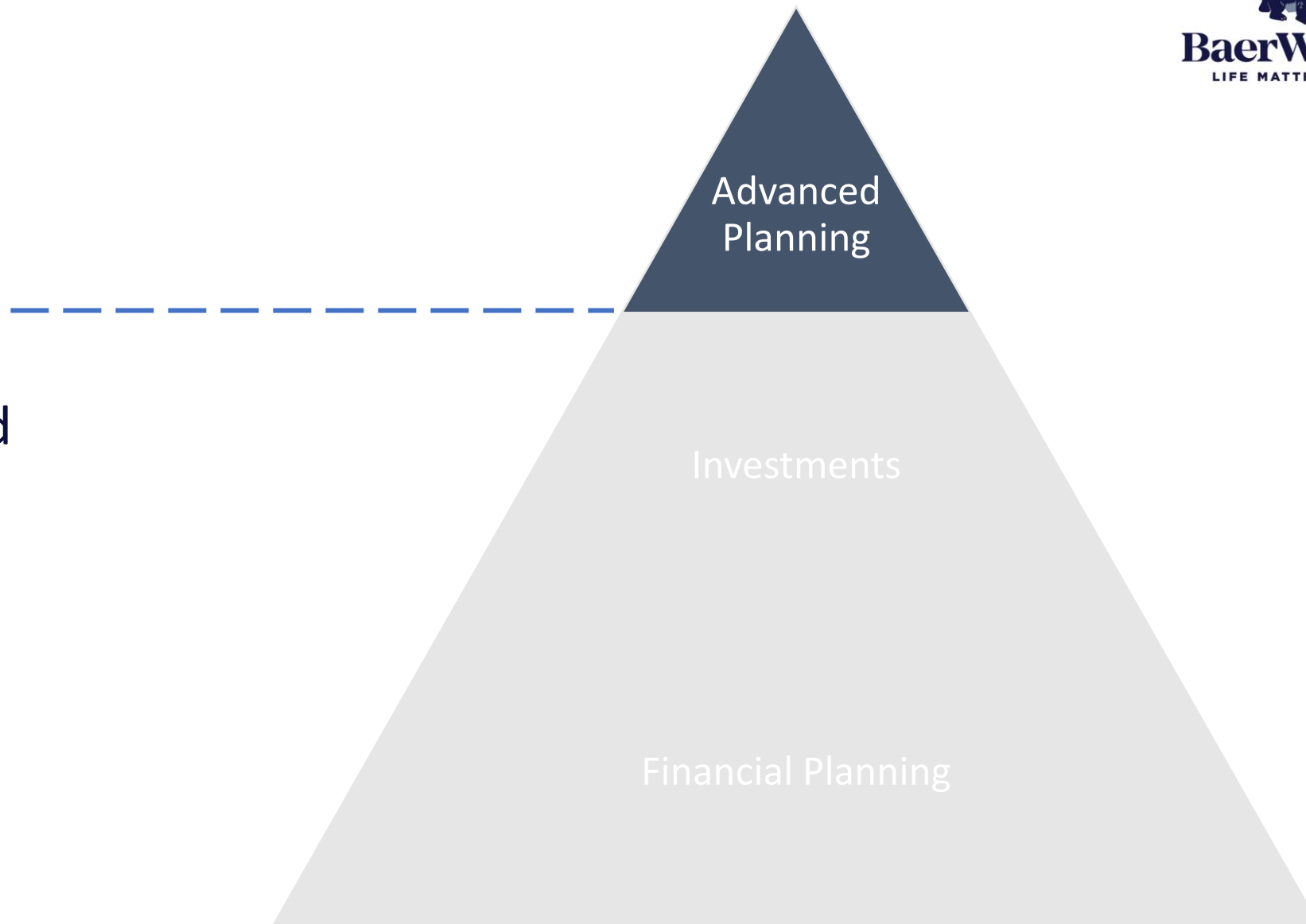
Your foundation
drives the financial
outcomes you are seeking –
risk tolerance, time horizon
and goals are taken into
consideration



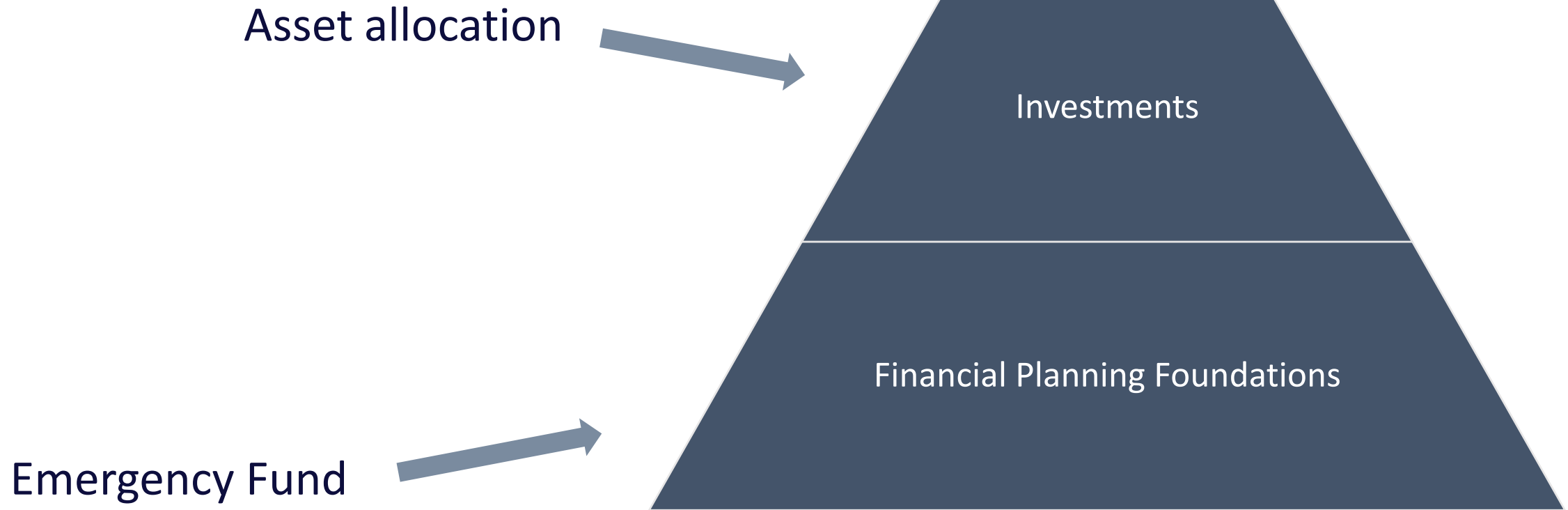
Adherence to
evidence-based
Investment Principles
will support your
ability to have peace
of mind during times
of uncertainty



Mitigating your risk
will safeguard what
you've worked so hard
to build from being
unjustly taken



Today's topics



Emergency Fund – What

- Assets you've set aside to help you weather a storm
- Where do you want to be and how will you get there



