

MALLARD Money Matters

October 2021

Meeting Your Future Needs, by Joseph L. Daigle II, CFEI , CEO



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We are a Fee-Only firm
providing
investment management
and financial planning
to over 200 clients.

Contact us to learn more.

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We have been putting in time during COVID to plan for the future. Specifically, we've been thinking about the future of your needs, and how Mallard can meet those needs.

Mallard often gets new clients with a wide variety of financial needs. If all the services Mallard offers were a cake, some clients want just a slice of cake (i.e. help choosing a 529 college savings plan or creating a retirement plan), and some clients want the whole cake (full-service financial planning and investment management).

Given our mission to "Deliver meaningful, accessible, and trustworthy financial advice," we have been considering adjustments to how we present our service offerings, to make it easy for people to get the exact slice, or slices, of cake they're looking for.

We are still finalizing the adjustments to our service offerings. But, we have been spurred on by the recent success of our two-year-old Nonprofit Division. It modeled a way for us to better serve a specific client population - our nonprofit and endowment fund clients.

Keeping in mind the future needs of our clients, we aim to create the right bundle(s) of services and organize ourselves internally to efficiently deliver each slice. This is how we're working to ensure everyone can have their cake, and eat it too. 🌿

Mallard Financial Partners — your *family's* Financial Partner

We've been helping individuals and families achieve their financial goals for the past 25 years. As our clients age, we work together to make sure their heirs are properly included in their estate documents.

Have you planned ahead for your heirs? **It might be a good idea to introduce your children or grandchildren to us, either in person or virtually.** We have clients throughout the country (in 20 states). Many of these far-flung clients are children (or grandchildren) of clients who have passed away. When the heirs inherit, they often trust Mallard to manage their inheritance, since their parents trusted Mallard with their accounts. We work with the next generation in ways that work for them, wherever they live and whatever their financial circumstances. Perhaps this can be a discussion when you see/ talk to your family during the upcoming holidays. Contact us to discuss ways we can help keep it "all in the family". 🌿

How Often Do I Re-evaluate My Risk Level?

by Nick Gaetani, CFP®, ChFC®, RICP®, Financial Advisor

If you're reading this newsletter, you're probably at least somewhat familiar with the concept of risk tolerance. After all, financial advisors talk about it frequently.

"We have to find your risk tolerance."

"We're going to manage to your risk tolerance."

That all makes sense for a point in time. Our founder, Paul Baumbach, puts it well when he says, "We find the highest level of risk you can stomach on the worst of days and manage to that." But, how will you know if that point has moved over time? And how do you go about finding that out?

There are three ways to think about this and they complement each other well:

- Baseline: re-evaluate every 1-2 years
- Major Life events
- Major Market events

Start by setting a healthy baseline. You should be re-assessing your risk tolerance every year or two. If you're already retired or close to it (within 5 years), it makes sense to look at this every year without fail. Things can change quickly, and it's too financially sensitive a time in life to get caught out unnecessarily. If you still have 10+ years to go, every other year can suffice - although there's no harm in looking at it every year if you wish. If you're in-between that range or you aren't sure, ask your advisor.

Beyond that healthy baseline, there are some other triggers to keep in mind. **Major life events** change the way you look at things, so they can spur you to reassess how you look at your finances, too. Marriage, birth of a child, job change, moving, divorce, inheritance, and many others things may serve as the catalyst for a conversation to evaluate if a shift is necessary.

Things external to you can also be good prompts. **Large market movements** can be an opportunity to rethink your risk profile. Note very carefully that I am not saying market movements are automatically great opportunities to change your stock/bond allocation. What large swings do for all of us is make us reconsider if we were really as comfortable as we thought we were. After all, risk is all hypothetical until it's real.

If you're working with an advisor, you have hopefully already planned for the worst of days, so a market swing wouldn't change things much in theory. In practice, there's no way of knowing for sure how you will react to something until you live through it. As advisors, we help you approximate life as best as possible beforehand and make changes as the facts change.

You would go about this by **re-taking your risk assessment** whenever one of these trigger points arises. At Mallard, we arrive at a proper mix of investments through a combination of using a leading industry brand risk questionnaire to set the tone, and a personal conversation with our clients to hone it down. We aim to have that conversation once a year to make sure we're always staying current.

Like many other things in life, **the key to a solid foundation is a disciplined approach**. If you set a healthy baseline, know the event-driven prompts that might override the baseline, and maintain the discipline to keep up with it; you will have gone a long way towards making sure your risk level is appropriate and feeling in control of your finances. 🌿



Jacqie Thompson, AAMS® promoted to Director of Operations

Many of you may recognize Jacqie, as she has been with Mallard for over 10 years and is one of the company's four owners. She holds an AAMS® designation (Accredited Asset Management Specialist™), is Series 65 licensed, and is U4-registered.

As Investment Operations Manager, Jacqie has been responsible for a majority of the internal operational activities at Mallard for quite some time. Over time, the responsibilities of the role expanded to include managing the regular, routine tasks of our Investments Department. To better reflect this, Mallard is merging our Investments and Operations departments into one, which will be managed by Jacqie in her new role as Director of Operations.

Jacqie is eager to take on this new role and looks forward to leading the expanded Operations team in its continued mission to serve our clients in an effective, efficient, and ethical manner. 🌿



Do Bonds Belong in your Portfolio? by Aaron Snyder, Trading Specialist

Bond investors face a challenging environment in 2021. Yields are historically low, inflation is heating up, and rising interest rates can make today's bonds less attractive (as rates rise, prices fall). This may have fixed-income investors wondering, "What's the point?", especially when the stock market's performance has been so strong.

The truth is, bonds still offer most of the same benefits they always have. Bonds provide stability and ballast to a portfolio – a type of insurance in case things go sour. While some of us have become accustomed to a long-running bull market in stocks, we all know a downturn can happen at any time. During the stock market crash in March 2020, stocks dropped 16% for the month, while quality bonds held their own and only fell 0.5%. In late 2018, when stocks endured a 20% drop, bonds gained 1% over the same period.

In fact, over the last 70 years, the largest ever drop over a one-year span for bonds was 8%, versus a 39% decline for stocks. In addition to protection, bonds also have provided a steady stream of income, which can be important for financing short-term needs, or preserving a retirement nest egg. Sure, bonds don't offer the same yields they once did, but bonds are still fundamental to maintaining a balanced portfolio – and helping you sleep better at night.

Today's lower yields do not change how you should use bonds in your portfolio. **However today's lower bond yields do compel you to reset your expectations for future bond returns.** This reset has implications for proper stock/bond allocation levels for investors. We plan to cover this topic in a future article, but if you think you should consider a higher stock allocation now, contact your advisor. We are here to help. 🌿



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Working together, building your financial security

Medicare Reminder

If you are currently enrolled in Medicare, it's worth reviewing your coverage and prescription drug plan.

You can change your coverage during **Medicare's open enrollment period**, which takes place from October 15th and goes through December 7th.

We are currently accepting new clients

Your questions and comments are always welcome.

Contact us at 302-737-4546 or info@mallardfinancial.com

Fee-Only Advisors

At Mallard Financial Partners, we are fiduciaries.

That means we always put our clients' interests first. Our business is about relationships, not transactions.

Mallard in the Community

We attended the DE Volunteer Firefighter's Association conference. It was their 100-year anniversary.

We talked to members about their personal finances and their Fire Company's investments.



Please support your local Fire Company!