2398 S Dixie Hwy, Miami, FL 33133 www.TonkinsonFinancial.com T: 305-858-1628 Issue: 49

MARKET HIGHLIGHTS:

- The core PCE price index showed some welcome moderation at a 2.2% annualized pace over the three months through August. But the yearly rate remained elevated at 3.9%, well above the Fed's 2% inflation target.
- Despite rate hikes, the economy's resilience can be attributed to stronger-than-expected consumer spending, housing, and trade, along with ongoing solid job gains.
- The FOMC left interest rates unchanged in September, but signaled the possibility of another rate hike before year end as it battles inflation.
- Fixed income markets posted a significant loss in Q3 that more than offset the gains achieved in the first half of the year.
- US equity markets finished Q3 lower as the Fed signaled interest rates would stay "higher for longer" amidst a still resilient economy and moderating, but above target, inflation readings.
- Energy was the best performing sector gaining 12.2% as oil prices rose. Interest-rate sensitive groups such as Utilities, Real Estate, Consumer Staples, and Information Technology produced the weakest returns.

NEWSLETTER HIGHLIGHTS:

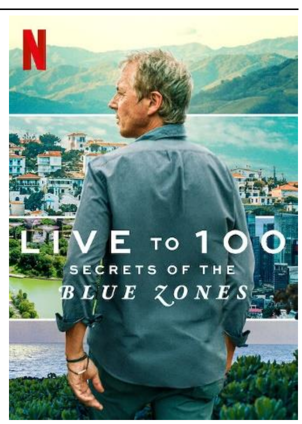
INDEX PERFORMANCE 09/30/2023

	Q %	YTD %	1 Year%
Aggressive Allocation	-3.52	8.19	17.43
Balanced Allocation	-3.31	6.02	13.31
Conservative Allocation	-3.13	3.88	9.16
S&P 500 TR	-3.27	13.07	21.62
Russell 2000 TR	-5.13	2.54	8.93
Barclays U.S. Agg Bond TR	-3.23	-1.21	0.64
MSCI EAFE NR USD	-4.05	7.59	23.31

	As of 9/30/2023	As of 9/30/2022
10-year Treasury	4.59%	3.83%
Barclays 1-3m Treasury/Cash	5.55%	3.92%
Price of oil	$90.79	$79.49
Real GDP YoY % charge	2.4%	1.8%
U.S. Unemployment Rate	3.8%	3.7%

The aggressive allocation is made up of 50% S&P 500 TR, 8% Russell 2000 TR, 18% Barclays U.S. Agg Bond TR, 22% MSCI EAFE NR USD and 2% cash. The balanced allocation is made up of 39% S&P 500 TR, 5% Russell 2000 TR, 35% Barclays U.S. Agg Bond TR, 16% MSCI EAFE NR USD and 5% cash. The conservative allocation is made up of 29% S&P 500 TR, 2% Russell 2000 TR, 53% Barclays U.S. Agg Bond TR, 9% MSCI EAFE NR USD and 7% cash. All indices are unmanaged, and investors cannot actually invest directly into an index. Unlike investments, indices do not incur management fees, charges, or expenses. Past performance does not guarantee future results.

Live to 100 – Secrets of the Blue Zones



This past summer Netflix released a four-part series called *Live to 100: Secrets of the Blue Zones,* which is a documentary that discusses why people that live in blue zones live longer than the typical life exptanacy. It identifies five unique communities where people live extraordinarily long and vibrant lives. Thanks to their unique diets and traditions there is a general feeling of a more meaningful life.

Market Review

— By Rick Tonkinson, MBA, MPA, CFP®, CLU, AIF®

The S&P 500 has shown a 13.1% increase from 12/31/22 to 9/30/23. The significant gains in communication (40.4%), technology (34.7%), and consumer discretionary (26.7%) are somewhat offset by the losses in financials (-1.6%), health care (-4.1%), real estate (-8.1%), and utilities (-14.4%).

The performance of the US stock market in 2023 has been heavily reliant on seven key stocks in various sectors:

In the Technology Sector:
1. Apple Inc (AAPL) increased by 32%.
2. Microsoft Corp (MSFT) also saw a 32% increase.
3. NVIDIA Corp (NVDA) had a surge of 198%.

