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2020

Global Market Review

Annual and Fourth Quarter

2020 Global Market Review

Annual and Fourth Quarter 2020

This report features world capital market performance and a timeline of events for the past quarter and the last year. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the impact of globally diversified portfolios and features a relevant quarterly topic.

Overview:

View from the Hill: *Looking Back on Unprecedented Events*

Market Summary—Annual, Quarterly, & Long Term

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Fixed Income

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Wealth Planning Stress Testing

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Market Review 2020:

Looking Back on Unprecedented Events

The year 2020 proved to be one of the most tumultuous in recent history, marked by unprecedented political and social developments. But the year also demonstrated the resilience of people, institutions, and the financial markets.

The novel coronavirus was already in the news early in 2020. Concerns grew as more countries reported their first cases. Infections multiplied through February, and by early March WHO labeled the outbreak as a “pandemic.” The ensuing crisis would affect nearly every area of modern life as government restrictions and lockdowns based on very limited knowledge began without regard to true social and economic costs. A global economic contraction immediately started as people stopped working and lost jobs or stopped socializing and travelling. Governments and central banks tried to cushion the social impact with improvised forms of bridge support with uneven success.

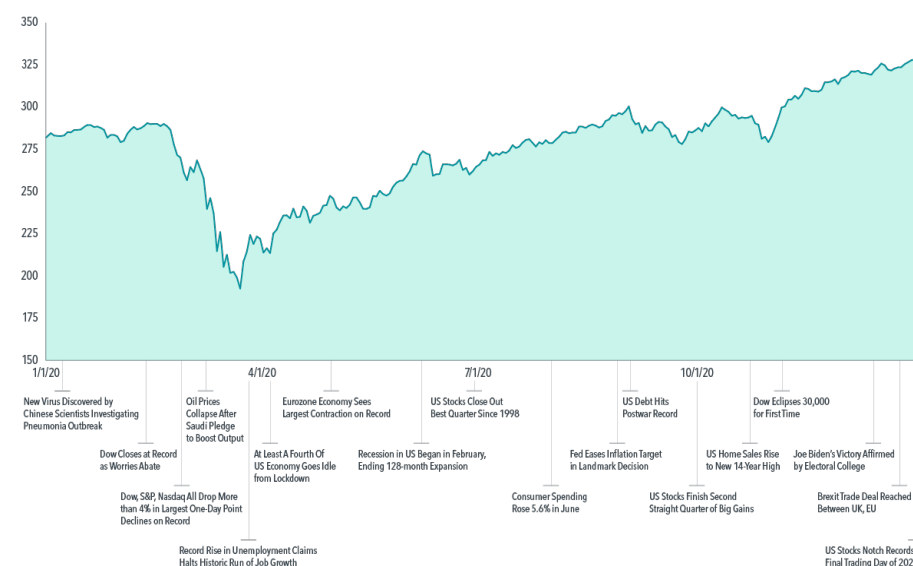
With closed businesses and protracted social restrictions with too much time for Twitter, widespread civil unrest occurred over the summer. By August, media attention turned to the U.S. presidential race as attention faded from a failed Presidential impeachment months earlier. Political parties wrestled with the challenges of a campaign that at times was conducted virtually and voting officials with an election that required unprecedented mail-in and early voting. Due to an over-burdened postal system, election results would be unsettled for weeks. U.S. mails almost froze up due to holiday mail in December. 2020 ended with both bad and good news: a spike in coronavirus cases, along with global deliveries of tens of millions of doses of vaccines that many did not expect for another year.

For financial markets, the year was characterized by sharp swings for stocks. March saw a 34% drop in the S&P 500 Index¹ as pandemic fears worsened and a previously booming economy collapsed almost overnight. Markets rallied during April, and stocks returned to previous highs by August. Ultimately,

despite extraordinary political events, pandemic concerns, and social protests with riots in many cities, global stock market returns moved well above what was commonly expected. The US market finished the year in record territory: the S&P 500 Index returned 18.4%. International developed markets, as measured by the MSCI World ex USA Index,² returned 7.6%. Emerging markets, as measured by the MSCI Emerging Markets Index, returned 18.3% for the year. It was an astonishing finish.

Exhibit 1. Highs and Lows

MSCI All Country World Index with selected headlines from 2020



Past performance is no guarantee of future results.

In US dollars, net dividends. MSCI data © MSCI 2021, all rights reserved. Indices are not available for direct investment. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment.

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2. MSCI data © MSCI 2021, all rights reserved. Indices are not available for direct investment.

Market Review 2020

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Fixed income markets mirrored the extreme equity market volatility, with nearly unprecedented return dispersion during the first half of 2020. For example, in the first quarter, US corporate bonds underperformed US Treasuries by more than 11%, the most negatively recorded quarterly return difference going back a half century. But the second quarter was the second-most positive one on record for corporates over Treasuries, with a 7.7% advantage.³ Large return deviations were also observed between US and international fixed income as well as between inflation-protected and regular bonds.

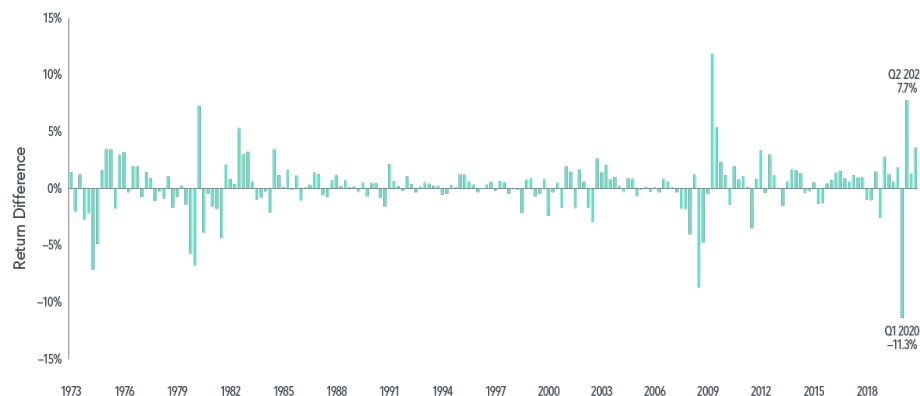
Global yield curves finished the year lower. U.S. Treasury yields which are the most important, fell across the board, with drops of more than 1% on the short and intermediate portions of the curve.⁴ The U.S. Treasury curve ended

close to zero and relatively flat in the short-term segment but sloped upwardly in the intermediate- to long-term range. The Bloomberg Barclays Global Aggregate Bond Index⁵ returned 5.6% as rates declined. Central banks worldwide soaked up demand by buying bonds for many trillions of new government debt created to finance spending programs, driving short-term rates to new lows—good for government budgets, bad for retirees who depend on CDs for their income.

