

FOCUS ON



We get the following questions on a regular basis...“How am I doing?” and “When will the market rise?” or “Is now a good time to invest?”. We understand that it becomes difficult to relax and trust our investment plan when markets decline, but it is common and normal for financial markets to have declines and resets. Landmark’s goal is to get you out of the game of worrying and guessing what the market is doing daily by having a long-term plan (a big picture) that can provide peace of mind. We trust in the financial markets and know that investing works, but it takes “Time In the Market” to be successful.

The cycle of media coverage and current technologies enables immediate access to everything wherever and whenever we want it. In many cases that’s a good thing when you want to stay in touch with friends and family or keep tabs on world events. The problem is that when it comes to investing, this much attention tends to be very detrimental as our brains are not wired to think about the long-term. The advent of free trading and the ease of buying/selling from your iPhone has amplified the ability to react to all this information. Frequent trading (which has become too easy) is not a recipe for success and can cause significant damage. In the short term, we know with regularity that markets will have wild swings. Making significant changes during these times can be extremely dangerous.

We expect 2023 to be another year of volatile markets. Most global central banks have entered or soon will enter restrictive levels on short-term interest rates, the long end of the curve has reset toward levels more consistent with long-run inflation expectations, and equity valuations have returned to levels approximating fair value. While we still see risks for the economy and corporate profits skewed to the downside, the setup for sentiment shifting more favorably in 2023 has improved. Central banks are approaching a plateau in short-term rates and inflation is trending lower. The full weight of the cumulative effect of higher rates has yet to be felt in the economy, but with a healthy consumer and healthy financial institution balance sheets, we have reason to believe a recession should be shallow and short-lived. In addition, we do not foresee a repeat of the dismal returns in bond markets that we experienced last year, which is very rare when equity markets are depressed.

So as we start 2023, let’s try and stick to your long-term investment plan that takes us through the short-term ups and downs of market fluctuations. Our longer-term outlook for developed markets is significantly improved from December 2021, and our annualized projections for this decade have increased by around two percentage points for both bonds and equities. We wish you and your family a blessed New Year!



LANDMARK NEWS FLASH

Brent and Bill completed the purchase of their shares back from Stock Yards Bank at the end of the year. No changes from this transaction will be experienced by our clients. We continue to invest in our people and technologies to make sure that you have a first-class experience. We appreciate the trust and confidence you have placed with us!

In addition, some of you will be receiving our new Tax Prep Letter later this month. We feel this new communication tool will help you and your tax preparer when it's time to file your tax return. We will be including all your activities with tax implications that occurred during the past year. It will also provide a list of tax documents you should receive from your custodian to ensure nothing is missed and your return is completed correctly. We strongly encourage you to send us a copy of your 2023 return once completed, as it allows us to make sure we are doing everything possible to enhance your long-term wealth.



SECURE ACT 2.0

In December of 2019 The Setting Every Community Up for Retirement Enhancement (SECURE) Act passed and created significant changes to retirement planning. Now, nearly three years to the day after its predecessor was passed, the U.S. House of Representatives, on December 23, 2022, passed the Consolidated Appropriations Act of 2023, an omnibus spending bill that includes the much-anticipated retirement bill known as SECURE Act 2.0. This bill will affect most clients we serve. We will be writing and updating you on the specifics of the bill in the next few weeks, and we will be reviewing specific opportunities/impacts with you during your upcoming 2023 client meetings.

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EMPTY POCKETS NEVER HELD ANYONE BACK. IT'S ONLY EMPTY HEADS AND EMPTY HEARTS THAT DO IT.

—Norman V. Peale

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IF YOU WANT TO BUILD A REALISTIC RETIREMENT NEST EGG, YOU HAVE TO MARRY THE STOCK MARKET AS SOON AS YOU CAN AND STICK WITH IT FOR THE REST OF YOUR LIFE.

—Jim Jorgensen

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