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Success InSight®

Summer 2026

Retirement Planning Checklist

Here's a practical, high-level checklist of basics to tackle in the year before retirement.

These focus on finances, health coverage, lifestyle, and logistics to help ensure a smoother transition. Everyone's situation differs but these are some steps to help you get started:

1 Run the Numbers: Assess Finances and Create a Retirement Budget

- **Estimate your expenses:** Track current spending and project retirement costs (housing, food, transportation, healthcare, travel, hobbies). Use the common "80% rule" as a starting point. This means aim to replace about 80% of pre-retirement income for a similar lifestyle, adjusting for changes like no commuting or work expenses.
- **Identify income sources:** List Social Security, pensions, 401(k)/IRA withdrawals, investments, annuities, etc. Calculate the "income gap" (expenses minus guaranteed income).
- **Build or review an emergency fund:** Aim for 6–24 months of essential expenses in liquid, low-risk accounts (e.g., high-yield savings) to avoid selling investments in a downturn.
- **Pay down debt:** Prioritize high-interest debt (credit cards, etc.). Consider paying off or strategizing for mortgage/car loans on a fixed income.
- **Max contributions if possible:** In your final working year, boost 401(k) or other retirement accounts (including catch-up contributions if age 50 or above).

  Action: Create a detailed monthly budget and "stress test" it—simulate market dips, higher inflation, or unexpected costs.

2 Plan Social Security and Pensions

- **Decide claiming strategy:** Review your benefits at ssa.gov. Claiming at full retirement age (66–67 for most) gives unreduced benefits; delaying to 70 increases them 8% per year. Claiming early (age 62) reduces them permanently. Factor in spousal or survivor benefits and taxes.
- **Apply on time:** If starting benefits at retirement, apply 3 to 4 months early.
- **Pension options:** If you have one, compare lump sum vs. annuity, single life vs. joint survivor, etc.

3 Handle Healthcare and Insurance

- **Medicare (if turning 65):** Initial enrollment is 3 months before to 3 months after your 65th birthday. Missing it can mean lifelong penalties. Decide on Original Medicare and supplements (Medigap) vs. Medicare Advantage, plus Part D for drugs. Coordinate with employer coverage to avoid gaps.
- **If retiring before 65:** Research COBRA, ACA marketplace plans (subsidies depend on income), or spouse's plan. Bridge coverage can be expensive.
- **Review other insurance:** Life, long-term care, disability, homeowners and auto. Update beneficiaries.
- **Budget for any additional healthcare:** If you have existing health conditions or think you may need assisted or long term care in the future, you may want to consider Medicaid Planning.

4 Optimize Investments, Withdrawals, and Taxes

- **Decide on 401(k)/retirement accounts:** Will you want to roll over to a traditional IRA for more options? Review fees and current investment holdings to assure best choices for long term stability.
- **Develop a withdrawal strategy:** Which accounts should you access first (taxable, tax-deferred, Roth)? Aim for

• *continued to page 5*

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The S&P 500® Index

Though it can vary based upon age, level of risk tolerance, goals and personal preferences, almost all investors with a long-term outlook have some portion of their portfolio allocated to the stock market. The S&P 500® Index is widely viewed as the barometer for the performance of large-cap U.S. stocks, and the measuring stick against which the performance of actively managed stock funds are measured.

Investors can participate in the performance of the S&P 500® Index by investing in an S&P 500® index fund. This article doesn't single out any fund as almost all the large mutual fund companies and major brokerages such as Schwab, Fidelity and Vanguard offer an S&P 500® index mutual fund and/or exchange traded fund (ETF).

The main benefits of investing in an S&P 500® index fund include broad diversification, low costs, strong long-term historical performance, simplicity, and a high likelihood of outperforming most actively managed funds over time. This is why for many investors, a position in such a fund acts as a core long-term holding.

Here are some of the potential benefits of investing in an S&P 500® index fund:

1 Broad Diversification

An S&P 500 index fund gives you exposure to approximately 500 of the largest U.S. companies across major sectors (technology, healthcare, financials, consumer goods, etc.). This represents roughly 80% of the U.S. stock market's total capitalization.

- Spreading risk across hundreds of companies reduces the impact of any single stock or sector failing.
- It provides a balanced slice of the U.S. economy without needing research and select individual stocks or sectors.

2 Low Costs (Expense Ratios)

Index funds are passively managed, so they have very low fees compared to actively managed funds.

- Many popular S&P 500® funds have expense ratios as low as +/- 0.02%. This compares very favorably to most actively managed stock funds.

3 Strong Historical Performance

The S&P 500 has delivered solid long-term returns:

- Strong average annual returns since its inception in 1957, though this varies by period.

