



PROFESSIONAL
FINANCIAL

Purposeful Wealth Management

CLARITY. CONVICTION. CONFIDENCE.

Request your free ebook
Managing Key Retirement Risks



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

Professional Financial Strategies, Inc.

Powder Mill Office Park
1159 Pittsford-Victor Road, Suite 120
Pittsford, NY 14534

(585) 218-9080

<http://www.professionalfinancial.com>

Q2

Global Market Review

Second Quarter 2021

Global Market Review

Second Quarter 2021

This report features world capital market performance and a timeline of events for the past quarter. 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 quarterly topic.

Overview:

Inflation: A Conversation with Eugene Fama and David Booth

Market Summary—Quarterly & Long Term

World Stock Market Performance—Quarterly & Long Term

Impact of Diversification

US Stocks

International Developed Stocks

Emerging Markets Stocks

Real Estate Investment Trusts (REITs)

Fixed Income

Global Fixed Income

Wealth Planning Stress Testing Offer

Disclosure: Professional Financial Strategies, Inc. ("Professional Financial") is an independent investment advisor registered with the Securities and Exchange Commission. CFP professionals are fiduciaries with a duty of loyalty and care licensed by the Certified Financial Planner Board of Standards.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Professional Financial), or any non-investment related content made reference to directly or indirectly in this report, will be profitable, or equal any corresponding indicated historical performance level(s), or be suitable for your portfolio or individual situation, or prove successful. This report may include forward-looking statements that are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. All expressions of opinion are subject to change without notice in reaction to changing market conditions and/or applicable laws. Due to various factors, such as rapidly changing market, social or geopolitical conditions, content herein may no longer be reflective of current opinions or positions.

Indexes used for illustration purposes are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. You cannot invest directly in an index. Any index performance data or other third-party data appearing in or referenced in this report has been compiled by the respective copyright holder, trademark holders, or publication/distribution rights owners of each index or other third-party material owner and is presented for informational purposes only. Professional Financial makes no warranty, express or implied, for any decision taken by any party in reliance upon such material.

Moreover, you should not assume that any discussion or information contained in this paper serves as the receipt of, or as a substitute for, personalized investment advice from a CFP® professional or qualified wealth planning advisor. To the extent that a reader has any questions regarding the applicability of any specific issue discussed in this report relative to his/her individual situation, he/she is encouraged to consult with a CFP® professional or competent wealth planner. Professional Financial is neither a law firm nor a certified public accounting firm, and so no portion of the published content should be construed as legal or accounting advice. *If you are a Professional Financial client, please remember to contact Professional Financial, in writing, if there are any changes in your personal circumstances, financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.*

A printed copy of Professional Financial's current disclosure brochure including Form CRS discussing advisory services, processes and schedule of fees is available upon request by calling 585.218.9080.

Inflation: A Conversation with Eugene Fama and David Booth

Eugene Fama, PhD, Nobel laureate, Director, and Consultant
David Booth, Executive Chairman and Founder, Dimensional Fund Advisors

With the economy recovering from the COVID-19 pandemic and investor concerns turning increasingly toward a resurgence of inflation due to government deficit spending, Dimensional Founder David Booth talked with Nobel laureate Eugene Fama about inflation and how investors should think about it in planning their investment strategies. *Excerpts from their conversation have been edited.*

ON PREDICTING INFLATION

David Booth: Gene, you are a founding Director of Dimensional and have been involved in our research and corporate governance for more than 40 years. People may not know that you've also done a lot of research on inflation and interest rates.

We always tell people, "We don't try to forecast. We try to be prepared for various outcomes." Inflation is one of those things you want to be prepared for. There's a pickup in inflation risk that wasn't there, say, 10 years ago. Does that cause you to worry?

Eugene Fama: Historically what's happened is, when there's a spike, the spike persists for a long time. Inflation tends to be highly persistent once you get it. Once it goes down, it tends to be highly persistent on the downside. You've got to be prepared for that. Predicting next month's inflation may not be very hard because this month's inflation can be a pretty good predictor of next month's inflation, or next quarter's inflation, or even the next six months' inflation. Persistence is a characteristic of inflation.