In the Communication Services Sector:
4. Alphabet Inc (GOOGL) recorded a gain of 48%.
5. Meta Platforms Inc (META) experienced a substantial rise of 150%.

In the Consumer Cyclical Sector:
6. Amazon.com Inc (AMZN) rose by 51%.
7. Tesla Inc (TSLA) had an impressive increase of 103%.

It's worth noting that any decline in these seven stocks directly impacts both the S&P 500 index and NASDAQ, and this is precisely what occurred in the third quarter of 2023.

When evaluating performance, it's crucial to take the starting point into account. If we remember that the market reached its peak on 12/31/2021, the average return for these same seven stocks since then has been a negative 5%.

Furthermore, upon examining the S&P 500, it is worth noting that 337 out of the 500 stocks in the index have experienced declines of 20% or more from their all-time highs. This has led to an overall negative return for the S&P 500 for the year, excluding the performance of these seven key stocks.

The price earnings ratio of the S&P 500 is 17.8 but for the key seven it is 40.3. Investors are paying a premium for the top seven stocks. ? & !@# He

In the ongoing battle between value and growth stocks, as of 9/30/2023, growth stocks have clearly emerged as the dominant winners, surging by 17.9% compared to value stocks at 7.5%, particularly among large companies this year. However, when we assess this from the perspective of the market's high on 12/31/2021, we observe that growth stocks have experienced a negative return of 15.2%, whereas value stocks have shown a positive return of 1.9%.

With 30-year mortgages currently at 8.5%, the cost of purchasing real estate has risen significantly. Real estate prices remain remarkably high due to a shortage in supply.

The federal government has spent $909 billion in interest on its debt in 2023 which is more than 10% of its total spending. As individuals we would feel hard pressed if 10% of our total income went not to pay the loan but to the interest.

While the inflation rate stands at 3.67%, it might seem manageable initially. However, when we take into account the 33% increase in homeowners' insurance for Floridians and the seemingly uncontrollable rise in prices for basic necessities like food, it becomes clear that maintaining our lifestyle has become considerably more challenging. This is a significant contributing factor to the depressed Consumer Sentiment Index, currently at 68.1, well below the average of 85.0.

The bond markets are struggling, with the US Aggregate Bond Index down 1.2% so far in 2023, but its yield to maturity has risen to 5%. Corporate Bond yields have also surpassed 7% for the first time since 2009. While this might not sound exciting, these returns are relatively stable, assuming no defaults and holding bonds until maturity. In contrast, the performance of stocks is uncertain, with historical US stock market returns averaging just 6% annually over last 150 plus years. Given this, bonds are becoming an attractive source of income compared to the unpredictable nature of the stock market.

2022 was a challenging year for the market, and 2023 hasn't been significantly better, but there are signs of improvement, especially when we consider the performance since 12/31/2022. However, we have not yet returned to the levels we witnessed on 12/31/2021.

Reconsidering 529 plans

— By Steven Tonkinson, CFP®, AIF®, CFS®

Now that I'm a new father, and a financial advisor, I'm already looking at ways I can help fund my son, Stellan's, future educational expenses. One way to do that is with a 529 plan.

A 529 plan is a tax-advantaged account that can be used to pay for qualified education costs, including college, K–12, and apprenticeship programs. They have their pros and cons, just like other options, but what makes them more interesting now is that starting in 2024 there will be more flexibility in rolling leftover education money into Roth IRAs.

One of the provisions of the Secure 2.0 Act, a 2022 law that affects many retirement plans, allows excess funds in these education-savings plans to be rolled over into Roth IRAs tax-free if the Roth belongs to the beneficiary of the 529. Previously, if leftover funds were withdrawn and not used for qualified educational expenses, the 529 owner would owe income tax on the earnings portion of the withdrawal and a 10% penalty would be imposed.

Excess funds, or money left over, in a 529 could be the result of a child winning a scholarship, attending a military academy or deciding not to pursue higher education. The risk of unused money languishing in a 529 plan causes some families to fund their plans conservatively or to not even open an account. Next year's rule change thus could ease the burden on some 529 holders who worried about over-investing in those accounts.

Now this seems to be too good to be true, and it is, because it does come with all kinds of caveats. First, the Roth IRA must be in the name of the beneficiary, not the owner of the 529 account (if the two are different). There also is a lifetime maximum amount, $35,000, that can be transferred to the Roth from the 529.