Source: Shutterstock

Emergency Fund – Why

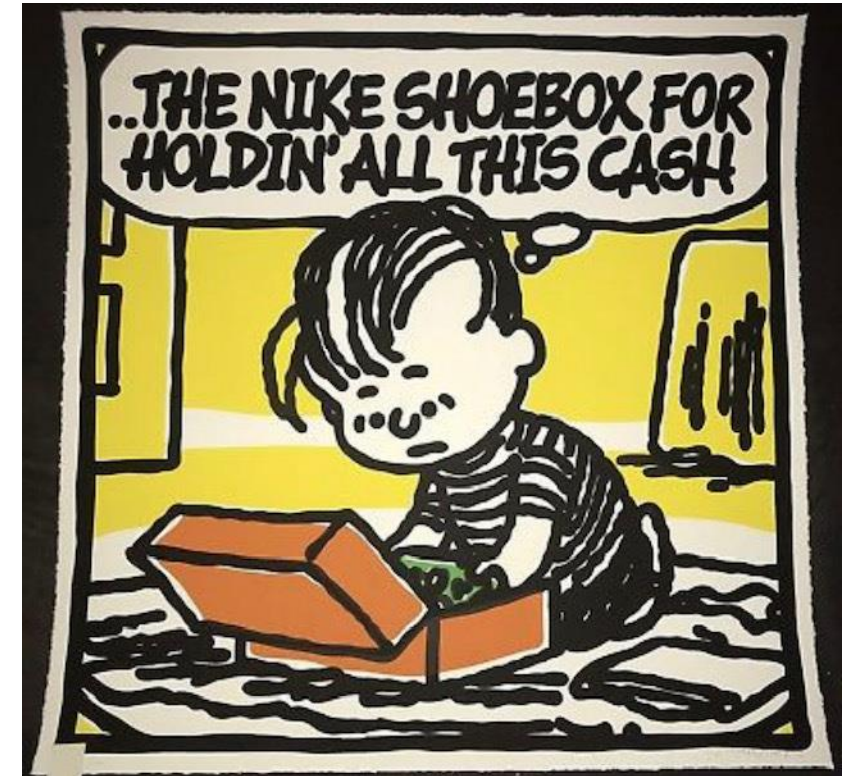
- Allows you to account for the unforeseen
- Building block for success



Source: Kristen Benson

Emergency Fund – How

- Not a one-size-fits-all
- Depends on profession, age, expenditures
- Depends on level of existing assets
- Be specific