While the future is forever unknowable, the events of 2020 provide many lessons for successful investment management, affirming that an informed, structured and broadly diversified asset allocation approach for investing is a reliable way to pursue long-term investment goals.

Exhibit 2. Sharp Shifts

US Credit minus US Treasury: Quarterly Returns, March 1973–December 2020



Past performance is no guarantee of future results.

In US dollars. US credit represented by the Bloomberg Barclays US Credit Bond Index. US Treasuries represented by the Bloomberg Barclays US Treasury Bond Index. Bloomberg Barclays data provided by Bloomberg. Indices are not available for direct investment. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment.

MARKET PRICES QUICKLY REFLECT NEW INFORMATION

The highly volatile market behavior of 2020's first half provides a real lesson in how quickly new information and changes in future expectations are incorporated in prices. From its original peak on February 19, 2020, the S&P 500 Index fell 33.8% in less than five weeks while the media forecasted devastating pandemic outcomes with possibly tens of millions dead. But market recovery was swift. Market professionals monitored all available news for insights into possible pandemic outcomes, into political environment and actions, into central bank responses and into the likely impact of all factors on the economy. As improved information appeared, the S&P 500 Index jumped 17.6% from its March 23 low in just three trading sessions—one of the fastest snapbacks on record. This illustrates in real time the vital role of data in setting market expectations and underscored how quickly prices adjust to new information about the future regardless of how conditions appear today.

One major theme that captured considerable attention was a *perceived* disconnect between markets and the economy. Commentators ask how could equity markets recover and reach new highs—rewarding the “rich”—when the media narrative of economic news was bleak and millions suffered or risked

3. US corporate bonds represented by the Bloomberg Barclays US Credit Bond Index. US Treasuries represented by the Bloomberg Barclays US Treasury Bond Index. Bloomberg Barclays data provided by Bloomberg. Indices are not available for direct investment.
4. ICE BofA government yield. ICE BofA index data © 2021 ICE Data Indices, LLC.
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Market Review 2020

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job, home or business loss from punishing government “safety” lockdowns? It’s just not fair! The market’s behavior implies that many knowledgeable investors gained access to information contrary to politicized opinions and looked forward beyond popular media storylines to realistically assess how likely and where business activity would rebound and eventually return to a new normal. Through that perspective, rebounding equity prices exemplifies a market that always looks ahead, quickly incorporating any information available today and future economic, political and social expectations into prices of stocks and bonds through its daily trading.

OWNING WINNERS AND LOSERS

The many unpredictable turns in 2020 due to “black swan” events that initiated great market volatility underscores the importance of an informed investing approach that is broadly diversified across companies and industries as well as countries. The downturn in stocks impacted some market segments more than others. Blanket restrictions and lockdowns on many businesses and industries to stop spreading what was reported as a highly deadly virus were imposed with little thought by governors. For example, airline, hospitality, and retail industries suffered disproportionately as people sheltered at home, whereas companies in communications, online shopping, and technology emerged as winners. However, predicting how to profitably invest challenged professional traders.

In the end, economic turmoil due to executive decisions made without thoughtful cost considerations, inadvertently created by their policies, inflicted great hardship, causing job losses and firm closures while creating conditions that provided growth opportunities for other companies. In the marketplace there will be winners and losers. Studies indicate that investors are better off owning a broadly diversified collection of firms rather than futilely guessing which ones will be winners but end up owning either too many losers or missing out on bigger winners than they own.

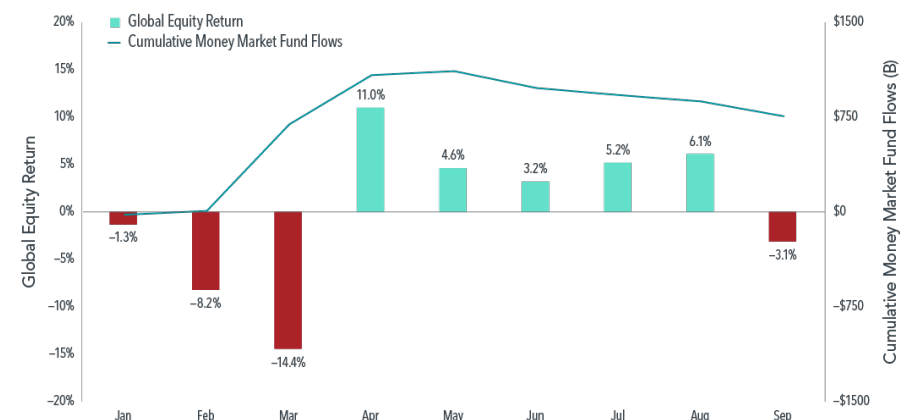
STICKING WITH YOUR STRATEGY

Early media reports recognized the “unprecedented” nature of the combined health crisis, emergency lockdown actions, government spending programs and other extraordinary events that occurred last year. There many “firsts”—

and years to come will doubtless bring many new firsts. Yet 2020’s outcomes remind us that an informed investment management process based on modern financial science such as employed by Professional Financial may be the most reliable path for surviving and prospering in a market crisis.

Those without a plan who panicked in the moment and moved to cash likely missed many opportunities to buy low and even lower. In March, fearful investors fled the equity markets in droves, as money-market funds experienced net flows for the month totaling \$684 billion. Yet over the next six-months from April 1st, equities and fixed income globally returned 29.5% and 3.2%, respectively. Cash moves in March proved costly for uninformed investors who were poorly positioned for a crisis. But for informed investors who systematically rebalanced their portfolios according to their plan as prices continued to collapse, recovery for our clients was like the G-force of a rocket takeoff of a spaceship on its way to the moon.

Exhibit 3. Cash Concerns in 2020



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In US dollars. Global equity returns is the MSCI All Country World IMI Index (net div.). MSCI data © MSCI 2021, all rights reserved. Money market fund flows provided by Morningstar. Indices are not available for direct investment. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment.

Market Review 2020

(continued from page 5)

You must also avoid reacting to dispersion in asset class performance, such as between growth and value, lest you miss out on eventual turnarounds. Markets function in an equilibrium. For example, small cap and value stocks overall returned far better in the second half of the year than the first. The stark difference in performance between the first and second quarters across government and corporate bond classes makes a similar point.

KEY LESSONS TO REMEMBER

Key #1 is having an investment philosophy that you can stick with. A philosophy well grounded in financial science serves as a compass to guide you through turbulent times. With a compass, it doesn't take drastic changes to find your way. Regular small adjustments will keep you on course. Having mapped a plan in advance of an inevitable crisis will better enable you to remain calm and disciplined when others lose their way.

Key #2 is having an investment strategy aligned with your risk tolerance and capacity. Risk appetites tend to change with market environments and popular opinion. You want a strategy clearly mapped in advance that ideally will achieve your needs and goals not only if a crisis occurs, but even when bad times persist over a prolonged period.