Another restriction: The 529 plan must have been open for more than 15 years. And rollover funds cannot include any contributions to the 529 account and earnings on those contributions made in the previous five years.

Rollovers, moreover, are subject to the annual Roth IRA contribution limit. While the 2024 limit has not yet been announced, the limit this year is $6,500. So, it would take several years before being able to take full advantage of the $35,000 rollover allowance. Of course, the 529 plan beneficiary must have compensation in the year of the rollover at least equal to the amount transferred.

There are two unresolved issues that still require clarification by the Internal Revenue Service. Both involve what happens when a 529's beneficiary is changed. The first uncertainty is whether a new 15-year waiting period is established when a 529 account holder changes the beneficiary of the plan. The alternative to "resetting the clock" would be that the waiting period of the previous beneficiary carries over.

The other question is whether the $35,000 lifetime maximum is the total for all rollovers made from an owner's 529 account or the amount allowable for each beneficiary. Experts generally believe that the $35,000 limit is per beneficiary and that amount can be rolled over to the Roth IRA of more than one person.

Either way, it does make the 529 plan more attractive in potentially funding Stellan's educational costs.

Student Loans

— By Steven Tonkinson, CFP®, AIF®, CFS®

I'm hoping Stellan will not have to deal with student loan debt, something that affects roughly 43.5million Americans, totaling over $1.7 trillion, as of the end of 2022.

Payments begin again in October, after the Education Department instituted a pause back in March 2020. During that time there have been talks, debates, plans, court decisions on different forms of debt cancellation. The landmark proposal to cancel up to $20,000 per borrower was struck down by the Supreme Court back in June, while several other initiatives remain.

The Saving on a Valuable Education Plan, or SAVE, is a new income-driven repayment (IDR) plan. Those enrolled in SAVE get their monthly loan payments calibrated according to a formula that takes into account family size and discretionary income.

Like past IDR plans, SAVE requires borrowers to pay a portion of their discretionary income. Yet, SAVE calculates discretionary income above 225% of the federal poverty level, whereas previous regulations limited it to 150%. SAVE thus protects more income from repayment.

For example, if a family of two earns an annual income of $75,000, their discretionary income would be $45,420 under prior IDR plans and $30,630 under SAVE. Less money counted as discretionary income translates into smaller monthly payments for borrowers.
With SAVE, individuals making $32,800 or less a year—or roughly $15 an hour—and families of four making $67,500 or less annually would pay $0 in minimum monthly payments.

Borrowers earning more can also take advantage of the plan, which sets no qualifying income limit. The higher-earning borrowers who apply might have their monthly payments reduced by as much as 5%, according to the Education Department.

As of next July, SAVE borrowers will have to pay undergraduate loans at 5% of their discretionary income, and graduate loans at 10% of their discretionary income. Those with both undergraduate and graduate-student loans will pay a weighted average between 5% and 10% of their discretionary income.
Additionally, graduate and professional loans are paid off on a longer timeline—25 years, instead of a standard 20 years for undergraduate loans.

In the past, borrowers who missed a payment for more than 90 days were considered delinquent. Continued delinquency on payments could then lead to loan default, garnished wages and long-term effects on one's ability to borrow.

Earlier this year, the Biden administration announced a 12-month on-ramp period to ease borrowers back into repayment as of October 2023. During this time, missed payments won't have an impact on your credit score or cause loan defaults, according to the Education Department. Interest will continue to accrue on your loans during this time, so make sure to calculate what it will cost you if you wait to start making payments.

Those enrolled in SAVE who make monthly payments on time will see another benefit: Their loan balances won't grow due to unpaid interest.

As of July 2024, if a student-loan borrower pays their required monthly amount but that doesn't fully cover the interest that accrues, the borrower won't be charged any more interest than what their payment covers. For example, if a monthly payment is $50, and after you make your payment, the interest left unpaid is $10, that $10 in interest isn't added to a borrower's remaining balance.

So far more than four million student- loan borrowers have enrolled.

Making Informed Decisions when Picking a Medicare Plan

— By Kristina Shamonina, CFP®, ChFC®, Certified Senior Advisor (CSA®)

Navigating Medicare can be very confusing. With so many plan choices available, delving into the pros and cons to choose the best plan for your needs can quickly get overwhelming. Do not give up. Picking the wrong plan can result in very expensive mistakes so investing time and effort into doing some homework is really worthwhile in order to make an informed decision and avoid some common mistakes.