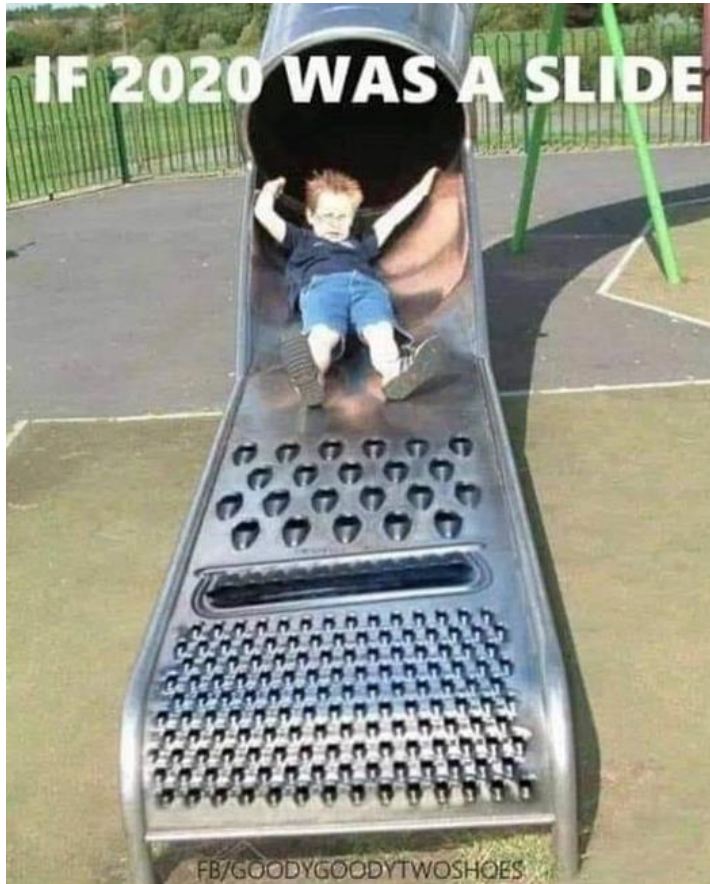
Source: Mark Drew

Halftime

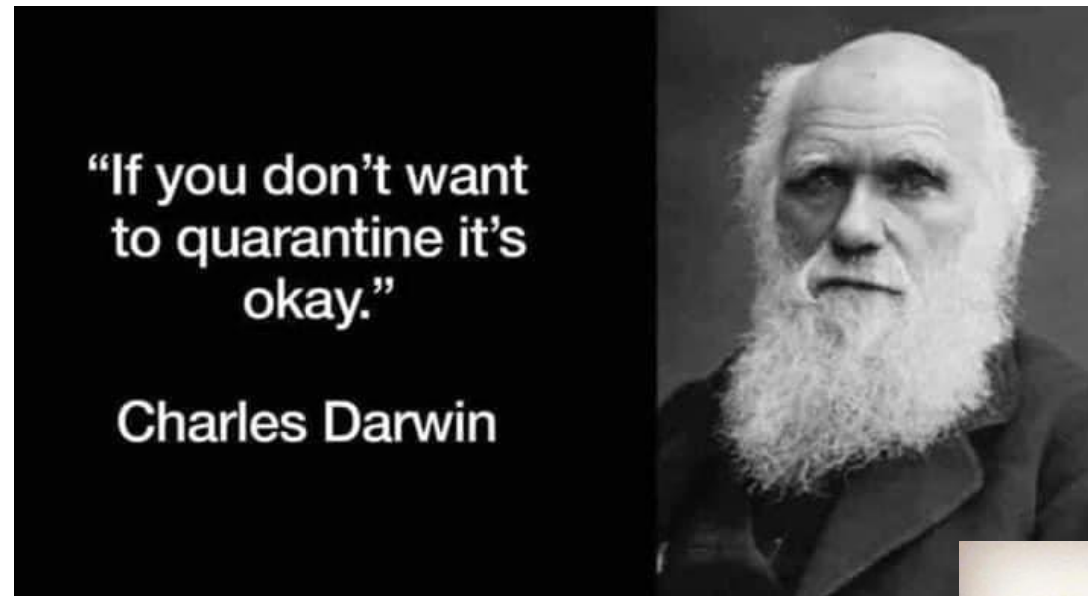


Halftime

1



2



3



4

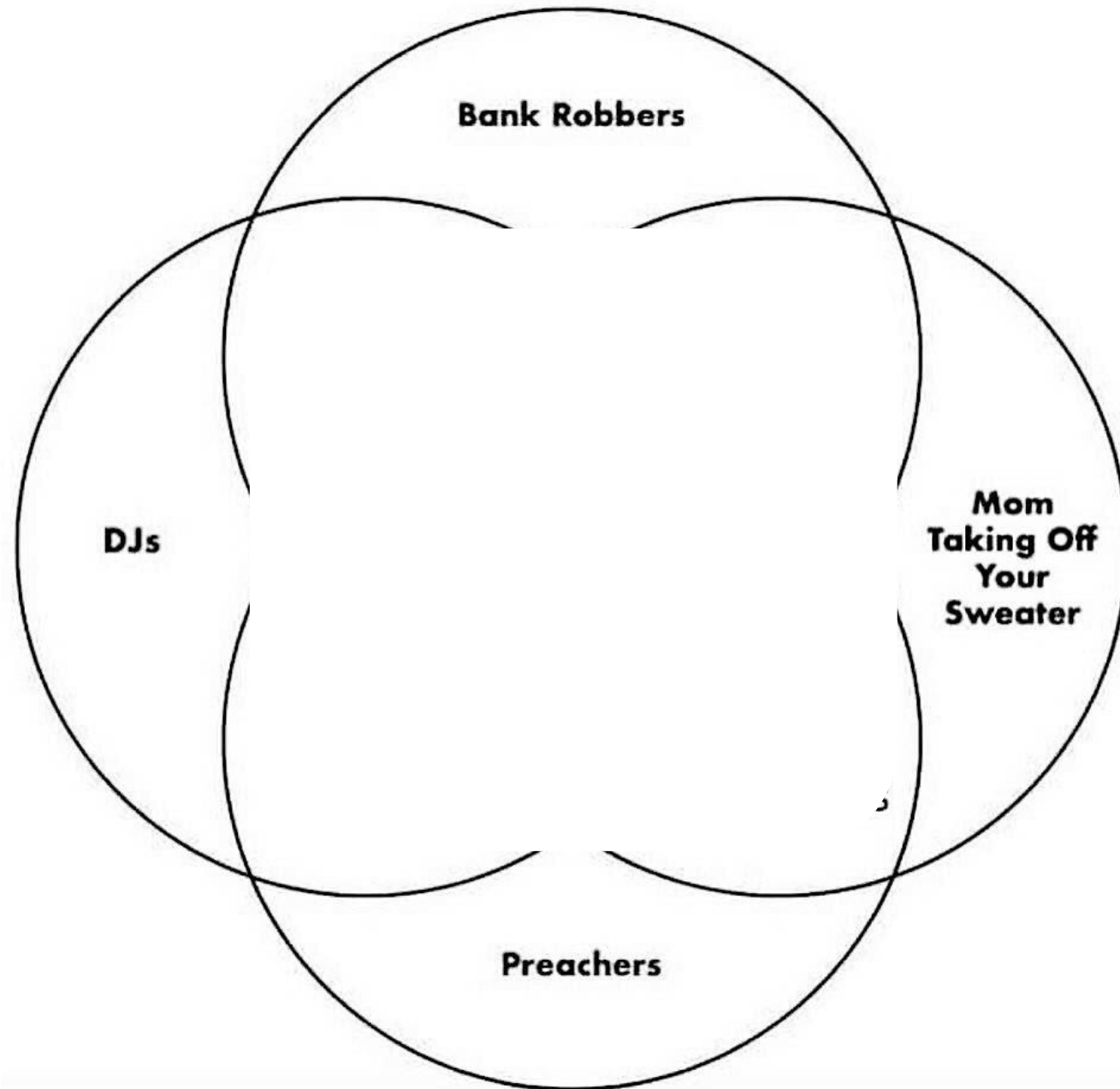


Your Assets & Investments

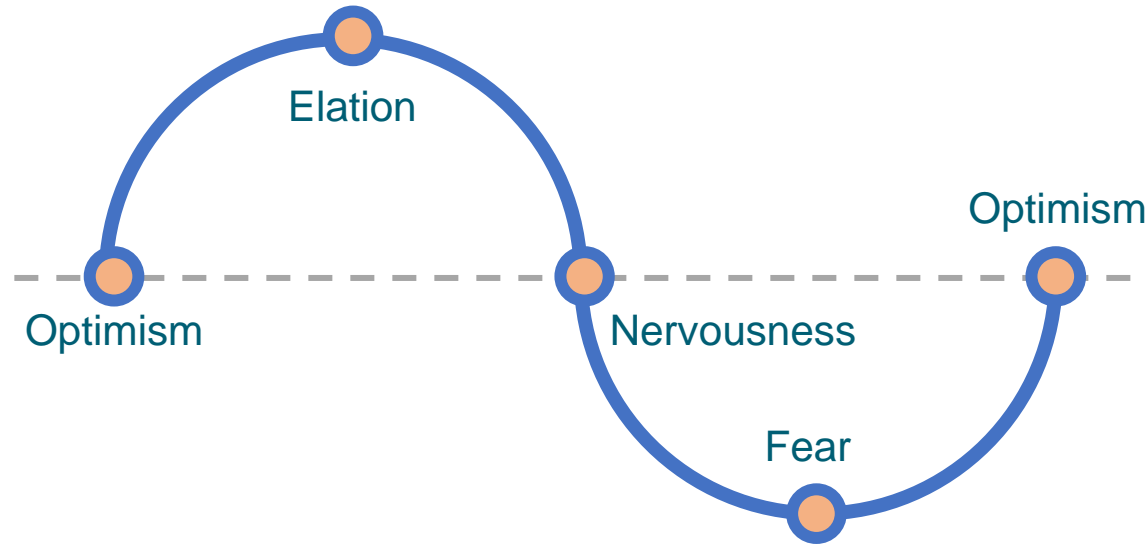
Your Assets



Everything
Works
Together



Many Investors Follow Their Emotions



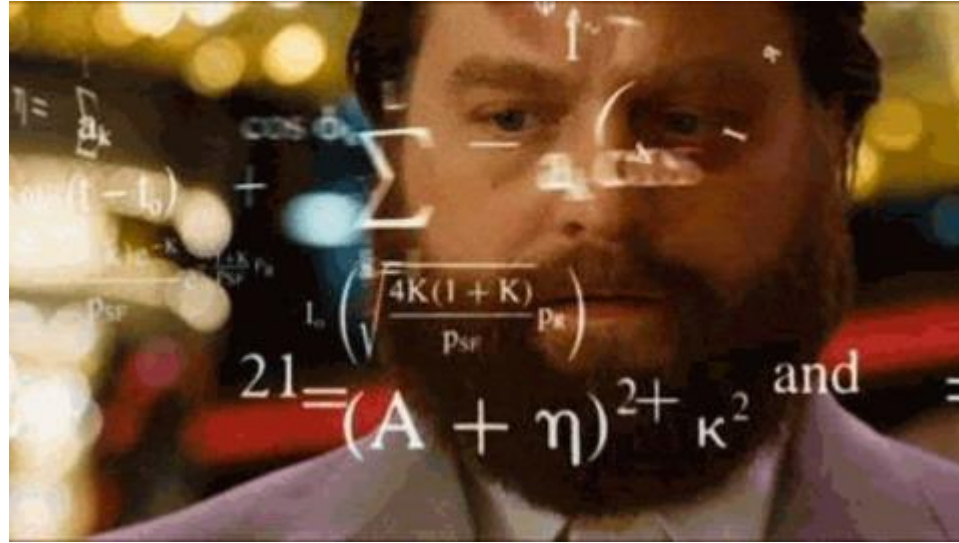
People may struggle to separate their emotions from their investment decisions.

Following a reactive cycle of excessive optimism and fear may lead to poor decisions at the worst times.