Key #3 is know the basics of your portfolio construction. Not all the arcane details, but those investment vehicles should be transparent enough so that you (or someone you trust) understands them and can explain them in a way you can understand. You also want robust risk controls with guardrails that offer downside protection when things go wrong to keep you on track.

Key #4 is having investment vehicles with a flexible process. This is crucial in stressful times. Trading processes were adversely affected with unprecedented high demand as market volatility multiplied earlier last year. Dimensional has trading process in place designed to work robustly in periods of very high volatility, fast changes in available liquidity, and sharp market movements that added value and delivered outperformance.

Key #5 don't try to time the markets. Stay the course if your strategy is sound. The 2020 market downturn is a prime example of how the cycle of fear and greed drives reactive decisions with huge opportunity costs for undisciplined investors who panic. The media is not your advisor. No guru knows what will happen. Despite abhorrent short-term events, don't lose sight of the expected long-term benefits of just staying invested and rebalancing your strategy.







TURNING THE CALENDAR

As we begin 2021, many questions remain about a new U.S. administration, the pandemic's path, business recovery from the restrictions and lockdowns, changes in how people will work and socialize in the aftermath, and the direction of global markets as new alliances are formed. Yet 2020's economic and market tumult demonstrated that markets could still function as they should in the worst of times and will continue to evolve to meet new challenges of the future.

The surprisingly positive equity and fixed income returns for 2020 remind us that, with an informed investment approach and a commitment to staying the course with a trusted advisory firm as your guide, you can focus on your long-term goals, and have greater confidence even in times of change and crisis as the future reveals itself during 2021 and in years to come.

Market Summary

Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
2020	STOCKS					BONDS	
	20.89%	7.59%	18.31%	-9.09%		7.51%	3.94%
							

Since Jan. 2001							
Avg. Annual Return	9.5%	6.8%	13.6%	9.8%		4.9%	4.5%
Best Year	33.6% 2013	39.4% 2003	78.5% 2009	37.4% 2006		10.3% 2002	8.8% 2014
Worst Year	-37.3% 2008	-43.6% 2008	-53.3% 2008	-45.7% 2008		-2.0% 2013	1.2% 2013

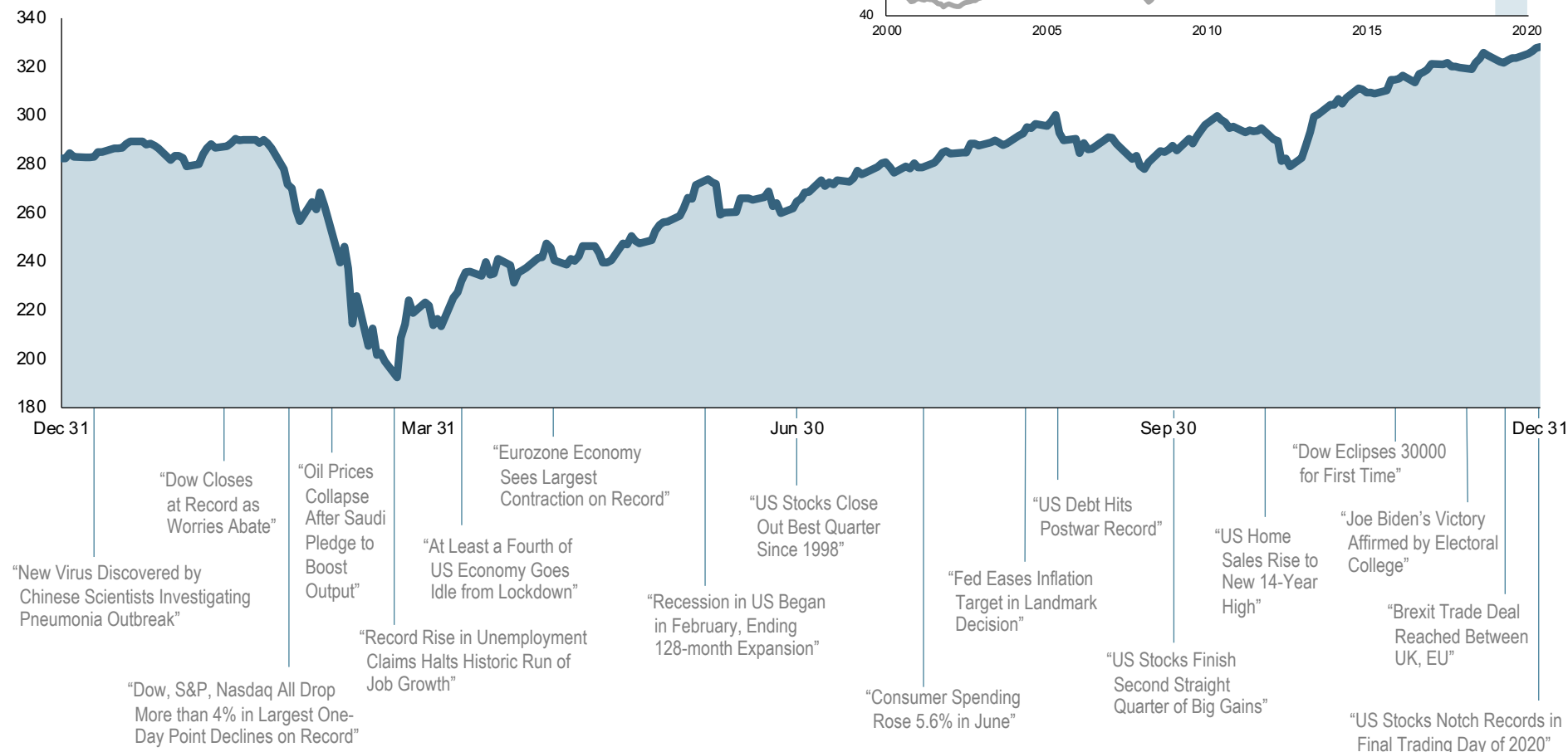
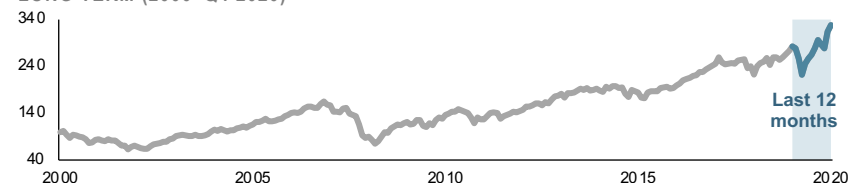
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World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months

SHORT TERM (Q4 2019–Q4 2020)

LONG TERM (2000–Q4 2020)









These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2021, all rights reserved.