First and foremost, you have to understand what Medicare actually costs and not underestimate it. Traditional Medicare has three parts: A (inpatient hospital services), B (physician services) and D (prescription drugs). The great appeal of traditional Medicare is its flexibility in that you have access to any doctor/hospital without a referral or prior authorization. This flexibility, however, comes at a cost. While Part A premiums are often zero (for those who worked for at least 10 years), Part B has premiums that are based on your income (modified adjusted gross income, which includes IRA distributions). The standard premium is $164.90/month for 2023, but it can rise up to over $500, depending on the MAGI your most recent tax records show.

Tier	Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium Amount
1	• Individuals with MAGI of less than or equal to $97,000 • Married couple (filing jointly) with a MAGI of less than or equal to $194,000	2023 Standard Premium Amount = $164.90
2	• Individuals with MAGI between $97,000 to $123,000 • Married couple (filing jointly) with a MAGI between $194,000 to $228,000	Standard Premium + $65.90
3	• Individuals with MAGI between $123,00 to $153,000 • Married couple (filing jointly) with a MAGI between $246,000 to $306,000	Standard Premium + $164.90
4	• Individuals with MAGI between $153,000 to $183,000 • Married couple (filing jointly) with a MAGI between $306,000 to $366,000	Standard Premium + $263.70
5	• Individuals with MAGI between $183,000 to $500,000 • Married couple (filing jointly) with a MAGI between $366,000 to $750,000	Standard Premium + $362.60
6	• Individuals with MAGI of greater than $500,000	Standard Premium + $395.60

A hospital stay, covered by Part A, still requires a deductible of $1,600. Extended hospital stays (over 60 days) would inquire additional costs: days 61-90 cost $400 a day, days 91-150 (including 60 lifetime reserve days) cost $800 a day, and after day 150, you pay all costs. In addition, you will have to cover 20% of Medicare-approved cost of physician services during the hospital stay. New cancer therapy, for example, may have a cost of $150,000 a year, of which the patient would have to cover $30,000. For most Medicare beneficiaries this is unaffordable.

A very common misconception about Part D (prescription coverage) is that you get automatically enrolled in it along with Parts A and B. The fact is you must actively select a Part D plan; otherwise, you are on your own. Also, you must enroll in Part D within 63 days of your initial enrollment in Medicare. Missing this window will result in permanent increase of premiums: every year that you don't select this coverage, Part D premiums rise by approximately 12%. Part D premiums are also tied to income and increase for Tiers 2-6.

It is also important to understand the real cost of Medicare Advantage. Medicare Advantage is an alternative to traditional Medicare – often called Part C, this option normally bundles Parts A, B and D, delivered by Medicare-approved private companies. While Medicare Advantage may offer savings such as "zero premiums" (applying to Part A and D) and caps on out-of-pocket expenses, the reality is that you still have to pay the Part B premium, and the caps on out-of-pocket only apply if you stay in network. Going out of network for a hospital stay, for example, will mean you have to cover 20% coinsurance of the hospital bill. $30,000 bill means $6,000 out of your pocket. Because of this in-network/out-of-network rule, Medicare Advantage can really limit where you can go and who you can see for medical care. It may be a wrong choice, if you want to see a particular doctor, or move around the country a lot; it could be a good choice, if you don't travel a lot and like the doctors and hospitals in your plan's network.

To help pay for the cost sharing in Medicare Parts A and B, it is worthwhile to consider Medigap – supplemental insurance sold by private companies. It is regulated on both federal and state level, so plans work differently in different states. There are 10 types of these plans (also called Medicare Supplement Insurance) - Medigap A through D, Medigap F and G, and Medigap K through N - and they vary in the degree to which they cover the cost sharing in traditional Medicare. Yes, the specifics of these plans can be a bit confusing, but the bottom line is, all plans under the same letter offer the same set of things.