Investments – Examples



- Stocks
- Bonds
- Real Estate
- Cash
- School



- CDs
- Treasuries
- Commodities
- Cryptocurrencies

- Hedge funds
- Private equity
- Artwork
- Automobiles

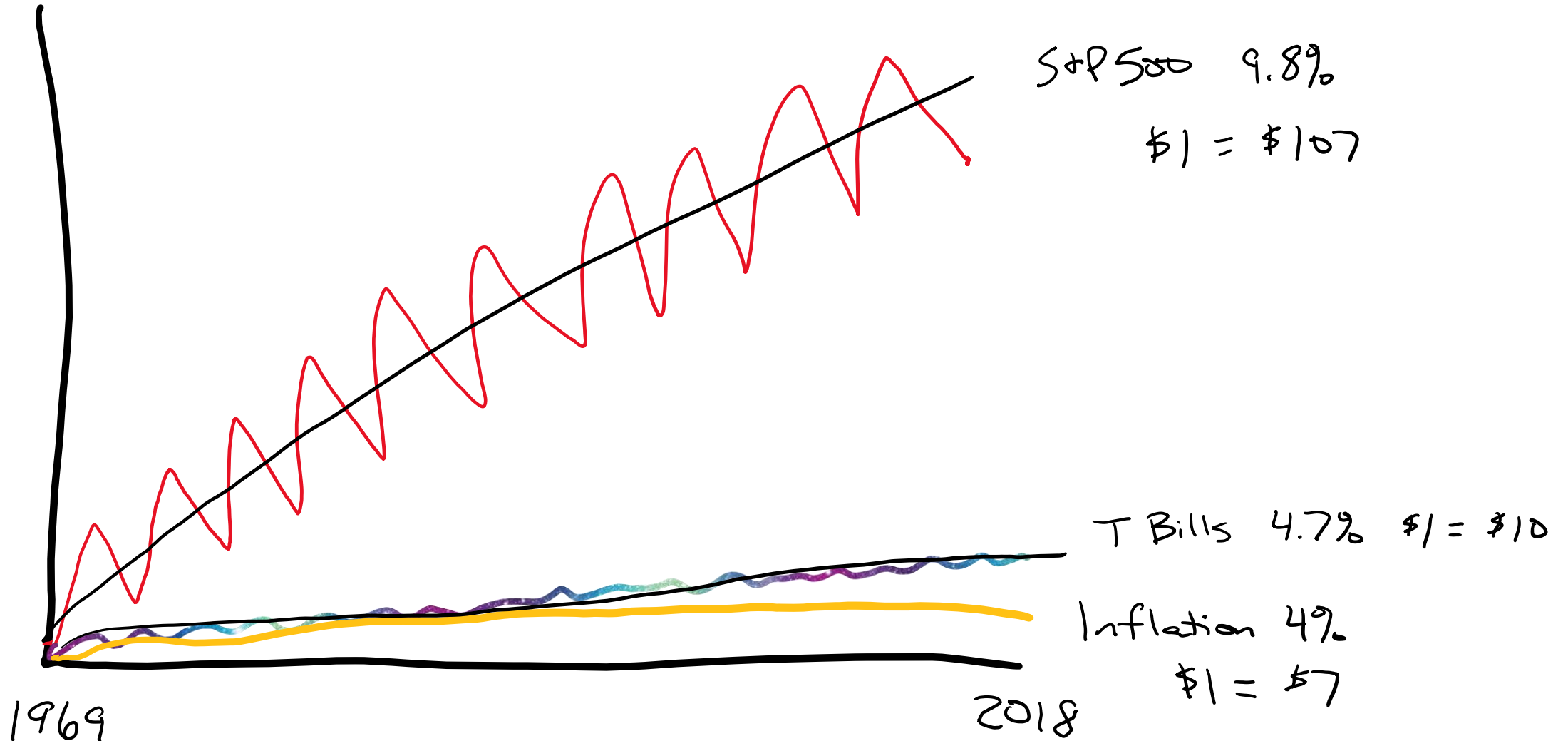
Investments



Investments – What

- There is ALWAYS a risk-return tradeoff
 - Long-term expected return
 - Short-term volatility
 - Liquidity
 - Loss of value
- Investors demand to be compensated for the amount of risk they accept
- Stock = Own vs. Bond = Loan

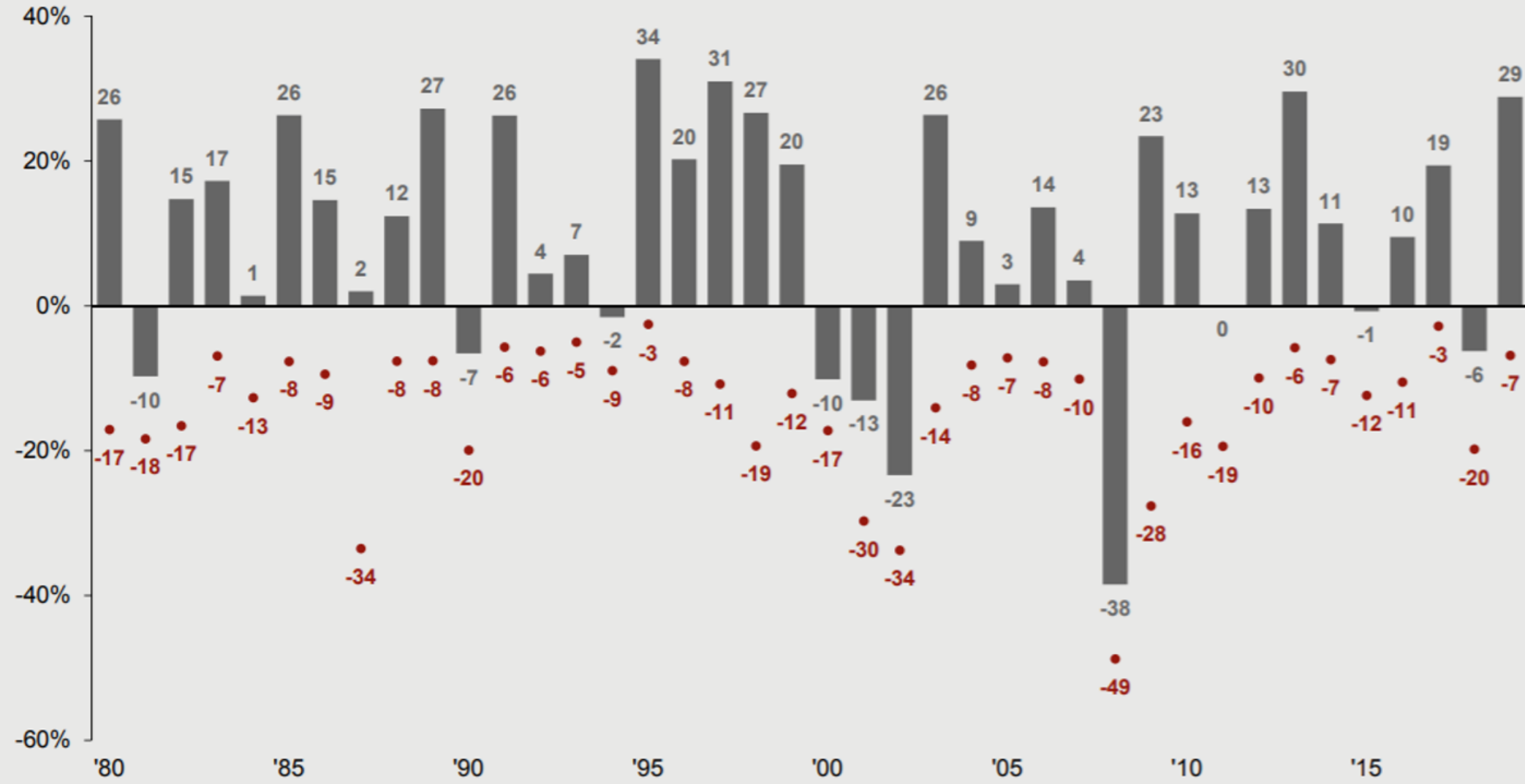
What Does It Take?