4 Outperforms Most Active Managers Over Time

Most actively managed funds fail to beat the S&P 500® after fees, especially over longer horizons. This is due to higher fees, trading costs, and the difficulty of consistently beating a diversified portfolio of industry leading companies.

5 Simplicity and Convenience

- Set it and forget it: No need for stock research, market timing, or frequent trading.
- Highly liquid: Easy to buy/sell shares in ETFs or mutual funds.
- Tax efficiency: Lower turnover means fewer capital gains distributions in taxable accounts.

6 Transparency and Consistency

You know exactly what you're getting … the performance closely tracks the S&P 500® minus a tiny fee. No manager style drift or surprises.

Given the strong long-term performance as well as the other potential benefits listed above, it's no surprise that these types of funds are very popular with investors. However, it's important to keep in mind that as far as we know, there's no "perfect" investment.

These funds essentially track the market, and as we all know the market doesn't always go up. During market corrections and bear markets, these funds will suffer right along with the overall market.

This makes it vitally important for each individual investor to do their best to determine their overall tolerance for risk and fluctuations in account value and allocate an appropriate portion of their portfolio to the stock market.

If you're interested in this fund or would like a portfolio review to determine if this fund might be an appropriate addition to your portfolio, please call Ted Black, CFP® at 888-878-0001, extension 3.

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Solutions

Q: ***My wife and I own a small corporation and get paid as W-2 employees but due to our small size we struggle getting employer health insurance and we are over the income limit for Healthcare.gov. Would switching to an S-Corp allow the company to pay more of our expenses and lower our reported income?***

A: With just you and your wife as employees, traditional group health plans may be costly or limited, but alternatives exist. Here are some key strategies to consider:

1 Accountable Plan for Reimbursements.

Set up a formal written accountable plan. The business can reimburse you tax-free (not added to W-2) for substantiated *business* expenses. This is deductible by the S-Corp and avoids payroll taxes on the reimbursed amounts. Examples include: home office, cell phone/internet, mileage or vehicle costs, supplies, travel and equipment. This saves 5.3% FICA compared to salary or non-accountable reimbursements.

2 Consider QSEHRA or ICHRA.

With QSEHRA, your small business reimburses employees (you and your wife) for health insurance premiums and medical bills, up to IRS limits. Tax-free to you, deductible for the company. ICHRA is similar, but more flexible. The business sets the reimbursement amount for individual health plans & expenses and there is no strict IRS dollar cap. Both avoid expensive group insurance and can help with Healthcare.gov subsidies if structured right.

3 Contributing Assets to the Business Name.

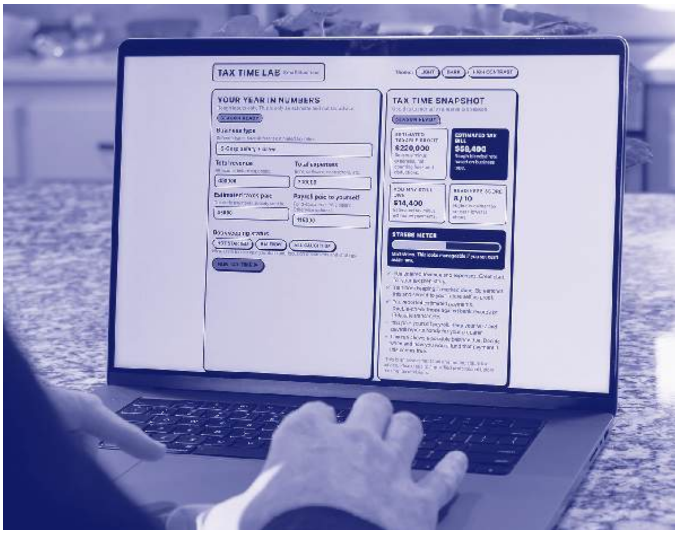
- Contribute personal assets (e.g., vehicle, computer equipment, furniture, office items) as a capital contribution.
- Benefits: Increases your stock basis; business can depreciate the assets or deduct related expenses (maintenance, etc.) if used for business. Provides some liability protection and can combine with accountable plan reimbursements for operating costs
- Be sure to document fair market value and business use.

4 Additional Tax-Efficient Moves

a. Retirement plans (Solo 401(k) or SEP IRA): Business contributions reduce pass-through income (based on W-2 salary).
b. HSA (if HDHP): Tax-deductible contributions plus tax-free medical use.
c. Home office/vehicle: Use accountable plan or proper allocation if contributed.