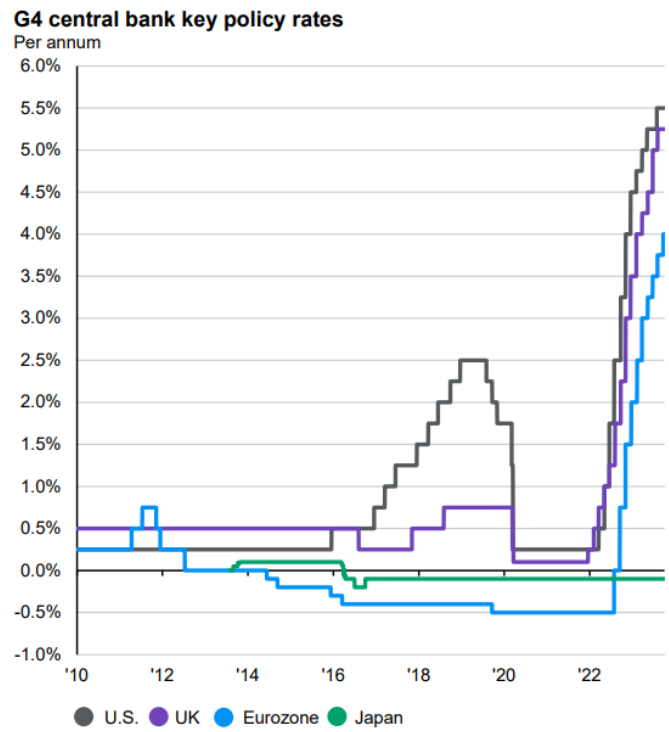
Choosing a plan is not a simple task; you need to realistically consider your current and future health needs, lifestyle and financial situation. Doing your research ahead of time also helps; uninformed last-minute decisions often end up in long-term disasters. A good resource for advice is a State Health Insurance Assistance Program, or Ship, which operates in all 50 states and offers free counseling and assistance to Medicare-eligible individuals, their families and caregivers. Please check them out at www.ShipHelp.org.

Interest Rates

— By Tom Saul, Advisor & Co-Portfolio Manager

Is the U.S. Becoming Japan 2.0?

Recent developments in the global economy have ignited discussions about whether the United States has ventured too far and now finds itself in a scenario reminiscent of Japan's economic journey, often referred to as "Japan 2.0." A pivotal element underpinning this comparison is the surging government debt levels in both nations and the potential necessity for "lower for longer" interest rates to safeguard debt sustainability.



Interest Rates

Over the past year, global interest rates have surged, with the Federal Reserve raising rates to combat inflation and sustain a robust economy. However, the parallel between the United States and Japan lies in the potential ramifications of these escalating rates. While higher interest rates should typically mirror growing economicconfidence, they could amplify the challenges posed by colossal government debt burdens.

In both countries, servicing this debt has become a major budgetary concern. If interest rates continue to rise, the costs of servicing this debt will increase significantly, potentially crowding out essential public spending and hindering future investments and economic growth.

Government Debt

Japan is renowned for its staggering debt levels, surpassing 250% of its GDP. In recent years, the United States has experienced a significant upswing in government debt, primarily due to substantial fiscal stimulus measures implemented during the COVID-19 pandemic. Federal debt to GDP has now exceeded 120%, raising legitimate concerns.

In 2022 alone, government interest payments amounted to $640 billion, with projections for 2023 reaching $1.2 trillion. With ongoing government borrowing and a "higher for longer" policy stance from the FMOC, interest payments are swiftly becoming the largest expense on the federal budget.

A Need for "Lower for Longer" Interest Rates

To avert the potential pitfalls of debt levels surpassing GDP, the United States must manage its monetary and fiscal policies. In contrast to the Federal Reserve's inclination toward "higher for longer" interest rates, a compelling argument is emerging for the necessity of maintaining "lower for longer" rates to ensure the viability of these elevated debt levels. This approach can help alleviate the burden of servicing the debt, support government budgets, and create a more conducive environment for economic growth.

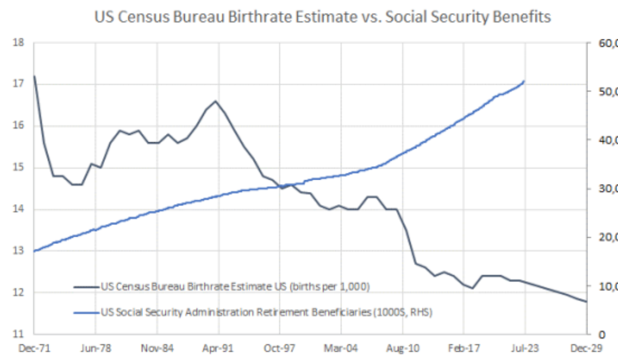
Demographics

Demographics play a pivotal role in understanding potential challenges that face both the United States and Japan. Japan's aging population is a key driver of its economic challenges. A declining birthrate and longer life expectancy have resulted in a growing elderly population with lower consumption habits and a shrinking workforce.

