



MILLER ADVISORS

# MILLER ADVISORY

Personal financial services as individual as you are

SECOND QUARTER | 2020



## FROM KATHLEEN AND NICOLE

To say that a lot has changed since our last newsletter is the understatement of the year, perhaps of a lifetime. These are indeed, very unprecedented times we are all facing amid this coronavirus pandemic. It seems our lives are changing every day, sometimes minute by minute. We have all had to dramatically adjust our daily lives; remaining in our homes, not going to restaurants or local events, no traveling, not seeing friends and family except by phone or video, and in so many other ways. But as humans, what has not changed is our desire to stay connected to and socialize with one another. As we all do what is necessary to keep ourselves and loved ones safe, let's not forget to keep talking to or FaceTiming with our close friends and family. Though these uncertain times will last longer than any of us want, they won't last forever. We will get through this together.

Our Miller Advisors Team wishes you and your family a happy and healthy spring.

*Kathleen and Nicole*

## HOW WE ARE CARING FOR YOU

During this time, Miller Advisors' utmost concern is for your safety and the safety of our team members. It has prompted us to answer this important question: How do we consistently and safely serve our clients as well as care for our team members?

We have changed our normal office operations and meeting practices for the short term. To ensure uninterrupted service, our team is working remotely and we rotate one team member in the office each business day to answer your questions when you call and help with meeting preparations. Although we are all not physically in the office and not seeing clients face to face, we are all still available via phone, email, and Zoom conferencing.

We will continue to reach out with the latest information on market conditions, CARE Act updates, as well as sharing tips on coping with the changes to our lives.

*We are here for you!*

*"I shall pass this way but once; any good that I can do or any kindness I can show to any human being; let me do it now,"*

- Quaker Missionary Etienne de Grellet.



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## MILLER ADVISORS' INVESTMENT PHILOSOPHY

An investment philosophy is a set of beliefs or principles that guide an investor's decision-making process. It's not a set of laws, more a set of guidelines. Our Miller Advisors' Guiding Principles are client-centric, personalizing our approach to your financial life. We say that "Your Financial Future Starts With Decisions You Make Today." And this has never been truer than right now. We want to assure you that we are here for you as always, working diligently and reviewing your portfolios frequently. You have a plan that we developed with you that addresses your financial goals, your risk tolerance, your time horizon, and your asset allocation. This is the time to stay disciplined and continue to work your plan.

## MARCEL'S MASTERMIND

*"Everything will be okay in the end. If it's not okay, it's not the end."*



## ASSET ALLOCATION IS KEY TO YOUR SUCCESS

Miller Advisors has always taken a more conservative approach and we continue to maintain a long-term outlook with regards to our investment philosophy.

To illustrate this, we use the bucket strategy.



**THE CASH BUCKET** is where we hold cash to provide a no-risk place to cover 6-12 months of expenses.

**THE FIXED INCOME BUCKET** holds low risk fixed income assets to cover 3-5 years of expected expenses.

This second bucket of Fixed Income Investments is meant to replenish the first bucket over time. There are 4 main roles of the Fixed Income Asset:

1. Diversification from Equities. Owning bond funds with a low correlation to equities can result in lower portfolio volatility.
2. Capital Preservation. Can help protect principal in most market environments.
3. Income. Providing dependable income is a central function of Fixed Income.
4. Inflation Protection. Bonds directly linked to the consumer price index can help protect an investor's purchasing power.

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**THE EQUITIES BUCKET** holds equities and other riskier assets. Equities have an important place in a portfolio because they promise the highest returns over time. Equities also carry the most risk. Equity share prices can fall dramatically at times, depending on stock market conditions. The key to including equities in a portfolio is having the right proportion. This is where we invest with a longer timeframe to ride through shorter periods of volatility to increase the likelihood of success for your investments. These assets are designated for funds that will not be needed for at least 3 years or more. This third bucket replenishes the second bucket over time and allows us to be strategic rather than reactive to market volatility.