Be sure to keep salary “reasonable” for your role, hours, industry, and company size (use salary surveys as support). Too low risks IRS reclassifying distributions as wages. Many owners aim for a defensible minimum while maximizing deductible business expenses and distributions. We recommend you contact a CPA or Tax Pro to run scenarios for salary level. deductions and subsidies. Also, contact an Insurance Broker and get quotes for QSEHRA/ ICHRA, small group, or marketplace options in your state. Confirm your state’s small group health rules, any additional taxes, or insurance mandates.

This combination (low-but-reasonable salary with accountable plan, proper health setup and strategic asset contributions) is a standard approach for small S-Corp owners that can meaningfully reduce personal out-of-pocket costs while supporting subsidy eligibility.



Q: *Do we have to switch to an S-Corp to take these benefits?*

A: No, it depends on your specific goals, numbers, and overall tax picture. A regular C-Corp has some advantages and disadvantages compared to an S-Corp in your situation (low salary for ACA subsidies plus business covering expenses). Here's a clear breakdown to help you evaluate:

C-Corp Advantages:

- Fringe benefits. For owner-employees, the corporation can often pay health insurance premiums (and certain other benefits) as a deductible business expense, and they can be tax-free to you (not added to W-2 as income).
- No reasonable compensation scrutiny in the same way as S-Corps though reasonable salary is still best practice to avoid dividend recharacterization issues.
- Easier to contribute personal assets as capital; business can depreciate and deduct related expenses similarly.
- Accountable plans are still fully available for tax-free reimbursements of business expenses.

C-Corp Disadvantages:

- Double taxation. Corporate income is taxed at the entity level (21% federal), then again when distributed as dividends (qualified dividends taxed at 0/15/20%). This can make keeping profits in the business or taking distributions less efficient than an S-Corp's pass-through taxation.
- Your W-2 salary still affects your household MAGI but health benefits paid by the C-Corp are generally not added to your W-2 income (better than S-Corp), which may help subsidy eligibility.
- There are more formalities and potential state taxes on C-Corps in some places.

S-Corp Potential Benefits:

- Pass-through taxation avoids double tax and losses can flow to your personal return.
- Distributions (after reasonable salary) avoid payroll taxes.
- Often preferred for small owner-operated businesses wanting to minimize self-employment taxes.

Switching from C-Corp to S-Corp requires filing Form 2553 with the IRS (and possibly state forms). There are eligibility rules, timing restrictions and potential built-in gains tax on appreciated assets if you switch. It's reversible but not always straightforward. Many small businesses start as C and elect S later

To help you decide, model both structures for your projected income, salary, expenses, subsidies, and distributions. Factor in your wife's involvement, total household income, and long-term plans (e.g., selling the business, retirement). Keep in mind you can implement most of what we discussed previously without switching. So it is probably beneficial to stay a C-Corp if the fringe benefit flexibility and simpler compensation rules outweigh double taxation (common for businesses that reinvest profits or have

Retirement Planning Checklist

• *continued from page 1*

sustainable rates (for example, the 4% rule is a guideline, adjusted for inflation and market conditions).

- **Tax planning:** Consider Roth conversions in lower-income years, required minimum distributions (RMDs), capital gains, and how withdrawals affect Social Security and Medicare taxes.
- **Shift portfolio gradually:** Move toward more conservative allocations (bonds, dividends) for preservation, but maintain some growth for longevity.

5 Legal and Estate Planning

- Update or create: Will, living trust, power of attorney (financial and healthcare), advance directives, beneficiary designations on all accounts.
- Review titling of assets and any trusts.

6 Lifestyle and Non-Financial Prep

- **Define your vision:** What will your days look like? Hobbies, travel, volunteering, part-time work? This helps with budgeting and purpose.
- **Trial run:** Practice living on your projected retirement income and budget for a few months.
- **Location and housing:** Consider downsizing, relocating, or modifications for aging in place.
- **Talk to your HR and benefits coordinator if applicable:** Confirm final paycheck details, unused vacation, retiree benefits, health coverage end date.
- **Organize documents:** Gather tax returns, account statements, insurance policies, etc., in one place.

Timeline Tips

- **Now (12 months out):** Big-picture planning, budgeting, debt reduction, max contributions, Social Security and Medicare research.
- **6 months out:** Finalize withdrawal plan, stress test, insurance decisions.
- **3–1 months out:** Apply for benefits, roll over accounts, set up direct deposits, practice the transition.

Keep your key focus on what you can control, your spending, basic asset allocation and timing of benefits. Then build buffers for uncertainties like markets, health, or longevity. Tools like retirement calculators from www.SSA.gov can be helpful as well.

Q What is considered a good credit score?

A: A good credit score is generally 670 or higher on the FICO scale (the most widely used by lenders), with 740+ being very good and 800+ exceptional.