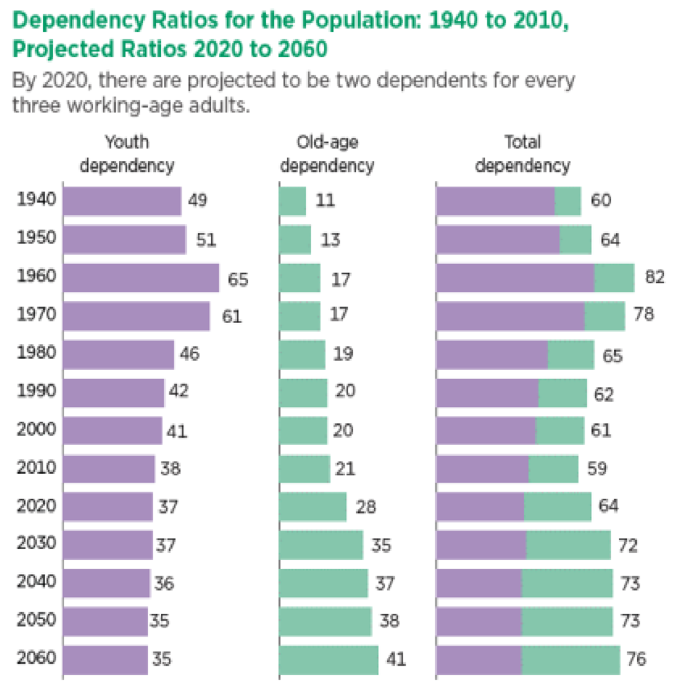
Similarly, the United States is experiencing a parallel demographic shift. The retirement of the baby boomer generation is placing strain on social security and healthcare systems. Concurrently, declining birth rates raise concerns about the sustainability of the workforce and the potential for future economic growth. With fewer prospective taxpayers, the burden of debt falls on a smaller population, which presents its own set of challenges.

Japan's Thriving Stock Market Despite Low Rates

In the face of global economic challenges like the pandemic and supply chain disruptions, Japan's economy stands strong. Robust domestic demand, resurging exports, and government stimulus measures have fortified its resilience. The Nikkei 225 index surged nearly 24 percent this year, outpacing the S&P 500 in the United States. Several compelling factors are driving this resurgence, drawing the attention of global investors.



Sources: 1 - U.S. Census Bureau, Population Division
2 - Social Security Administration as of May 2023



Note: Dependency ratios are a measure of potential burden on the working-age population.
Youth dependency ratio = (population under 18 / population aged 18 to 64) * 100.
Old age dependency ratio = (population aged 65 and older / population aged 18 to 64) * 100.
Source: U.S. Census Bureau, 2017 National Population Projections, 1940–2012 Population Estimates.

- **Monetary Easing:** Japan has kept ultra-low interest rates while other major economies, such as the United States and Europe, are tightening monetary policies. The commitment to monetary easing supports borrowing and investment.

- **Government Initiatives:** Japan's government focuses on raising wages and helping job changes for higher pay, improving consumer sentiment, driving domestic spending, and boosting corporate earnings.

- **Buffett's Confidence:** Legendary investor Warren E. Buffett's investments in Japanese companies boost investor confidence and signal long-term potential.

Despite the persistence of low interest rates, Japan's stock market is flourishing, primarily due to a transformation in corporate governance practices. Japanese companies have embraced shareholder-friendly strategies, including increased dividends and enhanced transparency. Investors view these changes as enduring, enhancing Japan's appeal as an investment destination.

As the debate continues on the consequences of low interest rates, Japan's experience suggests that a proactive approach to economic policy, coupled with corporate governance reforms, can lead to positive outcomes.

Imperative Policy

In the ever-changing global economy, economic challenges must be proactively addressed through policy reforms. Despite the US Federal Reserve's stance of "Higher for Longer" interest rates, it's clear that "Lower for Longer" rates are needed to sustain high debt levels. It's crucial to remember that these trends can be influenced by policy choices.