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Quarterly Market Summary

Index Returns

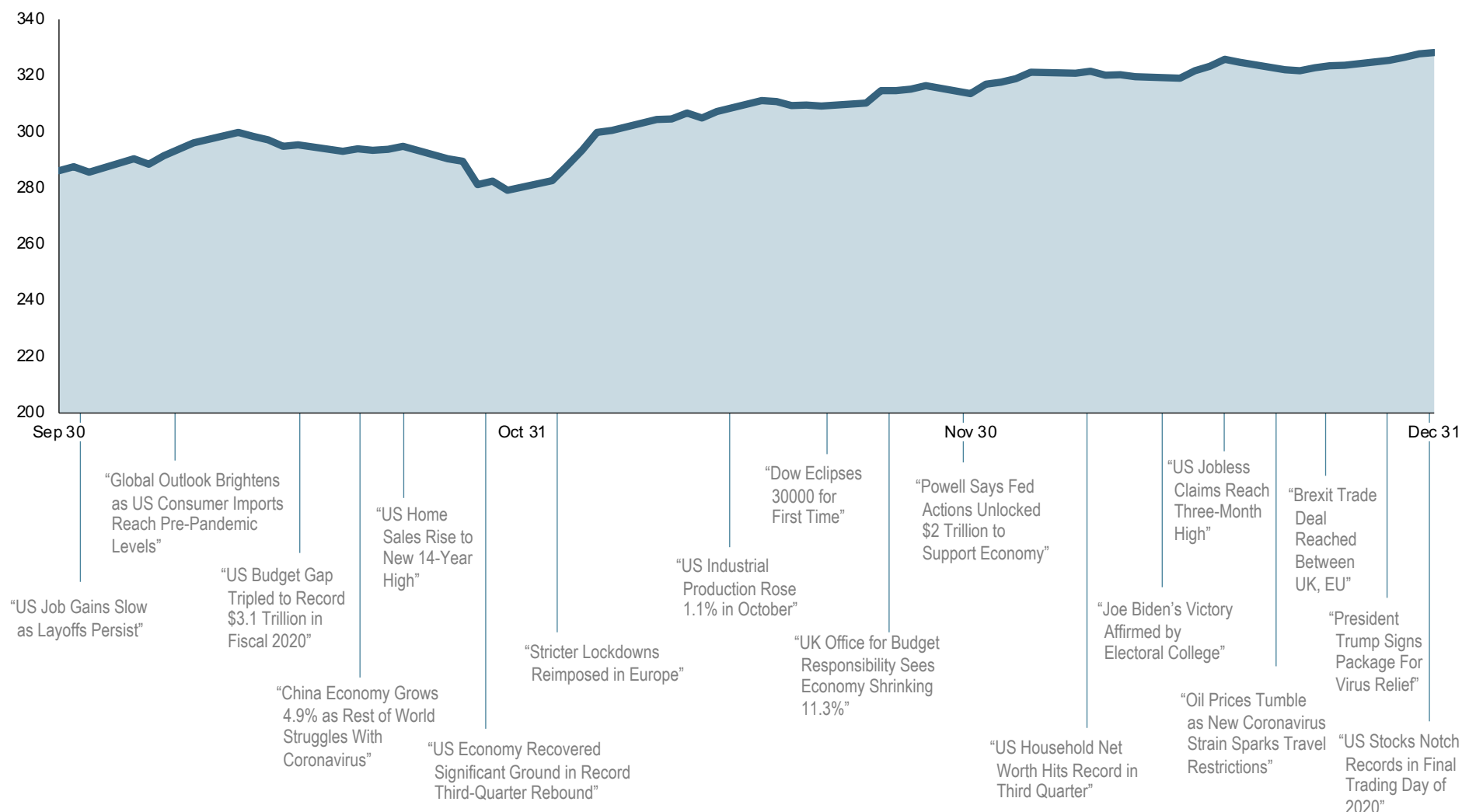
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
4Q 2020	STOCKS					BONDS	
	14.68%	15.85%	19.70%	12.55%		0.67%	0.94%
							

Since Jan. 2001							
Avg. Quarterly Return	2.3%	1.6%	3.0%	2.4%		1.2%	1.1%
Best Quarter	22.0%	25.9%	34.7%	32.3%		4.6%	4.6%
	2020 Q2	2009 Q2	2009 Q2	2009 Q3		2001 Q3	2008 Q4
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%		-3.0%	-2.7%
	2008 Q4	2020 Q1	2008 Q4	2008 Q4		2016 Q4	2015 Q2

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World Stock Market Performance

MSCI All Country World Index with selected headlines from Q4 2020





















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Long-Term Market Summary

Index Returns as of December 31, 2020

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
1 Year	STOCKS					BONDS	
	20.89%	7.59%	18.31%	-9.09%		7.51%	3.94%
							
5 Years							
	15.43%	7.64%	12.81%	3.66%		4.44%	4.40%
							
10 Years							
	13.79%	5.19%	3.63%	6.14%		3.84%	4.35%
							

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Impact of Diversification

2020 Returns

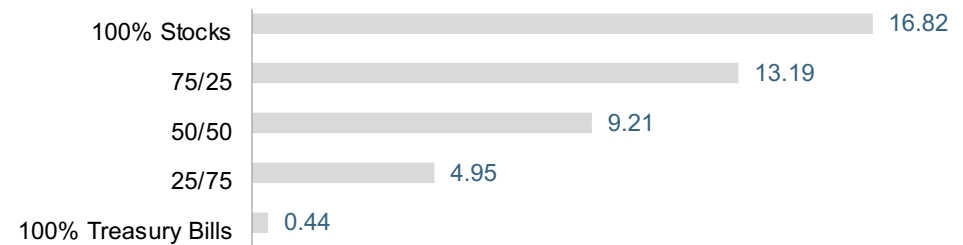
These portfolios illustrate the performance of different global stock/bond mixes. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

Period Returns (%)