Annual Returns & Intra-Year Declines

S&P 500 intra-year declines vs. calendar year returns

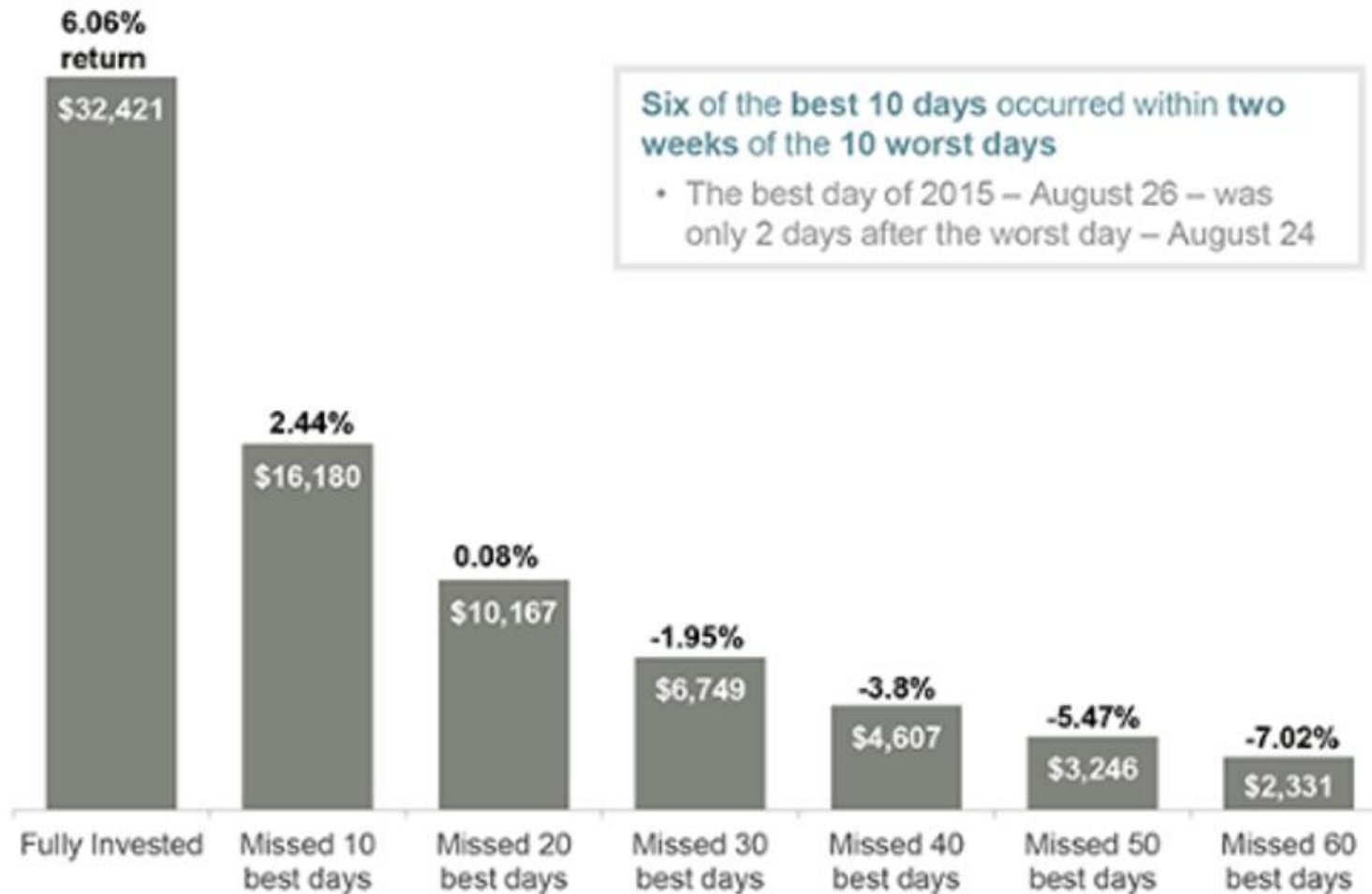
Despite average intra-year drops of 13.8%, annual returns positive in 30 of 40 years



Returns of S&P 500

Returns of the S&P 500

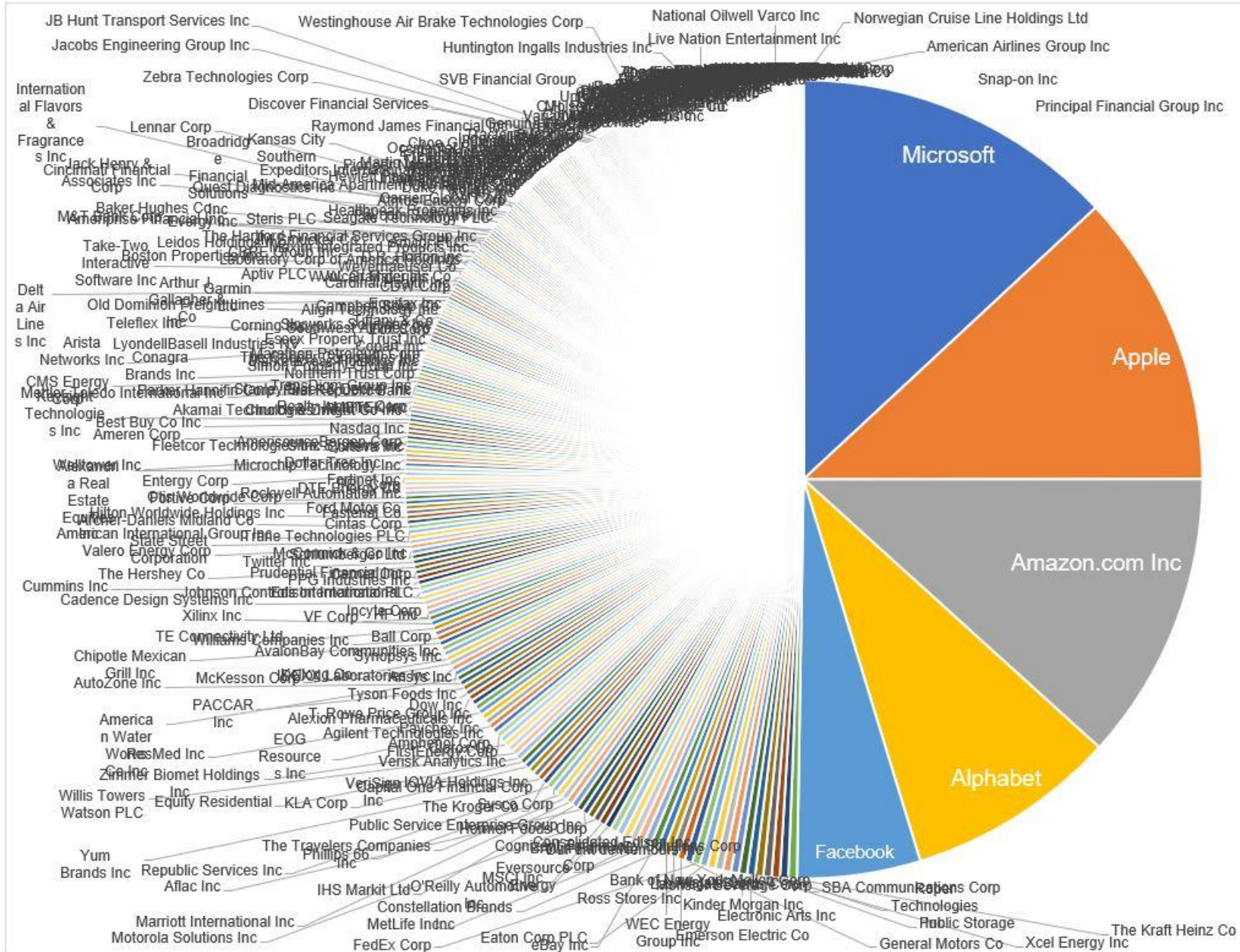
Performance of a \$10,000 investment between January 3, 2000 and December 31, 2019