As seen in Japan, low interest rates, high debt, and a shrinking population can still lead to a thriving economy and stock market. The United States and Japan share similarities in interest rates (cost of debt), government debt (debt size), and demographics (population available to pay debt). While the two countries have different economies, the US can draw some valuable lessons from Japan's example.

In my view, the Federal Reserve could shift its policy direction sooner than anticipated. Currently, the market expects a potential interest rate cut in June 2024. However, it's important to note that even minor shifts in the way the Federal Reserve communicates about its policies are a sign of change. Given the significant pressure that the restrictive monetary policies are placing on financial markets, it's feasible that the Federal Reserve may opt for an earlier rate cut than previously expected.

Cyber Security Awareness Month

— By Lucy Foerster, FPQP®
Client Relations Coordinator

While October is famous for its autumn foliage and festive fairs, it's also Cyber Security Awareness Month. This initiative aims to raise awareness about protecting ourselves online. In today's digital age, being proactive about our cyber security is crucial.

Cybercriminals are individuals or groups who engage in illegal activities online with the objective of obtaining financial data and exploiting identities. Their actions have significant repercussions, leading to severe consequences for the victims of a cyber-attack. The worst part is they are experts at what they do and trick people into giving them information that shouldn't be shared. Key word is trick. So don't get down on yourself if you get duped – they are really good!

The numbers are staggering! According to an article from Microsoft here are some recent statistics:

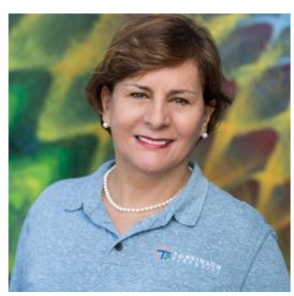
- The average cost of a data breach in 2022 was USD4.35 million.
- The median time for an attacker to access your private data through a phishing email is 1 hour and 12 minutes.
- 15 percent of lifestyle apps are malicious.
- There are 4,000 password attacks per second.

You might be thinking, there is no way to around this new wave of cybercrime, but there are a few tips to help safeguard your information. For example, multifactor authentication can prevent 99.9 percent of attacks on accounts. Check your devices, apps, and account settings to enable multifactor authentication, such as two-step authentication or biometrics. You can also protect your devices by setting up automatic software updates to make the process smoother and decrease the risk from ransomware and malware. Email phishing is tough! Make sure you check the sender's email address for verifiable contact information and phishing tip-offs such as an unrelated sender address. If in doubt for any reason, do not reply. It is better to not click on links or open email attachments unless you have verified the sender.

Just remember when in doubt stay cautious.

BOOK REVIEW: Painted House – *Written by John Grisham*

— By Margarita Tonkinson, Associate



"The hill people and the Mexicans arrived on the same day. It was a Wednesday, early in September 1952. The Cardinals were five games behind the Dodgers with three weeks to go, and the season looked hopeless. The cotton, however, was waist-high to my father, over my head, and he and my grandfather could be heard before supper whispering words that were seldom heard. It could be a 'good crop.;"

*— First paragraph of **A Painted House,** John Grisham*

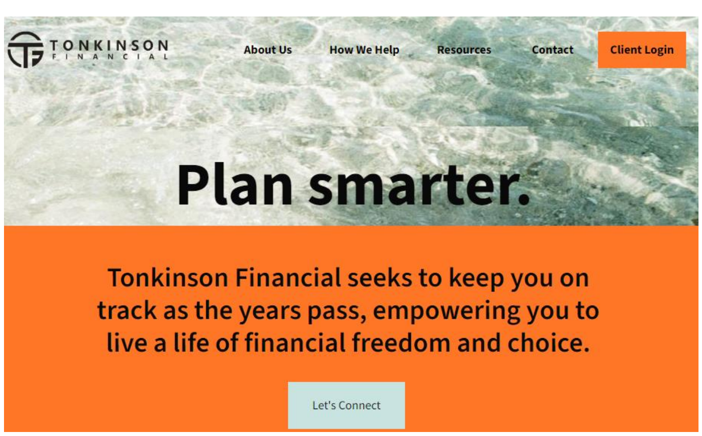
In "A Painted House," Grisham gives us a fictional story about rural people in the little town of Black Oak, in Craighead County, Arkansas, where Grisham was born, the son of the cotton farmer. In this novel John Grisham moves away from lawyers, trials, courtrooms, conspiracies. In fact, there is not a single lawyer, dead or alive in it.