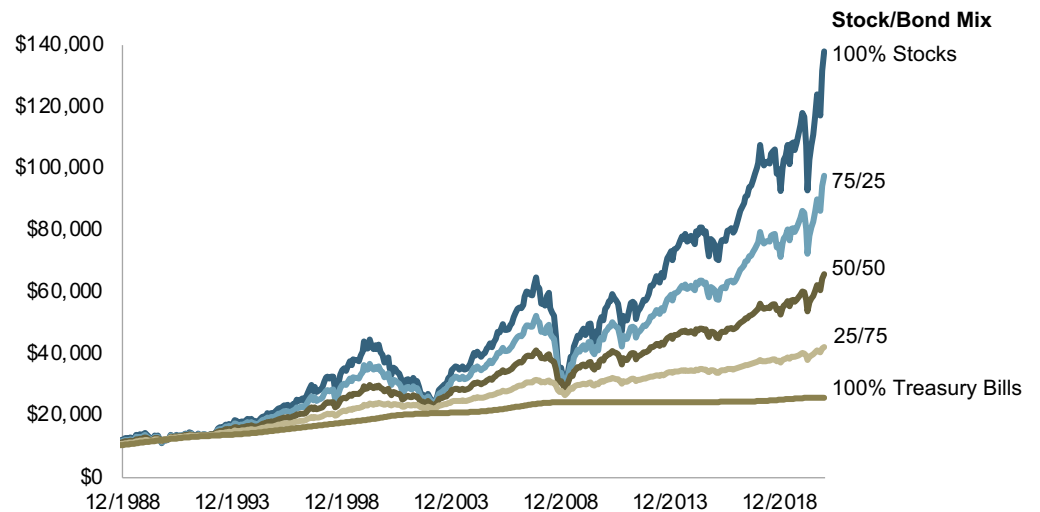
* Annualized

Asset Class	1 Yr	3 Yrs*	5 Yrs*	10 Yrs*	10-Year STDEV ¹
100% Stocks	16.8	10.6	12.9	9.7	14.1
75/25	13.2	8.6	10.0	7.6	10.6
50/50	9.2	6.4	7.1	5.3	7.0
25/75	5.0	4.0	4.1	3.0	3.5
100% Treasury Bills	0.4	1.5	1.1	0.6	0.2

Ranked Returns for 2020 (%)



Growth of Wealth: The Relationship between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio. Diversification does not eliminate the risk of market loss. **Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.** Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2021, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

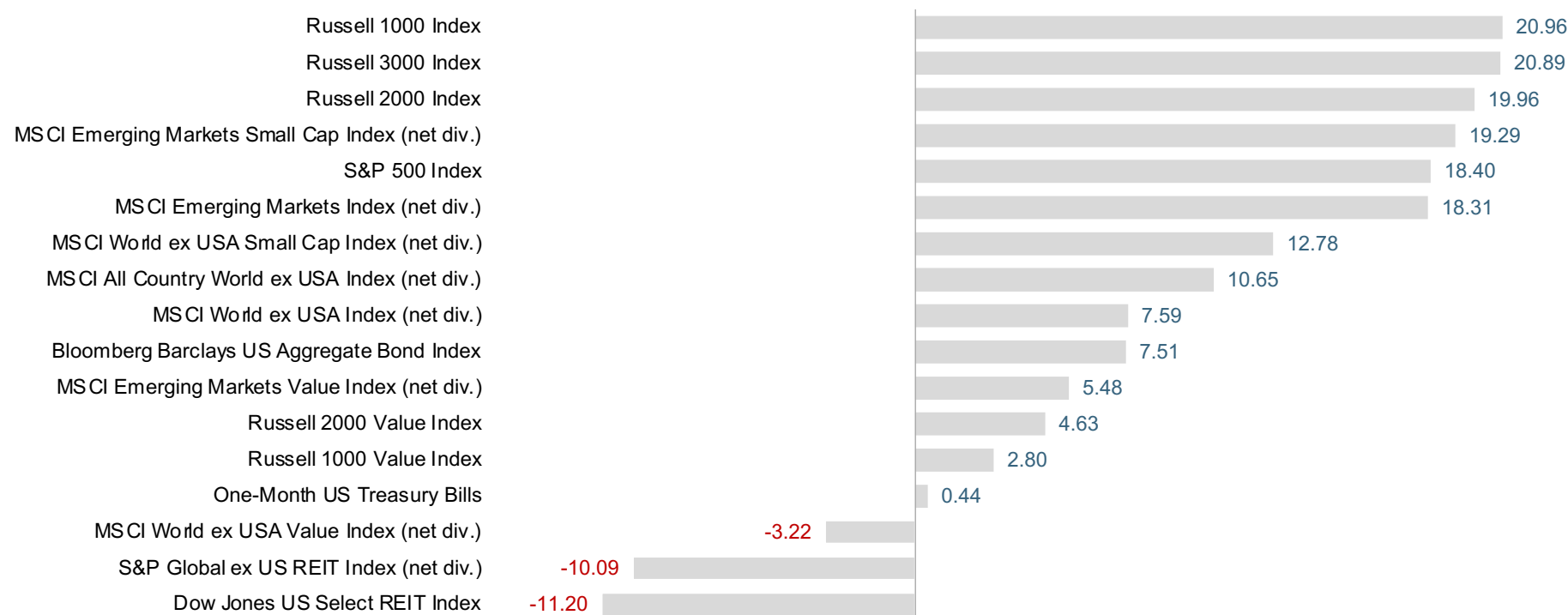
World Asset Classes

2020 Index Returns (%)

Equity markets around the globe posted positive returns in 2020. Looking at broad market indices, US equities outperformed emerging and non-US developed markets.

Value underperformed growth across regions. Small caps outperformed large caps in non-US developed and emerging markets but underperformed in the US.

REIT indices underperformed equity market indices in both the US and non-US developed markets.



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US Stocks

2020 Index Returns

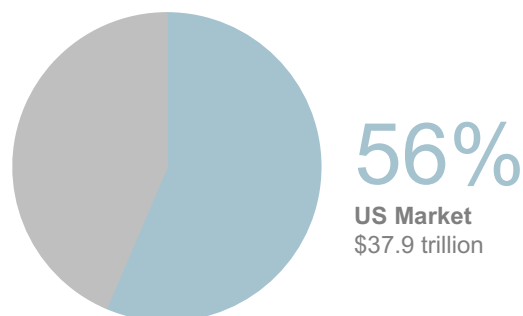
The US equity market posted positive returns for the year and outperformed emerging and non-US developed markets.

Value underperformed growth across large and small cap stocks.

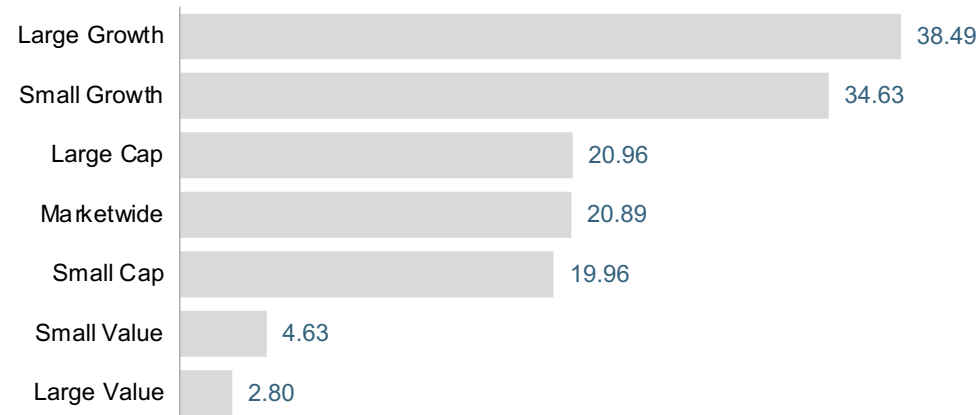
Small caps underperformed large caps.