Credit Score Ranges (FICO, used by 90% of lenders)

- Poor: 300–579
- Fair: 580–669
- Good: 670–739
- Very Good: 740–799
- Exceptional: 800–850

The U.S. average FICO score is around 713–715 (solidly "good"). The VantageScore (used by some free monitoring tools and lenders) uses the same 300–850 range but labels tiers differently: Good/Prime: 661–780 and Excellent/Superprime: 781–850. A score in the good range or better helps you qualify for better interest rates on loans, credit cards, mortgages, etc. (e.g., lower APRs on cars or homes). Scores below 670 often mean higher rates or denials.

Q How can I improve my score?

A: Credit scores are based on factors like:

- Payment history (35% of FICO)
- Amounts owed / credit utilization (30%)
- Length of credit history (15%)
- New credit (10%)
- Credit mix (10%)

Quickest wins (can show results in 30 days or less):

1. Pay all bills on time. Set up autopay or reminders to avoid late payments.
2. Keep balances below 30% of your limits (ideally under 10%). Pay down cards (especially before statement closing dates) or request limit increases. This can boost your score fast.
3. Check and fix errors. Get free weekly credit reports at AnnualCreditReport.com. Dispute inaccuracies (e.g., wrong accounts, outdated info) with the bureaus.
4. **Longer-term** strategies include:
   - Keep old accounts open to maintain a longer credit history.
   - Build a healthy mix of credit types (e.g., cards and installment loans) if needed, but don't open too many new accounts at once
   - Consider becoming an authorized user on a trusted person's well-managed card or adding rent and utilities via services like Experian Boost.
   - If you have collections, negotiate pay-for-delete or settlements.

Q I am working on clearing old debts Are there any new laws effecting credit scores that I need to know about?

A: Yes, here's what stands out:

- Removal of Medical Debt from Credit Reports. In early 2025, the CFPB finalized a rule removing all medical debts from credit reports and banning their future inclusion. This affected around 15 million Americans and approximately $50 billion in debt, with average score boosts estimated around 20 points. This builds on earlier voluntary removals of paid/small medical debts by the bureaus.
- Implementation of the Credit Score Competition Act (2018 Law Now Active). In April 2026, federal housing regulators began rolling out VantageScore 4.0 and preparing for FICO 10T in mortgage underwriting. This enforces competition beyond the long-dominant older FICO model.
- BNPL Data Inclusion — FICO is adding Buy Now, Pay Later data to certain scores, which can help responsible users by reflecting positive payment behavior (though it also adds visibility into that debt).

Proposed legislation we are are hoping to see become law includes bills to require lenders to consider consumer-authorized alternative data (rent, bank statements, etc.) for mortgages under the Equal Credit Opportunity Act. This targets the over 32 million people with thin or no credit files. There are also various Fair Chance in Housing Act amendments under discussion for accuracy, reseller rules, and expanding alternative data use.

These changes align with ongoing pushes for fairer, more inclusive credit evaluation. No sweeping new federal consumer protection laws passed in early 2026 specifically on scoring, but the medical debt ban and mortgage model competition deliver tangible benefits now.

Making Estimated Tax Payments

Q: ***I am retiring this year and won't have my company paying in taxes for me. How do I make sure I don't get hit with a big tax bill next year?***

A: Most retirees receive income primarily from Social Security, RMDs (required minimum distributions from retirement accounts), and a pension — with no more W-2 withholding — and many need to make quarterly estimated tax payments to the IRS to avoid underpayment penalties.

STEP 1 Figure Out If You Need to Make Estimated Payments.

You generally must pay estimated taxes if you expect to owe $1,000 or more in federal tax for the year after subtracting any withholding.

- Social Security: Up to 85% may be taxable depending on your total "combined income" (your AGI + nontaxable interest + half of SS benefits). There may be new senior deductions in 2026 that help many retirees.
- Pension and RMDs: Fully taxable as ordinary income.
- Use last year's tax return as a starting point and adjust for retirement changes.
- Best tool: IRS Form 1040-ES (Estimated Tax for Individuals) includes a worksheet to calculate this. Download the latest 2026 version from IRS.gov.

STEP 2 Calculate Your Quarterly Payments.

Use the Estimated Tax Worksheet in Form 1040-ES or IRS Publication 505. Common safe approaches include:

- Pay 90% of the tax you expect to owe for 2026, OR
- Pay 100% of the tax you owed on your 2025 return (110% if your 2025 AGI was over $150,000). This is the easiest "safe harbor" to avoid penalties.
- Divide the total into 4 quarterly payments (or adjust if income arrives unevenly).