About the S&P 500



BaerWealth
LIFE MATTERS MOST

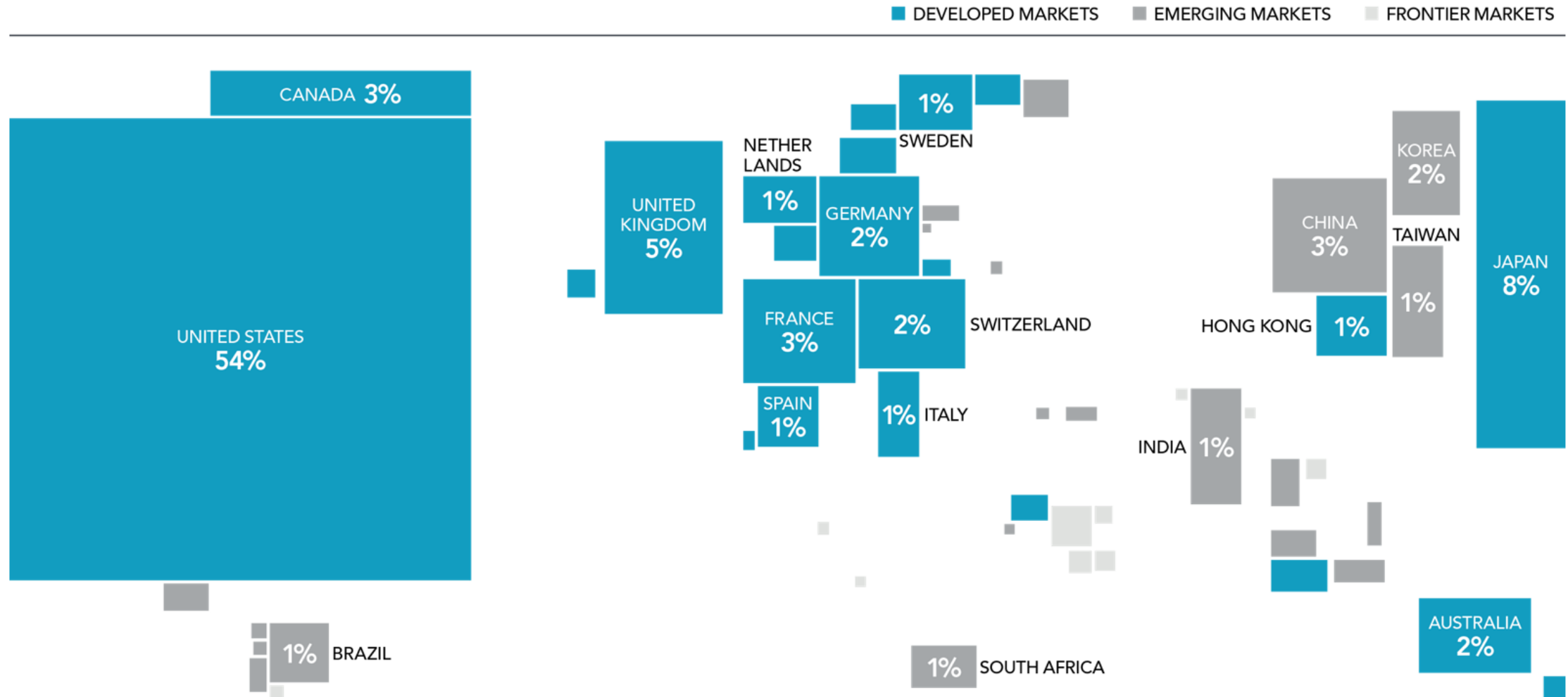


Data Source: YCharts

Source: Michael Batnick

World of Opportunities

Percentage of world market cap

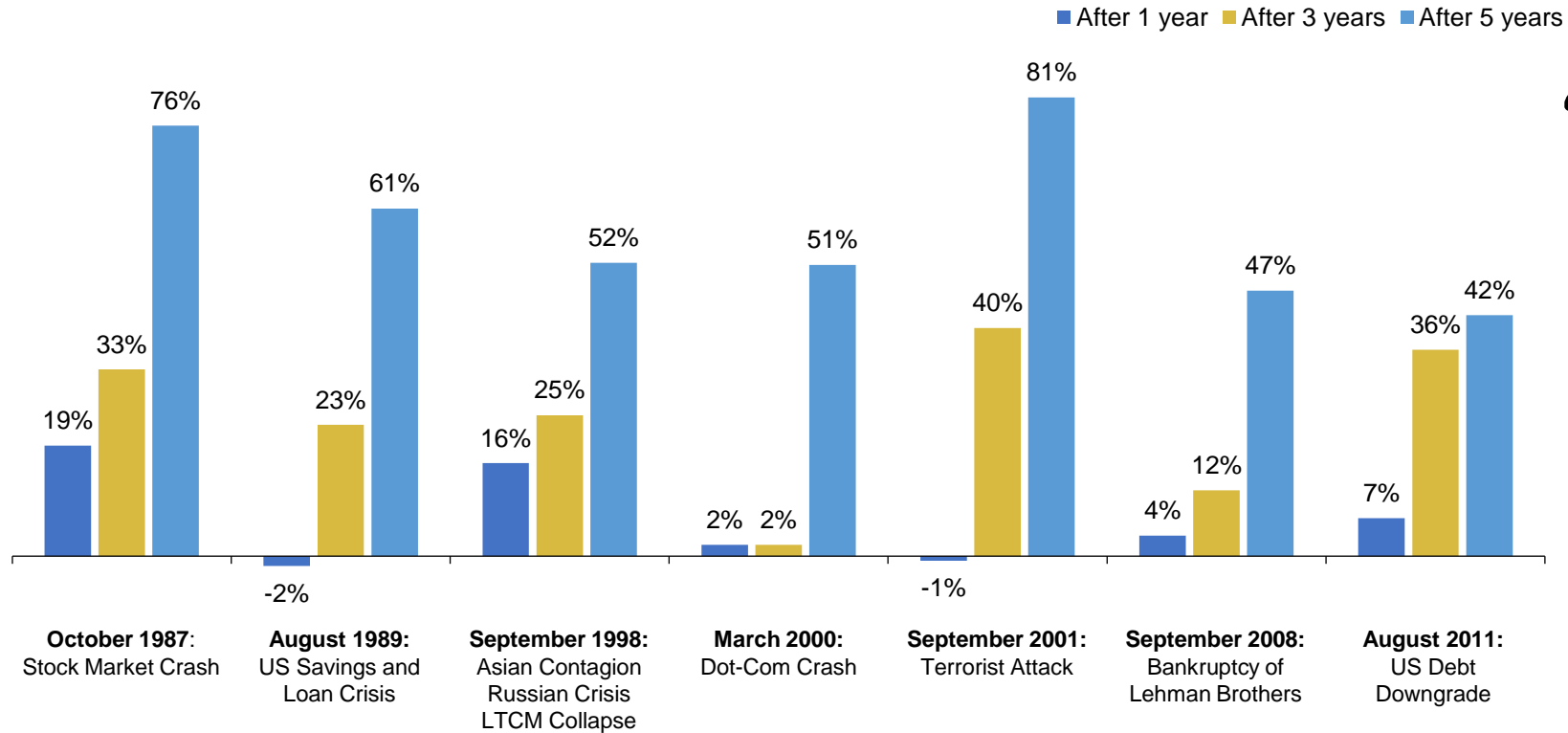


Years in Red

	1973	2000	2008
S + P 500	-26%	-22%	-37%
YIR	3	6	4
GB 60/40	-11%	-3.6%	-24%
YIR	2	1	2

The Market's Response to Crisis

Performance of a Balanced Strategy: 60% Stocks, 40% Bonds
Cumulative Total Return