REIT indices underperformed equity market indices.

World Market Capitalization—US



Ranked Returns for 2020 (%)



Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Growth	38.5	23.0	21.0	17.2
Small Growth	34.6	16.2	16.4	13.5
Large Cap	21.0	14.8	15.6	14.0
Marketwide	20.9	14.5	15.4	13.8
Small Cap	20.0	10.3	13.3	11.2
Small Value	4.6	3.7	9.7	8.7
Large Value	2.8	6.1	9.7	10.5

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International Developed Stocks

2020 Index Returns

Developed markets outside the US posted positive returns for the year but underperformed emerging markets and US equities.

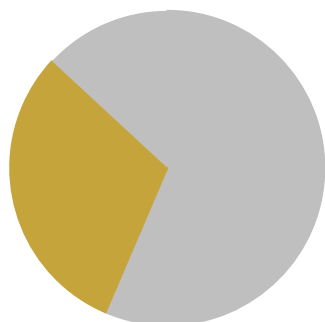
Value underperformed growth.

Small caps outperformed large caps.

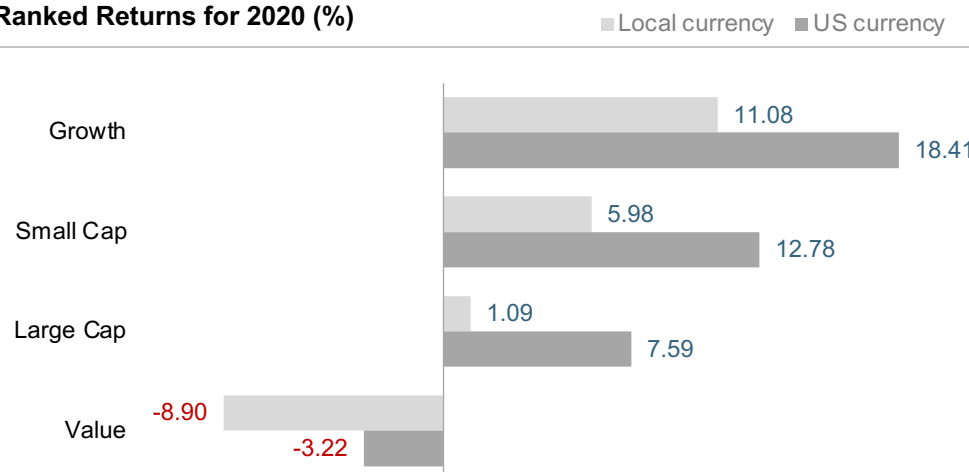
World Market Capitalization—International Developed

30%

International
Developed Market
\$20.5 trillion



Ranked Returns for 2020 (%)



Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Growth	18.4	9.6	10.5	7.0
Small Cap	12.8	5.0	9.6	7.0
Large Cap	7.6	4.2	7.6	5.2
Value	-3.2	-1.3	4.6	3.2

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Emerging Markets Stocks

2020 Index Returns

Emerging markets posted positive returns for the year, outperforming developed ex US equity markets but underperforming US equities.

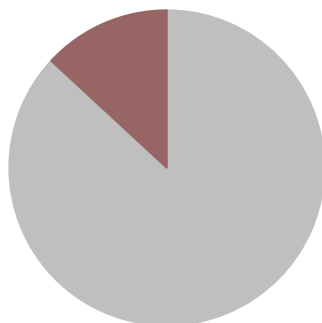
Value underperformed growth.

Small caps outperformed large caps.

World Market Capitalization—Emerging Markets

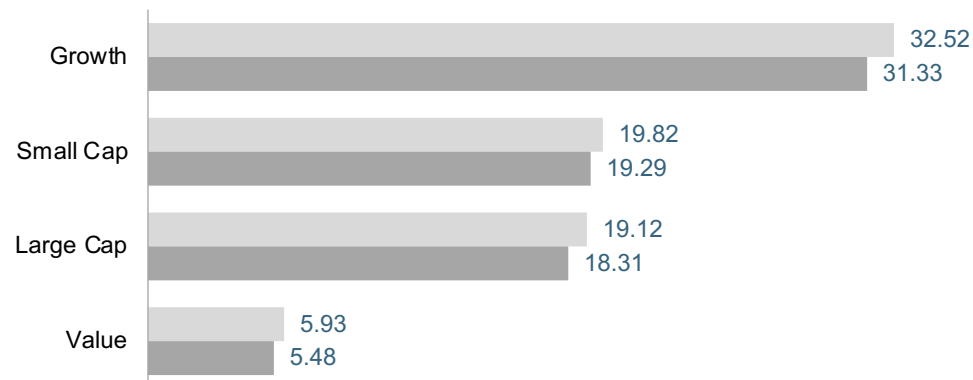
13%

Emerging Markets
\$8.8 trillion



Ranked Returns for 2020 (%)

■ Local currency ■ US currency



Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Growth	31.3	10.3	16.2	6.2
Small Cap	19.3	2.7	8.2	2.3
Large Cap	18.3	6.2	12.8	3.6
Value	5.5	1.8	9.2	0.9

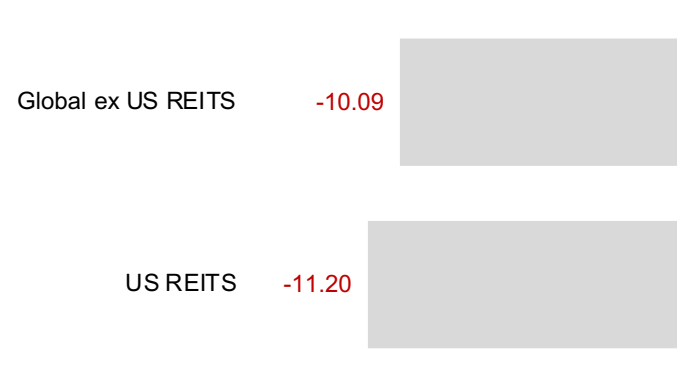
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI Emerging Markets Index), Small Cap (MSCI Emerging Markets Small Cap Index), Value (MSCI Emerging Markets Value Index), and Growth (MSCI Emerging Markets Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI Emerging Markets IMI Index used as the proxy for the emerging market portion of the market. MSCI data © MSCI 2021, all rights reserved.

Real Estate Investment Trusts (REITs)

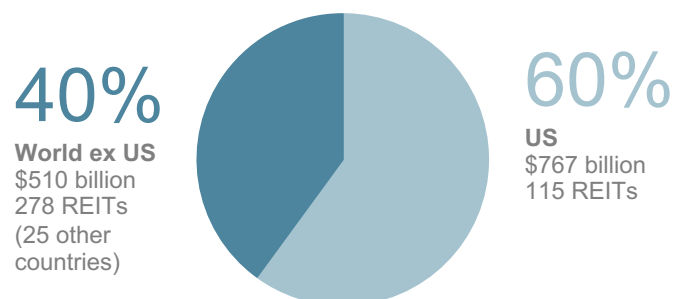
2020 Index Returns

US real estate investment trusts underperformed non-US REITs during the year.