STEP 3 Quarterly Due Dates for 2026 are expected to be similar in 2027:

Q1: April 15, 2026
Q2: June 15, 2026
Q3: September 15, 2026
Q4: January 15, 2027

You can make federal estimated tax payments payments online, by phone, through the mail or via the mobile app. When paying, select 'Estimated Tax' as your reason for payment and select '1040ES' for the tax form. Then select the tax year you want the payments to apply to. Some popular payment options include:

STEP 4 How to Make the Payments

- IRS Direct Pay at irs.gov/payments/direct-pay This is a free option where you can make one time payments from your bank account.
- EFTPS (Electronic Federal Tax Payment System): Go to ettps.gov. You will need to enroll first which can take a few days to process but this option is good for setting up recurring or advance payments. You can pay with Credit/debit card or digital wallet but convenience fees will apply.
- Mobile App: Download the IRS2Go mobile app to make payments from your mobile device.
- By mail: If you prefer sending a check, you can mail it along with a Form 1040-ES voucher.

Some alternate tips are to set up payments to be withheld for you. Many pensions allow you to request federal tax withholding directly (Form W-4P). This can reduce or eliminate the need for estimated payments. RMDs usually have optional withholding — ask your plan administrator.

It's a good idea, to re-calculate your estimated taxes mid-year if your income changes significantly. Be sure to keep track of each payment you make. You will need to know the total so you can note payments made and get credit for these when you file your 2026 tax return.

Q: ***Does an LLC or Corporation have to make estimated taxes?***

A: Yes. LLCs and Corporations generally are required to make estimated federal tax payments if they expect to owe above specific thresholds.

LLCs are considered pass-through entities so the profits and losses pass through to the owners' personal tax return. If you are a single member LLC (sole proprietor) you will need to estimate your total annual tax liability (income and self employment tax) If this is more than $1,000 you will need that amount by four and make your payments using the options listed above. If it is a multi member LLC (partnership) and expect to owe more than $1,000, each partner pay individually on their shared portion of the profits.

A C Corp must make quarterly estimated payments if it expects it's tax liability to be above $500. The IRS Corporate Estimated Tax Worksheet can be used to calculate the payments and they must be submitted electronically via the EFTPS system.

Are Auto Insurance rates REALLY going down?

We see in the news, or on the endless advertisements, rates going down! Is it real? or is it a marketing ploy? If a carrier is one of the most expensive in a state, advertises rates coming down, does that mean anything to you?? the answer is NO! Their rate could still be higher than yours! When the announcement comes from AAA, people often think iot must be legit! Keep in mind AAA also sells insurance directly through AAA and its company affiliates! So, what is the reality???

It's a combination of both. Auto insurance rates **really are coming down in many states**, but insurers are also using that fact aggressively in their advertising to encourage people to shop.

Here's what's happening:

- **Rates increased dramatically** from 2022 through much of 2024 because of inflation, higher repair costs, expensive vehicle technology, medical costs, and more severe accidents.
- As insurers returned to profitability and inflation moderated, many companies began filing **rate decreases or much smaller increases** in certain states during 2025 and 2026.
- However, it's **not happening everywhere**. Rate changes are approved state by state, so one insurer might lower rates in Florida while raising them in Illinois.

The marketing angle is real as well:

- Companies know many consumers assume all insurance is still getting more expensive.
- If an insurer has recently lowered rates or become more competitive in a particular market, it's an ideal time for them to advertise "rates are coming down" to get people to request quotes.
- Even if their overall rates are lower, that doesn't mean they'll be cheaper for every driver. Age, driving record, vehicle, ZIP code, prior insurance, and credit (where allowed) still have a major impact.

For someone like you, who is in the insurance business, you've probably noticed that some carriers that took large increases over the last few years are now trying to regain market share. It's common for insurers to:

- Reduce filed rates.
- Loosen underwriting guidelines.
- Increase advertising and agent incentives.
- Try to grow policies after a period of contraction.

So the advertising isn't necessarily misleading—many carriers **have** reduced rates—but it's also a strategic effort to capitalize on improved pricing and win back customers and prompt the consumer to shop!

In **Florida**, the picture is more mixed. Auto rate increases have generally slowed compared with the past few years, and some insurers have filed reductions or smaller increases, but Florida remains one of the more expensive auto insurance markets because of litigation, uninsured drivers, and repair costs. Same with New Your, Texas and California, all the largest states with the biggest populations!

Please call us at Novak Insurance if you would like to discuss your insurance!
Craig Novak | 440-914-0606

How Interest Rates Effect You

Q: *With all the talk about interest rates, what does that mean to the average consumer?*

A: Mortgage rates, which are more closely tied to the 10-year Treasury yield than the short-term fed funds rate, have been fluctuating in the low-to-mid 6% range for 30-year fixed loans (recent averages around 6.0%–6.5%, with some reports showing brief dips near 5.75% earlier in the year before ticking up). Forecasts for the end of 2026 generally cluster around 5.7%–6.2%, with modest easing possible if the Fed cuts and longer-term yields cooperate. Sub-6% rates could return selectively, but the ultra-low pandemic-era levels (under 3–4%) are not expected to return.