Asset Allocation remains the key to our success. It is defined as investing in equities, fixed income and cash [Money Market Fund] with the intention of balancing risk and return. Research shows us that asset allocation accounts for 91% of a portfolio's return, whereas market timing and individual security selection only accounts for 9% of a portfolio's return<sup>1</sup>. Timing the market; selling high and buying low is not a strategy, it is a type of gambling. No one can perfectly time the market, therefore, putting your financial success at risk. We use financial planning principles to manage your money and create an asset allocation strategy that works for your needs and reflects the risks you are willing to take.

## WHAT SHOULD YOU BE DOING

This is not your typical market downturn. The volatility and uncertainty we are experiencing is not only in the financial markets, it is also affecting our physical and emotional well-being in ways we never imagined. We are hard wired to be social and that is why being deprived, even for a short time doesn't feel good. Studies show that people who have a more robust social life, live longer than people who do not.

Some of the most well-established consequences of financial loss are mental health issues, elevated rates of depression and anxiety, and increased use of anti-anxiety medications. There are things you can be doing to remain in control of your health and finances:

### **Turn off the news.**

It is important to stay informed about the current situation, but we can easily become overwhelmed from all the information we have access to these days from TV, internet and social media. Step away from your computer, TV, or phone to rest and recharge. If our minds are too saturated with negative news, it is difficult to find happiness, humor or even peace in our current life or situation.

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*"Dawn comes after the darkness,"*

- Lisa Wingate



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## **Escape.**

Curl up with a cup of tea, a cozy blanket and a good book or movie. Go ahead and binge-watch those movies and read those books you have been putting off, because sometimes we need a good distraction.

## **Stay connected.**

Schedule a happy hour, book club, cooking class, karaoke, or game night via Zoom with your friends, family or neighbors. We have become near experts on Zoom, so we are happy to help get you started if you would like.

## **Go outside.**

Even just a simple walk helps clear our head. Being in nature and getting exercise is a good way to decompress, feel more connected, and stay healthy.

## **Be kind.**

Reach out to neighbors or others who might be having difficulty. Share something good, even if it is a picture, poem or recipe you have tried. You could even send a card or letter to show you are thinking of them.

## **Re-frame your thinking.**

At this time, we have a great opportunity to shift our outlook by appreciating the everyday. We have been forced to slow down to a near halt, but this also offers us the space to focus our attention and be intentional with our time. We can notice the beauty of Spring as it unfolds around us through the birds singing, the warmth of the sunshine, blooming flowers, or the flourishing bunny population (as in Nicole's yard). We can be grateful for our friends and family by appreciating our time with them, even if it is

virtual. We can look forward to the time when we will once again be able to spend time together less than 6 feet apart.

## **Get started**

We have the time to be inspired with new hobbies, a good book or movie, or cook. It turns out baking bread is the latest trend, so much so that yeast is competing with toilet paper as the hardest item to find on store shelves.

## **Expectations and time management**

Be sure to manage expectations for yourself. If your Quarantine To Do List looks anything like ours: learn a new language, cook every recipe in my cookbooks, clean out every closet, read/watch the 100 best books and movies of all time, tackle every household improvement project – you are likely to feel disappointed before even getting started. We like to fill our day with activities in order to feel productive, but we rarely give ourselves permission to relax and recover.

## **Reduce your expenses.**

This is the most important thing you can do financially. Take some time to review your budget and your expenses. Look at areas where you could reduce expenses in the short term. You can reach out to the banks, credit card companies, and other billers to see if there are any options available to you.

*“Losing your head in a crisis is a good way to become the crisis.”*

— [C.J. Redwine, Defiance](#)



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## MARK YOUR CALENDAR

### May and June, 2020

May 1 Mother Goose Day

May 4 Star Wars Day; May the 4th be with you 😊

May 6 National Nurse Day

May 10 Clean Up Your Room Day and Mother’s Day!

May 25 Memorial Day

June 2 National Rocky Road Day, eat some ice cream!

June 6 D-Day, WWII

June 7 National Chocolate Ice Cream Day, eat more ice cream!

June 9 Donald Duck Day

June 14 Flag Day

June 20 Ice Cream Soda Day, I’m sensing a theme here!