Ranked Returns for 2020 (%)



Total Value of REIT Stocks



Period Returns (%)

* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Global ex US REITS	(10.1)	1.0	4.2	4.9
US REITS	(11.2)	1.5	3.0	7.6

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones and S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Fixed Income

2020 Index Returns

Interest rates declined in the US Treasury fixed income market in 2020. The yield on the 5-Year US Treasury note decreased 133 basis points (bps), ending at 0.39%. The yield on the 10-Year US Treasury note declined 98 bps to 0.93%. The 30-Year US Treasury bond yield decreased 72 bps to finish at 1.64%.

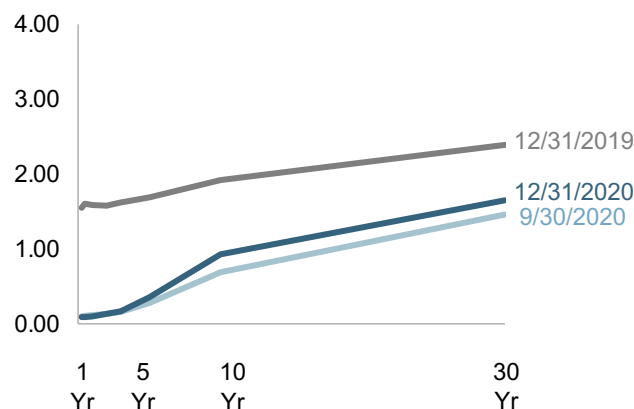
On the short end of the yield curve, the 1-Month US Treasury bill yield decreased 140 bps to end at 0.08%, while the 1-Year US Treasury bill yield declined 151 bps to 0.13%. The 2-Year US Treasury note finished at 0.09%, a decrease of 149 bps.

In terms of total returns, short-term corporate bonds gained 5.41%.

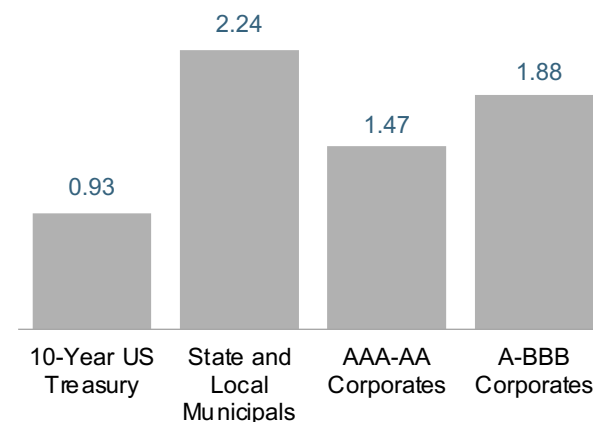
Intermediate-term corporate bonds returned 7.47%.

The total return for short-term municipal bonds was 3.15%, while intermediate-term municipal bonds returned 5.18%. Revenue bonds outperformed general obligation bonds for the year.

US Treasury Yield Curve (%)



Bond Yields across Issuers (%)



Period Returns (%)

Asset Class	*Annualized			
	1 Year	3 Years*	5 Years*	10 Years*
Bloomberg Barclays US Government Bond Index Long	17.6	9.8	7.8	7.7
Bloomberg Barclays US TIPS Index	11.0	5.9	5.1	3.8
Bloomberg Barclays US Aggregate Bond Index	7.5	5.3	4.4	3.8
Bloomberg Barclays US High Yield Corporate Bond Index	7.1	6.2	8.6	6.8
FTSE World Government Bond Index 1-5 Years	6.5	2.7	2.7	0.4
Bloomberg Barclays Municipal Bond Index	5.2	4.6	3.9	4.6
FTSE World Government Bond Index 1-5 Years (hedged to USD)	3.2	3.1	2.4	2.0
ICE BofA 1-Year US Treasury Note Index	1.8	2.2	1.6	0.9
ICE BofA US 3-Month Treasury Bill Index	0.7	1.6	1.2	0.6

One basis point (bps) equals 0.01%. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA Corporates, BBB-A rated. Bloomberg Barclays data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2021 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2021 ICE Data Indices, LLC. S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Global Fixed Income

2020 Yield Curves

Changes in government bond interest rates in the global developed markets were mixed for the year.

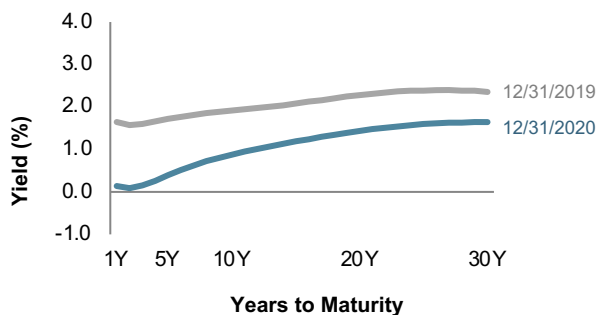
Longer-term bonds generally outperformed shorter-term bonds in global ex-US developed markets.

Short- and intermediate-term nominal interest rates were negative in Japan, while all maturities finished in negative territory in Germany.

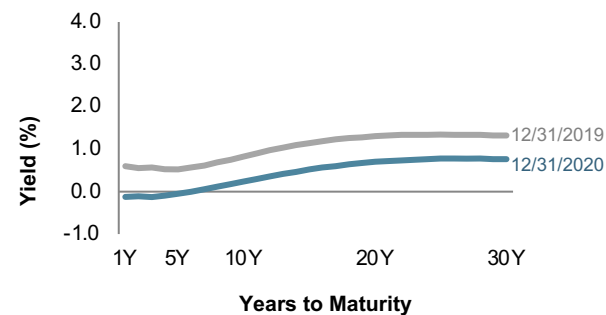
Changes in Yields (bps) since 12/31/2019

	1Y	5Y	10Y	20Y	30Y
US	-151.4	-132.5	-102.7	-84.0	-71.7
UK	-71.6	-58.6	-59.3	-60.5	-55.3
Germany	-2.1	-29.7	-40.2	-49.4	-48.0
Japan	1.1	1.8	5.1	12.9	22.6
Canada	-158.5	-130.4	-101.3	-69.0	-52.8
Australia	-90.0	-70.2	-41.0	-10.6	-7.2