In short, this means if you're considering a home purchase, refinance, or big loan, shop rates soon. At the same time, lock in higher-yield savings or CDs before they drop further. Today's "good" cash returns may not last.

Home purchase or refinance: Shop rates aggressively now if you're in the market—small drops can still save tens of thousands over a loan's life on a typical home (where affordability remains a challenge). Calculate break-even on refinancing: compare closing costs (2–6% of loan amount) against monthly savings. Even a 0.5% drop can help, especially if extending the term or doing cash-out for other needs.

Other loans: Auto loans, personal loans, and credit cards often move with broader borrowing costs. Expect gradual relief if rates ease, but high-interest debt such as credit cards, still warrants aggressive payoff. Lock in if you find a competitive rate as volatility from economic news can push rates around quickly.

Keep in mind, lower rates generally make big purchases more affordable, potentially boosting demand and that in turn cause prices to increase.

Q: *How do the interest rates effect my savings and cash investments?*

A: Yields on savings and CDs are beginning to trend lower in this financial environment. Top high-yield savings accounts currently offer around 4.0% to 4.2% APY while competitive CDs range from about 3.8%4.2% APY for various terms. This is already lower than the 2024 and 2025 peaks with expectations that they will continue to decrease as the year progresses.

The consensus is for consumers to lock in now where it makes sense. Advisors say to consider shifting emergency funds or short-term cash into higher-yielding CDs or fixed-rate options before yields drop more. We recommend you always compare terms carefully.

High-yield savings: These remain attractive for liquidity and are great for your emergency funds, and near-term goals since rates can adjust but are currently competitive with or better than many CDs in some scenario

Overall, in 2026, cash still earns a positive real return above recent inflation levels, so try to avoid just letting large sums sit in low-yield traditional accounts.

For borrowers and debtors, the shifting rates are positive news. Cheaper new borrowing or refinancing can improve cash flow. But not the best for focused investors.

Q: *How does it affect the economy?*

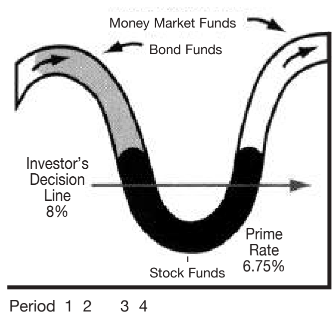
A: Lower rates can support spending, homebuying, and markets, but if delayed by inflation, borrowing stays pricier longer.

Recommended Next Steps

- Check your current rates (mortgage, loans, savings) and run scenarios using free calculators (e.g., for refinance break-even).
- Shop multiple lenders/credit unions for the best offers—online banks often lead on savings/CD yields.
- Monitor Fed announcements and economic news, but avoid waiting indefinitely for big drops.
- Revisit your budget: Redirect any potential savings from lower borrowing into debt payoff or boosted emergency funds.
- Interest rates influence nearly every part of personal finance, but the environment in 2026 is one of cautious stability rather than dramatic shifts. Acting on opportunities now (while yields are still relatively attractive for cash and rates aren't spiking) can pay off.

The Money Movement Strategy

Prime Rate Chart for Money Movement Strategy



How It Works

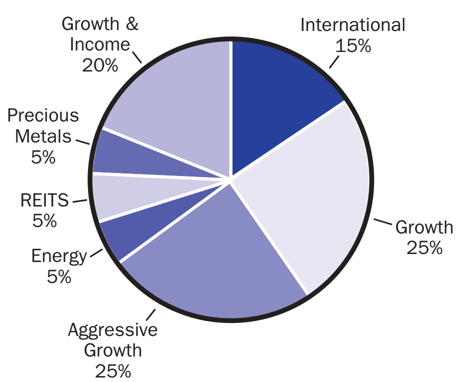
Long-term increases or decreases in the value of stocks, bonds and money market instruments are caused by changes in interest rates, primarily the Prime Rate. Of the three categories of mutual funds — stock, bond, or money market, there is only one type of investment that will give you above-average returns at any given time.

The Money Movement chart represents typical changes of interest rates smoothed out over time. The Investor's Decision Line (IDL) indicates the point at which you should move your money from one type of fund to another. Contact the Stock and Mutual Hotline or Investment Holine for the best evaluation of how the Money Movement Strategy will work for your specific circumstances.

