



tempus tidings

4TH QUARTER 2020

*H*elping you navigate the uncertainty and turmoil of the past year leaves me with a renewed sense of purpose. Helping you achieve your goals has never been more fulfilling or rewarding.

As I reflect upon 2020 and look forward to 2021, I have so much to be grateful for and your continued trust and confidence in Team Tempus ranks top of that list. I hope you find peace of mind knowing that we are here for you and committed to being by your side through every season.

Given the massive volume of news and data constantly changing, I felt it was best to move to more frequent email updates and placed Tempus Tidings on hiatus for most of last year. That in mind, this edition, which I hope you enjoy, is one very small part of our return journey to normalcy!

As always, please contact us if you have questions, concerns, or just need to chat about anything that is on your mind! In the meantime, I wish you a healthy and happy 2021!

Sincerely,

Brittany



PRACTICE UPDATES

US Mail Delivery Delays

Given the widespread backlog of mail to be delivered in the system, many clients have not received their monthly bills, resulting in missed or late payments. If you or any family member receive bills or send payments via US Mail, we recommend that you contact each company accordingly to confirm your current billing cycle, due date and/or date your payment was mailed. If you confirm a bill has not yet arrived, but will likely be late, also request the company provide you all no-cost payment options available to you, including the following:

- Pay in-person
- Request payment over the phone at no cost
- Pay online via company website or app

Lastly, if your bill or payment was not received in time resulting in a delinquent status or late fee, be sure to request the late fee be removed and reimbursed. If you find this is not the case, we want to hear from you! Please contact us with the details of what company is refusing to reimburse, the amount and circumstances so that we may help you get the issue resolved!

2020 Year-End Tax Reporting Delay your appointment

To ensure an accurate and streamlined tax return prep and filing process, consider delaying your accountant/CPA meeting until early March 2021. In fact, given the US Mail delays described just above, we recommend scheduling the second week of March to allow enough time to receive your 2020 tax documents. Doing so may help avoid filing amended returns should tax documents be delayed or reissued. As a reminder:

Who Is Reporting?	What Will Be Reported?	When Will It Be Reported/Mailed?
Mid Atlantic	All Tax Documents	January 19, 2021 through February 15, 2021
National Financial Services	1099 Consolidated Tax Statement (1009-DIV, 1099-B, 1099-INT, 1099-MISC, Supplemental Statements)	January 23, 2021 through February 13, 2021*
National Financial Services	1099-R on annuities and IRAs	January 21, 2021

*Note: Certain complex investment holdings may be issued as late as March 5, 2021.

Quarterly Market and Management Recap

As of 12-31-2020, the S&P 500 Index returned 18.40%, the US Aggregate Bond Index returned 7.51%, and the MSCI EAFE (global index) returned 16.25% for the year, with the VIX (volatility index) closing at 22.75, nearly doubling in 2020. Considering the historical market decline of February 2020 and subsequent uncertainty, most market participants could scarcely envision the massive rally and total gain to come. Despite a nation holding its breath waiting for election results, a Biden win did not crash the markets as many feared. Meanwhile, the news of Bitcoin's meteoric rise captured much attention and prompted fierce debate on its validity and future value.

The economic and market data we track improved over the final quarter of 2020 resulting in a combined and consistent positive trend over the quarter. Relative to historical levels, here are our high-level observations:

- Implied volatility risk decreased from high to heightened levels and settled in a narrow range, dropping significantly from the levels of earlier this year.
- Balance sheet risk remained high, however pricing in less risk as the months passed and concern of substantial company defaults waned.
- Economic signals shifted from poor to improving as collective readings were not in historically poor levels.

What we did?

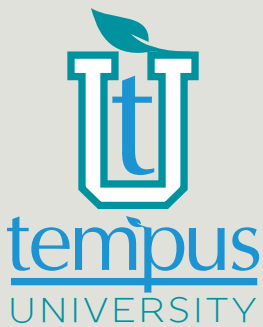
We remained in a defensive positioning until early December 2020 at which time we increased equity exposure given the improving data along with the presidential election uncertainty resolved. As of quarter-end, our general strategy positioning:

- Tempus Smart Growth Series: Full equity exposure
- Tempus Managed Risk Series: Neutral equity exposure
- Tempus Researched Series:
 - Balanced Income aligned to target a yield of 2.91%+
 - Fixed Income reduced shorter term bonds for longer term bonds
 - Strategic Income reduced shorter term bonds for longer term bonds

What we think?

The age-old wisdom of "don't fight the Fed" comes to mind. We believe the unprecedented levels of fiscal and monetary stimulus issued throughout 2020 has played the most significant role in the market's rebound and fed the Bitcoin mania. Meanwhile, the economic and market data we track continues to normalize, having rebounded from the "danger-zone" levels of early to mid-2020. As we reflect on 2020 and ponder 2021, we feel comfortable with our decisions of following the data by taking a defensive approach when the probability of a sustained market drawdown was high and then adding risk as that probability declined.

We believe the combination of vaccinations and Fed policy will be enough to keep markets range bound in the short term. However, the ongoing political instability will result in periodic bouts of volatility. With that backdrop, we view much of the market, specifically tech and growth sectors, as overvalued. Although we are mindful of these potential bubbles inflating to "in danger of popping" territory, we taper expectations in either direction through our rules-based mathematical approach. Diversification and vigilance matter now more than ever and we are confident that our process provides both.