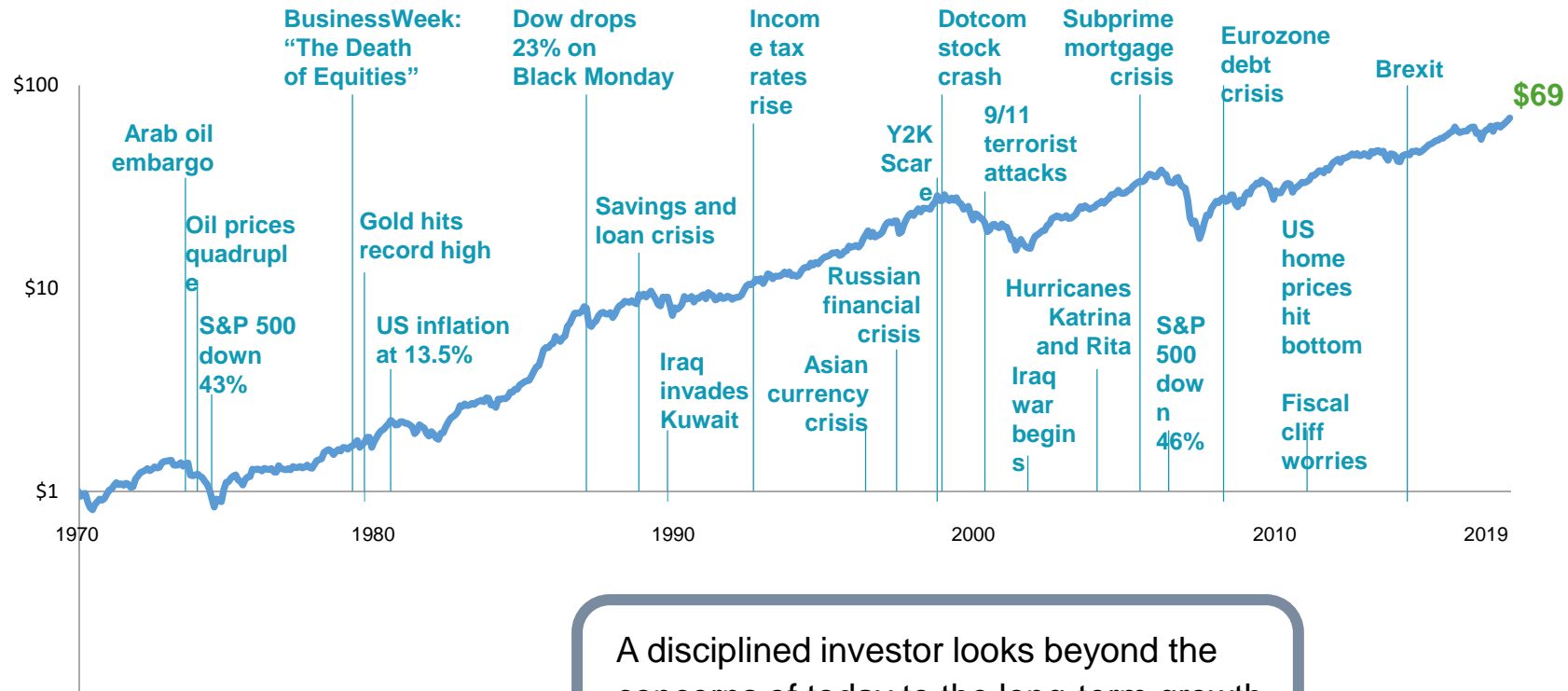


(Source: Dimensional)

- In US dollars.
- Represents cumulative total returns of a balanced strategy invested on the first day of the following calendar month of the event noted. Balanced Strategy: 12% S&P 500 Index, 12% Dimensional US Large Cap Value Index, 6% Dow Jones US Select REIT Index, 6% Dimensional International Value Index, 6% Dimensional US Small Cap Index, 6% Dimensional US Small Cap Value Index, 3% Dimensional International Small Cap Index, 3% Dimensional International Small Cap Value Index, 2.4% Dimensional Emerging Markets Small Index, 1.8% Dimensional Emerging Markets Value Index, 1.8% Dimensional Emerging Markets Index, 10% Bloomberg Barclays Treasury Bond Index 1-5 Years, 10% FTSE World Government Bond Index 1-5 Years (hedged), 10% FTSE World Government Bond Index 1-3 Years (hedged), 10% ICE BofA 1-Year US Treasury Note Index. Assumes monthly rebalancing. For illustrative purposes only. S&P and Dow Jones data © 2019 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. ICE BofA index data © 2019 ICE Data Indices, LLC. FTSE fixed income indices © 2019 FTSE Fixed Income LLC. All rights reserved. Bloomberg Barclays data provided by Bloomberg. Dimensional indices use CRSP and Compustat data.
- Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Not to be construed as investment advice. Returns of model portfolios are based on back-tested model allocation mixes designed with the benefit of hindsight and do not represent actual investment performance. See “Balanced Strategy Disclosure and Index Descriptions” pages in the Appendix for additional information.

Markets Have Rewarded Discipline Through Very Hard Times

Growth of a dollar—MSCI World Index (net dividends), 1970–2019



A disciplined investor looks beyond the concerns of today to the long-term growth potential of markets.

(Source: Dimensional)

Asset Allocation



- Have a strategy – and an understanding – for how all of your assets work together
- Don't chase returns – instead, mitigate risk
- Depends on YOU – your goals, values, time horizon, capacity for risk, etc.
- Everything is not created equal

Our Ongoing Series



The Baer Facts



MARKET REVIEW - Q1 2020

Apr 17, 2020

[Read More →](#)



BAER FACTS FRIDAY - APRIL 17

Apr 17, 2020

[Read More →](#)



INVESTMENTS 101

Apr 13, 2020

[Read More →](#)

Search

Investing

Behavioral Finance Insurance Life

Market Review

Financial Planning

"Should I" Series



BAER FACTS FRIDAY - APRIL 10

Apr 10, 2020

[Read More →](#)



BAER FACTS FRIDAY - APRIL 3

Apr 3, 2020

[Read More →](#)



FINANCIAL PLANNING FOUNDATIONS - EMERGENCY FUND

Apr 1, 2020

[Read More →](#)