Models For Portfolio Management

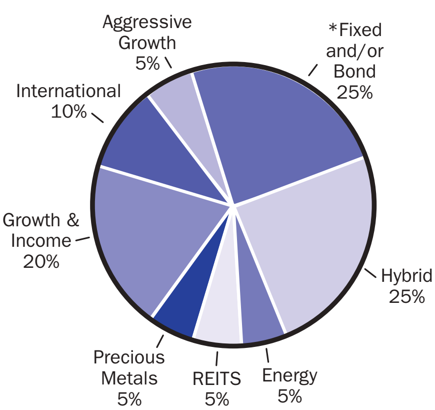
Aggressive

Keep all mutual funds and retirement money in stock funds.



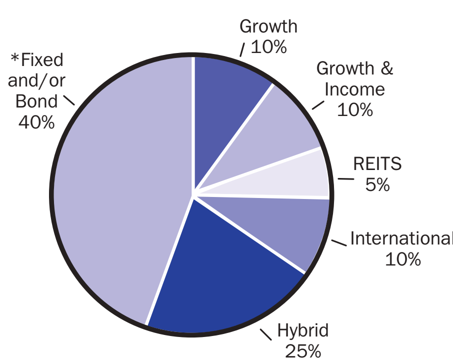
Moderate

Keep most mutual funds and retirement money in stock funds.



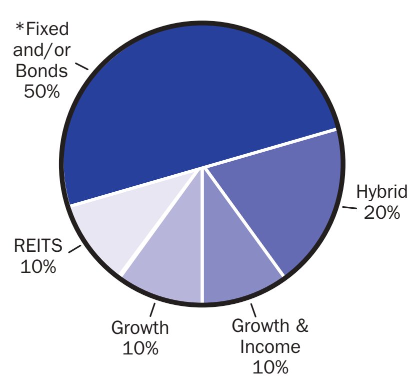
Conservative

Keep most mutual funds and retirement money in stock funds.



Retirees

Note: This portfolio does not follow the Money Movement Strategy! Create the proper mix of Stock, Bond, and money market funds.



*Fixed Market-Linked CDs

No-Load Mutual Funds*

Fund Name/Type	Stock Symbol	Buy, Sell or Hold	3 Month % Change	Average Annual Returns as of to 06/30/26 1 Year % Change	5 Year % Change	10 Year/ % Change	Expense Ratio
Aggressive Growth							
BNY Mellon Small Cap Index	DISSX	Buy	19.59	36.94	6.87	10.99	0.50
Kinetics Paradigm No Load	WWNPX	Buy	-6.98	9.58	15.12	19.23	1.64
Needham Growth	NEEGX	Buy	42.92	90.12	14.01	16.89	1.67
Schwab Health Care	SWHFX	Buy	5.57	18.01	4.80	8.57	0.80
Value Line Small Cap Opp	VLEOX	Buy	11.31	19.15	7.44	11.76	1.21
Growth							
American Century Mid Cap	ACMVX	Buy	8.79	1.847	7.99	9.14	0.97
BNY Mellon MidCap Index	PESPX	Buy	14.27	25.19	8.52	11.10	0.50
Janus MidCap Value T	JMCVX	Buy	8.21	20.25	8.95	9.33	1.06
Neuberger Berman Partners Inv	NPRTX	Buy	12.13	34.74	10.14	14.04	0.75
Selected American Shares	SLASX	Buy	10.80	26.15	10.91	13.53	0.97
American Century Small Cap Value	ASVIX	Hold	15.58	24.32	5.06	10.80	1.08
Growth & Income							
American Century Equity	TWEIX	Buy	4.92	16.49	7.51	8.57	0.94
American Century Large Value	ALVIX	Buy	7.17	20.06	9.86	10.26	0.84
abrdn Dynamic Dividend Instl	ADVDX	Hold	8.90	21.67	7.78	10.54	1.26
Parnassus Core Equity Inv	PRBLX	Buy	16.83	14.24	10.34	13.99	0.81
Janus Contrarian T	JSVAX	Buy	31.68	29.23	9.09	14.84	0.77
T. Rowe Price Equity Income	PRFDX	Buy	13.04	22.96	10.46	11.39	0.69
Hybrid							
American Century Balanced	TWBIX	Buy	8.56	11.25	5.67	8.17	0.89
James Balanced Golden Rainbow	GLRBX	Buy	-6.39	14.69	6.47	5.01	1.23
Oakmark Equity & Income	OAKBX	Buy	4.20	7.27	6.31	8.58	0.85
Impax Sustainable Allocation Inv	PAXWX	Buy	8.66	10.95	4.50	7.95	0.94
Permanent Portfolio	PRPFX	Buy	-2.79	16.10	10.86	10.11	0.79
Value Line Asset Allocation Inv	VLAAX	Buy	1.48	-11.47	2.33	7.12	1.10
International							
American Century Intl Growth	TWIEX	Buy	8.44	4.06	0.82	7.09	1.19
Artisan International Inv	ARTIX	Buy	8.81	21.69	10.13	10.25	1.19
Matthews China Investor	MCHFX	Hold	10.34	18.50	-4.87	8.04	1.25
William Blair Intl. Growth	WBIGX	Buy	17.53	21.58	2.98	8.68	1.15
T. Rowe Price Emerging	PRMSX	Buy	27.06	55.25	2.87	7.92	1.23
Sector Funds							
American Century Real Estate Inv	REACX	Buy	9.67	13.71	3.78	5.06	1.16
Cohen & Steers Realy Shares	CSRSX	Buy	10.04	12.13	4.34	6.73	0.88
T. Rowe Price Health Sciences	PRHSX	Buy	14.39	30.01	3.77	10.88	0.83
Victory Precious Metals/Minerals	USAGX	Sell	-17.45	43.31	17.73	10.61	1.04
US Global Investors Global Res	PSPFX	Hold	-13.53	44.76	6.49	7.84	1.75
Bond Funds							
American Century Infl-Adj Bond	ACITX	Buy	0.95	3.24	0.69	2.22	0.54
Fidelity Capital & Income	FAGIX	Buy	7.63	15.69	7.08	8.51	0.86
Janus Flexible Bond	JAFIX	Buy	0.75	3.59	0.05	1.89	0.65
Loomis Sayles Bond Retail	LSBRX	Buy	0.82	3.78	1.83	3.04	0.89
Impax High Yield Bond Indv Inv	PAXHX	Buy	2.67	5.82	2.84	4.91	0.95
American Century Sh-Dur Bd fund	APOIX	Buy	0.60	3.09	2.84	2.82	0.61
Western Asset Core Bond	WATFX	Buy	0.86	4.06	-0.77	1.58	0.43