The protagonist is a seven-year-old named Luke Chandler who is also the voice of the novel. He is a smart and wise beyond his years. He can read, and he can write cursive script, and he can figure out just about everything about what he sees going on around him. Luke watches his parents and grandparents barely making a living out of the land, and he knows that they and he will have to escape someday. He feels the first initial interest for pretty girls. He cheers for Stan Musial and longs for a St. Louis Cardinals warmup jacket out of the Sears catalog. He prays like a good Baptist and worries about sin, but he's not such a pious little boy that he doesn't spend a lot of time spying on anyone and everyone who interests him. That's how he witnesses two people getting murdered and a baby getting born amid storms, flood and scandals in that long late-summer cotton-picking season of 1952.

This novel brings a beautiful description of the lifestyle in rural Arkansas including the pains and tribulations of farmers and their families. Also, the life of migrants not only Mexicans but also hillbilly people. As a child from the region, Grisham is intrinsically familiar with not only the geography, economic and logistic of the area but also the beliefs, values, needs, fears, sentiments, aspirations and frustrations of the people in the story. This novel is exceptionally well written. It touches all levels of humanity.

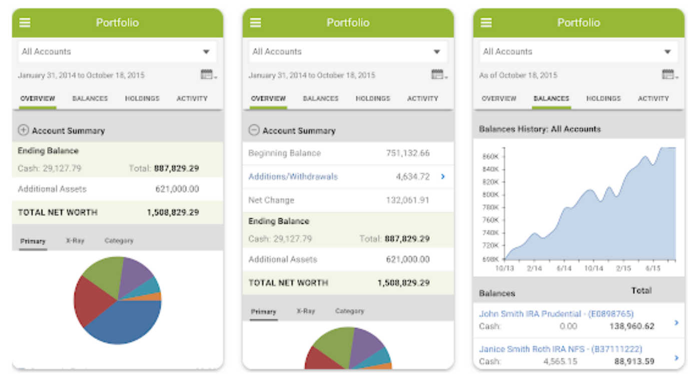
New Website

For the past few months our team has worked hard on improving our website with the goal of providing you with the best possible user experience. We are thrilled to announce that our new website went live at the end of September. Please check out our fresh look at www.TonkinsonFinancial.com and its new features.



Do You Know about the Investor360°® App?

The Investor360°® mobile application gives you the power to view a summary of your financial picture. Instead of waiting to get your statements on paper, you can log in to the Investor360° app 24/7. Call our office to get a walk-through of how to use the app or create a login.



DJ Industrial Average (DJIA): Computed by summing the prices of the stocks of 30 companies and then dividing that total by an adjusted value—one that has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are invested to reflect the actual performance of the underlying securities. NASDAQ Composite Index: Measures the performance of all issues listed on the NASDAQ Stock Market, except for the rights, warrants, units and convertible debentures. Barclays Capital Global Aggregate Bond: This index provides a broad-based measure of the global investment-grade, fixed-rate debt markets.

MSCI China: This free-float adjusted capitalization-weighted index is designed to measure the performance of China-based equities. MSCI EAFE (Morgan Stanley Capital International Europe, Australia, Far East): This index is a capitalization-weighted index that tracks the total return of common stocks in 21 developed-market countries within Europe, Australia and the Far East. MSCI Emerging Markets EMEA: This index captures large and mid-cap representation across 8 Emerging Markets (EM) countries in Europe, the Middle East and Africa (EMEA). With 139 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Russell 2000: This index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. Standard and Poor's (S&P) 500: This index tracks the performance of 500 widely held, large-capitalization U.S. stocks. S&P Consumer Discretionary: A market capitalization weighted index that tracks the performance of consumer discretionary companies. S&P Consumer Staples: A market capitalization weighted index that tracks the performance of consumer staples companies. S&P Energy: A market capitalization weighted index that tracks the performance of energy companies. S&P Health Care: A market capitalization weighted index that tracks the performance of health care companies. S&P Materials: A market capitalization weighted index that tracks the performance of materials companies. S&P Technology: A market capitalization weighted index that tracks the performance of technology companies. S&P Utilities: A market capitalization weighted index that tracks the performance of utility companies.