Apr 17, 2020 · Market Review
MARKET REVIEW - Q1 2020

Apr 17, 2020 · Financial Planning
BAER FACTS FRIDAY - APRIL 17

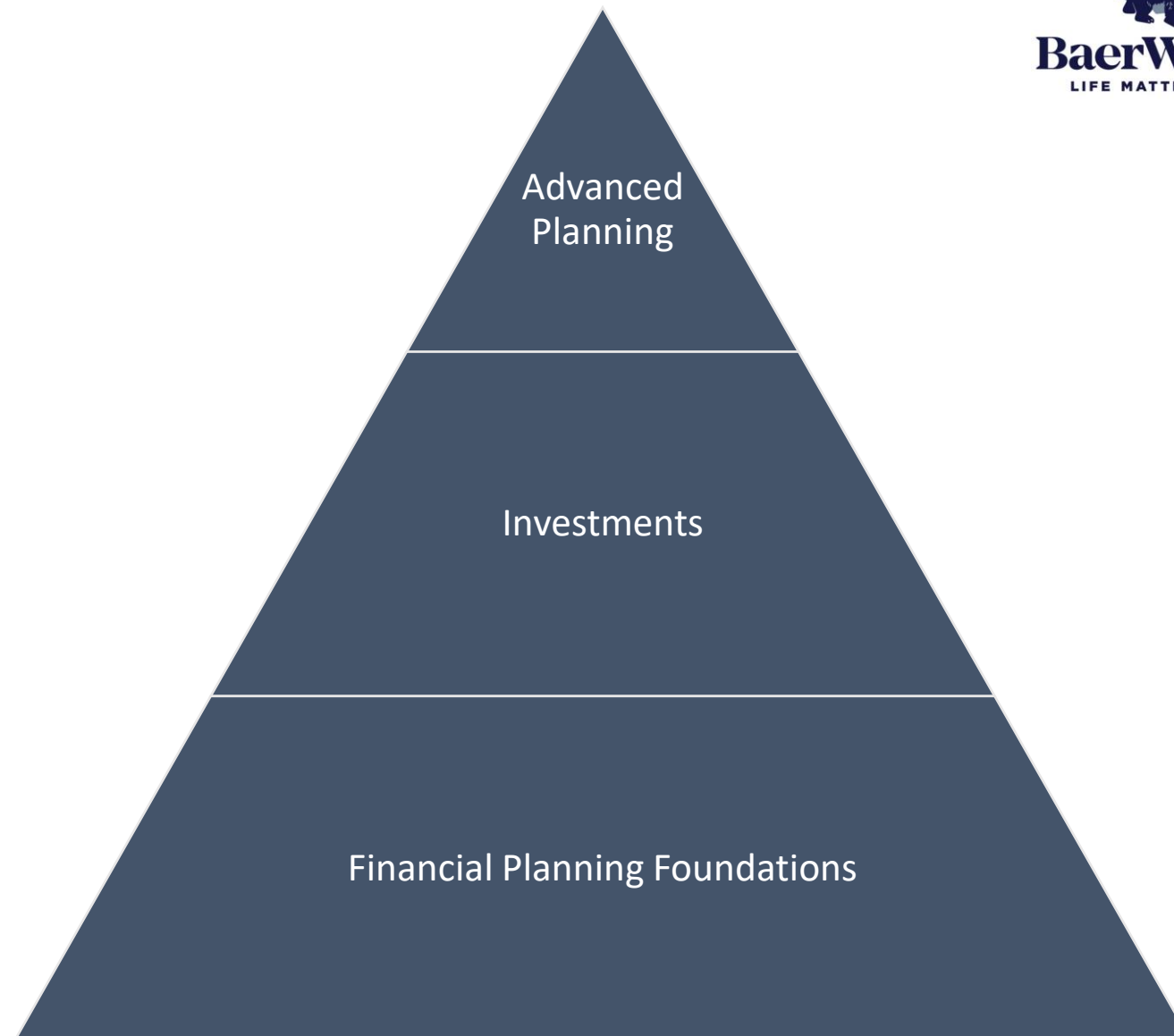
Apr 13, 2020
INVESTMENTS 101

Apr 10, 2020 · Financial Planning
BAER FACTS FRIDAY - APRIL 10

Apr 3, 2020
BAER FACTS FRIDAY - APRIL 3

www.BaerWealth.com/Baer-News

Your Financial Success Matrix



2020 VISION

GET A TAILOR MADE SECOND OPINION EXCLUSIVELY FOR CLIENTS OF RUSENKO CPA

In this economy, you are keenly aware of the unique challenges and complex situations which business owners and other professionals are faced with.

Earnings & Profitability

Hiring/Retention

Navigating Benefits

Mitigating Taxes

Competition

Personal success



In order to help you get a better understanding of where you are relative to your goals, we are proud to offer you a complimentary Second Opinion through our partnership with Baer Wealth.

WE BELIEVE THAT MANY PEOPLE WOULD VALUE A SECOND OPINION ON THEIR FINANCES

In order to provide even more value to you, we have created a complimentary Second Opinion service – 2020 Vision. It was born out of some of our most common requests and frustrations from clients.

Regardless of the reason – to provide for your family, follow your passion, grow your business, make an impact on the world, or something else – we are all in search of greater success.

WORKING WITH A TEAM THAT REDEFINES WEALTH MANAGEMENT

Ask ten people to define wealth management. Actually, ask ten “wealth managers” to do so. You will almost certainly get ten different answers with most heavily focused on investing.

Rusenko CPA has partnered with Baer Wealth to provide you with this complimentary, consultative process. The focus is on so much more than just investments.

If you would like to take advantage of this Second Opinion service, please email cpa@rusenkocpa.com and we will set up the introductory meeting.



2020 VISION

GET A TAILOR MADE **SECOND OPINION** EXCLUSIVELY FOR CLIENTS OF RUSENKO CPA

WHAT YOU CAN EXPECT

Baer Wealth approaches each new engagement with a consultative process.



DISCOVERY
MEETING



INVESTMENT PLAN
MEETING

Through an initial Discovery meeting, Baer Wealth has an open dialogue in which they learn about who you are as a person and what is most important to you. Assuming you both agree that you have a basis for working together, you will return for the Investment Plan Meeting.

Hopefully, they can confirm that you are on track to fulfill your values and achieve your goals based on your current course of action. If needed, their team will suggest ways in which you can improve your situation. They'll also explore ways they can help you achieve what is most important to you, including recommending another provider if they are not a good fit for your needs. Either way, you will receive a personalized analysis of your current situation through this consultative Second Opinion. **Even better, they will consult with Rusenko CPA so that we can also serve you better.**

WHAT IS TRUE WEALTH MANAGEMENT?

If you mutually agree to work together, you will experience Baer Wealth's complete wealth management offering.

Baer Wealth uses a formula to define and deliver Wealth Management (WM).

It begins with **Investment Consulting (IC)** which includes appropriate investment management and making smart decisions with your money. This is the number one concern of successful people and business owners. However, most people need more than just assistance in managing their investments, and they have much broader concerns.

This is why Advanced Planning (AP) is so critical. It includes:

- **Wealth Enhancement** – making efficient decisions with your money including mitigating taxes and reducing the cost of your debt
- **Wealth Transfer** – helping ensure your assets go where you want them to with minimal interruption
- **Wealth Protection** – preserving assets and protecting loved ones
- **Charitable Giving** – magnifying your gifts to the causes you care about

Finally, they don't believe that any one person can be an expert in all of these complex areas. That is why it is so important that wealth managers work closely with your other advisors through sincere **Relationship Management (RM)**. Coordination and collaboration with Rusenko CPA, your attorney, banker, benefits provider and anyone else on your team is vital to your long-term success.

$$WM = IC + AP + RM$$

A wholesome approach to wealth management – one that addresses your entire financial lives – can help to increase your probability of achieving all that is important to you. After all, there is no one-size-fits-all approach when it comes to your particular situation. Your planning should be unique to you.

If you would like to take advantage of this Second Opinion service, please email cpa@rusenkocpa.com and we will set up the introductory meeting.

RUSENKO
CPA, PC





Mark Beal, CFP®
mbeal@BaerWealth.com

<https://calendly.com/MarkAdvisor/NiceToMeetYou>