*"The only thing we have to fear is fear  
Itself."*

- President Franklin Roosevelt's 1933  
Inaugural Address, The Great Depression

## SHREDDING PARTY

Miller Advisors’ Shredding Party has changed to:

***Thursday, July 16th from 9 am to 12 pm.***

Bring your old statements and any un-necessary tax calculation documents to our office to be securely destroyed by our shredding company.

***Coffee, tea and breakfast pastries will be provided.***

### What to Keep

- Year-end statements for all accounts including Raymond James Financial Services.
- Reports for income tax reporting such as 1099s.

### What to Shred

- Monthly Statements after you receive the corresponding year-end statement for each account.
- Shred your Buy and Sell confirmations after you read them.

## STAFF NEWS

On March 16<sup>th</sup> our Financial Planning Associate Carrie took the Certified Financial Planner examination. The results are in – she passed! This test is the culmination of many courses and hours of study, and we are excited to continue to raise the bar in the collective knowledge we can bring to the table for our clients. Congratulations, Carrie!

### **What the staff is looking forward to in the coming months?**

**David:** Getting out on the golf course, hiking and hosting a summer BBQ at my house for friends and family.

**Jane:** Visiting my daughter in Austin to go shopping for a wedding dress, and my son’s wedding in the fall.

**Carrie:** Hiking in the National Forest upon its reopening! There are beautiful hikes I can’t wait to take!

**Kathleen:** I will be making up for all of the lost moments with my granddaughters.

**Nicole:** Taking my girls swimming, everyday they put on their swimsuits and ask to go to the pool; going on our first family vacation.

**Sharon:** Starting construction on our home renovation. Spending time with our newest granddaughter, born 4/9/20.



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## FINANCIAL UPDATE

Here are selected rate of return numbers for the last two years and year to date as of 03/31/2020\*

	3/31/2020	2019 Annual Return	2018 Annual Return
Dow Jones Industrials	-22.73%	25.34%	-3.48%
NASDAQ Composite	-13.95%	36.69%	-2.84%
S&P 500 Index	-19.60%	31.49%	-4.38%
Russell Midcap - US Mid Cap	-27.07%	30.54%	-9.06%
Russell 2000 - US Small Cap	-30.61%	25.52%	-11.01%
MSCI EAFE - International Large Cap	-22.83%	22.01%	-13.79%
MSCI Emerging Markets	-23.60%	18.42%	-14.57%
BBgBarc US Aggregate Bond	3.15%	8.72%	0.01%
FTSE Treasury Bill 3 Month - Cash Alternative	0.39%	2.25%	1.86%

(Source: Morningstar) \*Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results may vary. Past performance does not guarantee future results.

### "Aren't you worried?" "Would that help?"

Steven Spielberg's "Bridge of Spies,"  
written by Matt Charman and the Coen brothers

## MAP HIGHLIGHTS: VAULT

In this edition of our MAP Vault highlights, we will focus on the types of documents you may not have thought to store in this secure online resource. There are several folders at your disposal for documents like POAs, Trusts, Wills and Divorce Decrees. But documents you prefer to keep private, like copies of Passports, Driver's Licenses, Birth, Marriage and Death Certificates as well as front and back of Credit Cards

can be uploaded to the "My Documents" folder. This folder cannot be viewed by anyone but you. The other folders are all shared with Miller Advisors. This method of document storage makes it very easy to retrieve your information if you are away from home and need to access these documents.

A treasure that you may like to upload is a Voice Recording of your grandparents, parents or yourself telling of life when they (you) were a child or reading their (your) favorite story. That is something worth preserving!

If you need help getting started, call Carrie, she is our MAP expert and will give you directions.

## CONTACT INFORMATION & DISCLOSURES

We would like to remind you that in the event you are unable to speak with someone at our office, you can contact Raymond James Client Services directly for assistance with your accounts at (800) 647-7378. We would like to thank those of you who have referred your associates, clients, family members and friends to us. Your referrals are personally and professionally the most satisfying way for our practice to grow. If you have any questions or feedback regarding the newsletter, please contact the office and let us know how we can improve our communication with you.

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Please email more than one of us to ensure a prompt response.

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