The SECURE Act

In the wake of COVID-19 and the tremendous monetary and fiscal response via the "CARES Act" the Setting Every Community Up for Retirement Enhancement Act or "SECURE Act" passed in 2019 and effective in 2020 (and beyond) flew somewhat under the radar. This course is designed to provide a summary and review of the key provisions and potential implications of this important retirement-changing legislation.

What is the SECURE Act?

After passing the House in July of 2019 and approved by the Senate, it was signed into law by President Trump on December 29, 2019. The bill is far-reaching and includes significant provisions aimed at increasing access to tax-advantaged accounts and preventing older Americans from outliving their assets. As is the case with most legislation, the Secure Act has equal amounts of fans and foes.

Why the SECURE Act?

To address and ease the looming retirement crisis facing future American retirees primarily by expanding and preserving retirements savings.

Key Provisions

The Good:

- The SECURE Act will make it easier for small business owners to set up "safe harbor" retirement plans that are less expensive and easier to administer.
- Many part-time workers will be eligible to participate in an employer retirement plan.
- Pushes back the age at which retirement plan participants need to take required minimum distributions (RMDs), from 70½ to 72
- Allows traditional IRA owners to keep making contributions indefinitely.
- Allow the use of tax-advantaged 529 accounts for qualified student loan repayments (up to \$10,000 annually).
- Unearned income of children taxed at parents' marginal rates.

The Ok:

- Allows 401(k) plans to offer annuities.

The Bad:

- The "stretch" provision has been eliminated meaning that most non-spouses inheriting IRAs must distribute all the entire balance within 10 years.

Things to Consider

- Workers over age 70 ½ can now make traditional IRA contributions, which also potentially allows for backdoor Roth IRA contributions.
- Those who saved a lot of money in their 401(k) or IRA, and hope to leave that money to a non-spouse beneficiary, might want to rethink their strategy on who they choose as a beneficiary, recognizing this new, shorter timeframe.
- Those that have named a trust as a beneficiary to an IRA should review and possibly amend the trust strategy to ensure the trust continues to serve its original purpose while complying with the new law.
- Employees should carefully review any new annuity investment option in their employer sponsored plan to ensure it aligns to your needs and long term goals.

Bringing it all together

As is the case with most legislation, there are unintended consequences to consider and mitigate wherever possible. While the SECURE Act has the potential to strengthen the future of retirement in America, it does present challenges to those who have utilized trusts in an estate planning strategy. We recommend meeting with your financial advisor and estate planning attorney to thoroughly review your retirement plan and legacy goals to identify and address any gaps. If your employer offers new retirement savings options, be sure to contact your financial advisor to review.



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TASTES OF TEMPUS

Don't forget! If you have a recipe you would like to share, we would love to feature it here. Please email it to Amanda at amanda@tempusadvisory.com.

Chicken Noodle Soup (Quick and Easy)

Prep Time 10 Minutes | Cook Time 30 Minutes | Ready in 40 Minutes

Ingredients

2 tablespoons olive oil	1 teaspoon fresh thyme (or 1/2 teaspoon dried thyme)
1 cup carrots, peeled and sliced thin (about 1 1/2 large carrots)	1/2 teaspoon dried oregano
1 cup celery, sliced thin (about 2 stalks)	1 teaspoon pepper, or to taste
1 cup sweet Vidalia or yellow onion, peeled and diced small (about 1 medium onion)	12 ounces wide egg noodles (or your favorite noodles or pasta)
2 garlic cloves, minced	2 cups of rotisserie chicken
64 ounces (8 cups) low-sodium chicken broth, plus more if desired	3 to 4 tablespoons fresh flat-leaf parsley leaves, finely chopped
2 bay leaves	1 tablespoon lemon juice, optional salt, to taste

Directions

- 1 To a large Dutch oven or stockpot, add the oil and heat over medium-high heat to warm.
- 2 Add the carrots, celery, onion, and sauté for about 7 minutes, or until vegetables begin to soften. Stir intermittently.
- 3 Add the garlic and sauté for another 1 to 2 minutes.
- 4 Add the chicken broth, bay leaves, thyme, oregano, pepper, and bring to a boil. Allow mixture to boil gently for about 5 minutes or until vegetables are fork-tender. Note – If you like brothier soup, add additional broth, possibly as much as an additional 64 ounces because as time passes the noodles will continue to absorb broth.
- 5 Add the egg noodles and boil mixture for about 10 minutes, or until noodles are soft and cooked through. At any time while making the soup, if the overall liquid level is lower than you like and you prefer more broth, adding a cup or two of water is okay. At the end you will adjust the salt level.
- 6 Add the chicken, parsley, optional lemon juice (brightens up the flavor), and boil 1 to 2 minutes, or until chicken is warmed through. Taste soup and add salt to taste (will vary based on how salty the brand of chicken broth used is, how salty the rotisserie chicken is, and personal preference).
- 7 Make any necessary seasoning adjustments (i.e. more salt, pepper, herbs, etc.), remove the bay leaves, and serve immediately. Soup will keep airtight in the fridge for 5 to 7 days or in the freezer for up to 6 months.

Tempus Event Calendar

As of now all events are tentative and we will be sure to communicate any updates and changes accordingly!

Description

Client Appreciation Party
Thanksgiving Pie Day

Date

September 2021
November 2021

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