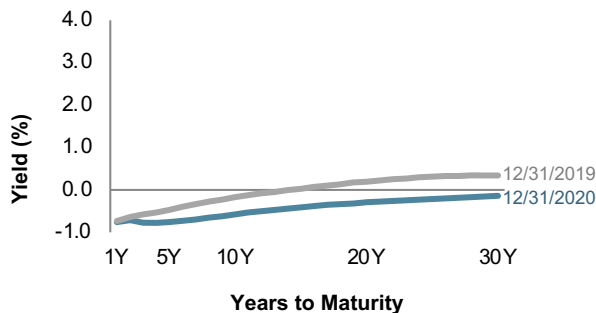
US



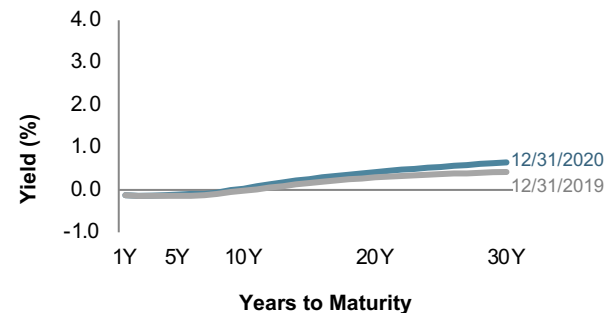
UK



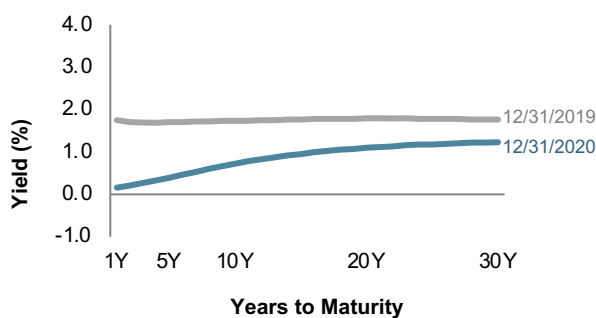
Germany



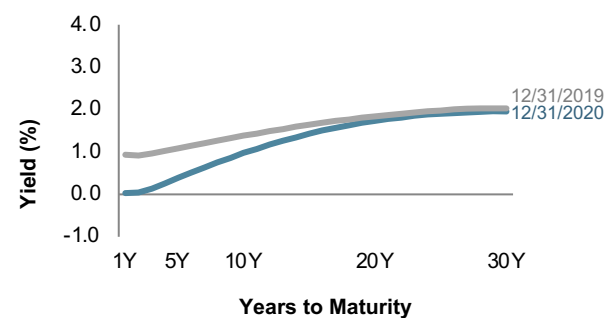
Japan



Canada



Australia



Wealth Planning Stress Test

In these uncertain times, you may know a friend, family member or colleague who may have a difficult situation, or who wonders whether they are getting the right advice, or simply needs sound professional advice but doesn't get it. That's not uncommon. Studies suggest that over 80 percent of "middle-class millionaires" would value a second opinion for planning.*

In order to help those you care about achieve their goals and dreams, we provide a complimentary **Wealth Planning Second Opinion** for those people. We're pleased to offer your friends, family and colleagues the same guidance and expertise that you've experienced as a valued client of Professional Financial.

Paul Byron Hill, MBA, MFP, MSFS, ChFC®, RICP®, CFP® is a nationally recognized Wealth Management Certified Professional™ and Certified Financial Planner™ professional, written about in *Fortune*, *Forbes*, *Bloomberg Businessweek*, and *Money*. As co-author of *Retire Abundantly*, Paul was interviewed by James Malinchak, of ABC-TV's hit series, *Secret Millionaire*. Reuters AdvisePoint recognized Mr. Hill as one of 500 "Top Advisers" in the U.S. and has featured him on their website.

Paul founded Professional Financial Strategies, Inc. as one of the first fiduciary advisory firms in 1993 that now specializes in retirement and wealth planning for affluent and aspiring families. Paul is a personal chief financial officer who acts in the best interest of clients. He brings together a distinctive management process and a network of specialists for making informed decisions for scientifically-structured investing, secure income, mitigating taxes, protecting assets, and preserving wealth for family and purposeful causes.

Mr. Hill received a BA with distinction from the University of Rochester and later an MBA in finance from its Simon School of Business. He earned an MS in financial services from The American College along with his Chartered Financial Consultant and Retirement Income Certified Professional designations, and then received an MS in financial planning from the College for Financial Planning (now at the University of Phoenix). The College for Financial Planning appointed him as adjunct faculty, and he has taught at St. John Fisher College. Who's Who presented Paul with the Albert Nelson Marquis Lifetime Achievement Award in 2018 and featured him with other recipients in *The Wall Street Journal* and other publications.

THE PROFESSIONAL WEALTH MANAGEMENT PROCESS



*Source: Russ Alan Prince and David A. Geraciotti, *Cultivating the Middle-Class Millionaire*, 2005.

Wealth Planning Stress Test

Working with experts who defined the professional wealth management process

Ask ten investors to define wealth management. Rather, ask ten financial advisors you meet to do so. You'll probably get ten different answers, and most replies will focus on investing or only products. As a client of Professional Financial, however, you benefit from a team of CFPs® with a network of experts sharing a distinctive vision of integrative wealth management.

Our professional planning process

At Professional Financial we approach each engagement with a time-tested, collaborative process. We'll have an open conversation so we can learn about your values, goals and dreams. This proven process enables us to expertly tailor an individual plan that works toward your wealth and legacy goals. As a valued client, you'll recognize each of the six steps above. In our **Wealth Planning Second Opinion**, we offer a portion of our consultative service, complimentary, to your friends, family and colleagues.

What to expect from wealth planning second opinion

We will meet with your friends and family in a conversation to explore their concerns and opportunities to see if we can help. If there is a fit and a benefit, we will invite them back for a follow up conversation. We may confirm whether they are on the right track with their existing financial advisors. Or if we are not the right fit, we will suggest another qualified professional firm that may be more appropriate. Either way, they will receive constructive advice and recommendations regarding their planning situation—easily a value of \$5,000 or more.

STRESS TESTING CONVERSATION

Phase 1

Phase 2

Financial
Envisionment
Session

Retirement
Stress Testing
Session

PURPOSEFUL WEALTH MANAGEMENT

INVESTMENT MANAGEMENT

- Strategic planning
- Goal monitoring
- Performance evaluation
- Risk evaluation
- Portfolio structuring
- Manager due diligence

WEALTH PLANNING

- Wealth enhancement, including tax minimization and liability restructuring

- Asset Protection
- Security of Heirs' Lifestyle
- Legacy Planning
- Charitable Impact

RELATIONSHIP CONSULTATIONS

- Regularly scheduled calls, emails, reviews and in-person meetings
- Professional network, including accounting, tax, legal, insurance, actuarial and benefits experts

Let us help those you care about. Contact us today.

Paul Byron Hill, MBA, MFP, MSFS, ChFC®, RICP®
CEO | Certified Financial Planner™
Wealth Management Certified Professional™

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