* Some funds may be closed to New investors due to demand.

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Economic Outlook

–By Russ Colbert

You don't have to look very far to find negative press or commentary about the U.S. economy. We have high gas prices due to the Iranian war that are squeezing consumer budgets, and some believe the economy is headed down for a while. Many economists, looking back at history, have been blaming oil prices for causing recessions.

Looking at inflation reports over time, it seems to be a continuous monetary event. For example, in the very short term a spike in oil prices can change inflation reports because businesses and consumers dip into savings temporarily to spend more and the basket of goods and services used to measure inflation does not immediately change.

As a result, the CPI (Consumer Price Index) is up 3.8% from a year ago, which is above the Federal Reserve's target. This will most likely keep the Federal Reserve Bank from lowering interest rates, especially short-term interest rates, over the next several months. However, oil price shock is typically viewed as a temporary issue. And the impact on the economy has been muted or minimized. After adjusting for inflation, things appear not much different than before the war with Iran started.

While the Middle East events are dramatic it is a little bit more surprising that we have not paid more of a price. Deficits have been relatively stable and money supply has slowed considerably. If the economy continues to slow dramatically more, it would probably be due to the war and not an oil price supply shock.

We also think some of the U.S. stocks may be overvalued, but that does not mean they will drop, no matter what our forecast is.

The size of our government is larger than it has been anytime during the Internet age. For the past 20 years the average real growth in the U.S. has been around 2% per year. This is less than half the growth the U.S. experienced in the 20 years after World War II. The U.S. economy continues to grow as we develop incredible new technologies that raise our productivity. Unfortunately, more resources being allocated by politicians rather than market forces always slows growth.

So, we may see what some might call malaise because government is such a drain on the economy, the evidence of the economy being on the verge of a recession simply is not there, at least not yet.

Real GDP grew at a 2% annual rate in the first quarter, and we think is on track to beat 3% GDP so far in the 2nd quarter. The Alanta Federal Reserve Bank is even more optimistic for the 2nd quarter, projecting a growth rate of 4.3% GDP currently.

The initial claims for jobless benefits have been averaging around 203,000 over the last four weeks, lower than they were a year ago due to what we believe is causing this is a shift to net zero immigration over the past year.

Manufacturing production is up 1.2% from a year ago, it's not great, but no sign of a recession. Compare that to the previous ten-year average that was down at a 0.4% annual rate over the previous ten years ending April 2025.

The recent economic growth is led by Artificial Intelligence and Data Centers. In our opinion as soon as we can get past the war with Iran, oil prices should stabilize and the economy should show improvement as we move forward. Things are not as bad as some media outlets lead us to believe with the U.S. economy, and the gloom and doom is being oversold. So, stay buckled up, this war will pass and the economy will continue to improve.

If you have any questions or need a portfolio review to keep you on track with your investment or retirement plan, please call me.

Russell Colbert-Senior Portfolio Manager-888-878-0001

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