We haven't been in a period of high inflation, or even moderate inflation, for at least 10 years, so I'm not particularly concerned that inflation will be high soon.

ON HOW INVESTORS SHOULD THINK ABOUT INFLATION AND THEIR FINANCIAL GOALS

Booth: Conditions change, so is there anything about the current environment and the risk of inflation heating up that would cause you to change your portfolio?

Fama: I don't think anybody predicts the market very well. Market timing is risky in the sense that you've always emphasized: You may be out of the stock market at precisely the time when it generates its biggest returns. The nature of the stock market is you get a lot of the return in very short periods of time. So, you basically don't want to be out for short periods of time, where you may actually be missing a good part of the return.

I think you take a long-term perspective. You decide how much risk you're willing to take, and then you choose a mix of bonds, stocks, Treasury Inflation-Protected Securities, and whatever else satisfies your long-term goals. And you forget about the short term. Maybe you rebalance occasionally because the weights can get out of whack, but you don't try to time the market in any way, shape, or form. It's a losing proposition.

Booth: As you get to the point in life where you actually need to use your portfolio, does that change the kinds of allocations you'd want?

Fama: The classic answer to that was, yes, you'd shift more toward short-term hedges, short-term bonds. Once you had enough accumulated wealth that you thought you could make it through retirement, you'd want to hedge away any uncertainty that might disturb that. That's a matter of taste and your willingness to take risk and your plans for the people you will leave behind, like your charities or your kids. All of that will influence how you

Inflation: A Conversation with Eugene Fama and David Booth

(continued from page 3)

make that decision. But the typical person who thinks they'll spend all their money before they die probably wants to move into less risky stuff as they approach retirement.

Booth: The notion of risk is pretty fuzzy. For example, if I decide that I want to hold Treasury bills or CDs when I retire, and you did that 40 years ago, when we started the firm, and you've got that 15% coupon, that's pretty exciting. With \$1 million at 15%, you're getting \$150,000 a year. Today you might get less than 1%.

Fama: Right, but I remember when inflation was running at about 15%, so not much better off!

Booth: Those are different kinds of risks.

Fama: When you approach retirement, you're basically concerned about what your real wealth will look like over the period of your retirement, and you have some incentives to hedge against that. You face the possibility, for example, that if you invest in stocks, you have a higher expected return, but you may lose 30% in a year and that might be devastating for your long-term consumption.

Booth: I think part of planning is not only your investment portfolio, but what to do if you experience unexpected events of any kind. We're kind of back to where we start our usual conversation: "Control what you can control." You can't control markets. What you can do is prepare yourself for what you'll do in case bad events happen. Inflation is just one of many risk factors long-term investors need to be prepared for.

Eugene Fama is a member of the Board of Directors of the general partner of, and provides consulting services to, Dimensional Fund Advisors LP.







The information in this document is provided in good faith without any warranty and is intended for the recipient's background information only. It does not constitute investment advice, recommendation, or an offer of any services or products for sale and is not intended to provide a sufficient basis on which to make an investment decision. It is the responsibility of any persons wishing to make a purchase to inform themselves of and observe all applicable laws and regulations. Unauthorized copying, reproducing, duplicating, or transmitting of this document are strictly prohibited. Dimensional accepts no responsibility for loss arising from the use of the information contained herein.

"Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

Quarterly Market Summary

Index Returns

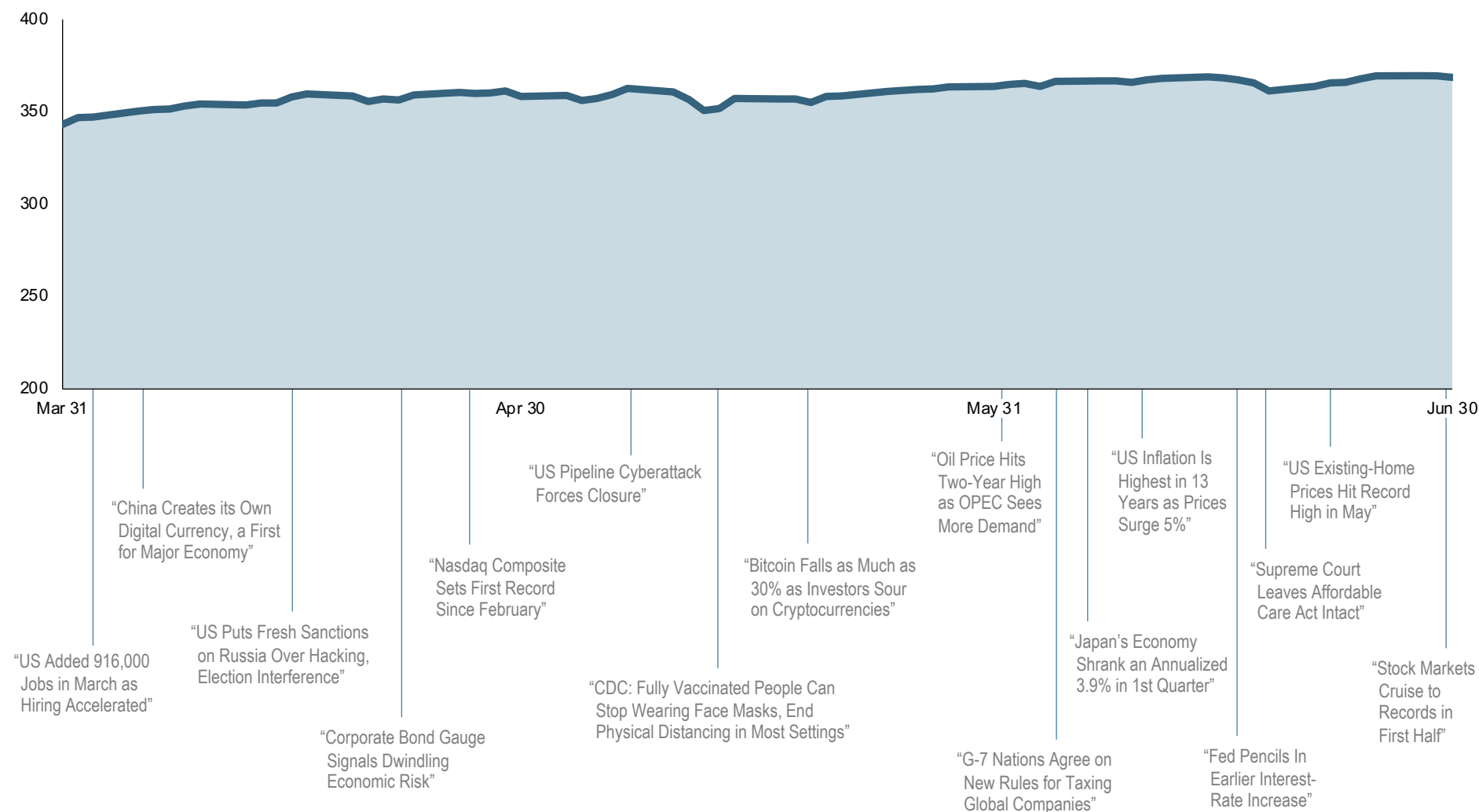
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
2Q 2021	STOCKS					BONDS	
	8.24%	5.65%	5.05%	10.17%		1.83%	0.35%
							

Since Jan. 2001							
Avg. Quarterly Return	2.4%	1.7%	3.1%	2.6%		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%		-3.4%	-2.7%
	2008 Q4	2020 Q1	2008 Q4	2008 Q4		2021 Q1	2015 Q2

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: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2021, all rights reserved. Bloomberg Barclays data provided by Bloomberg.

World Stock Market Performance

MSCI All Country World Index with selected headlines from Q2 2021





















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.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

Long-Term Market Summary

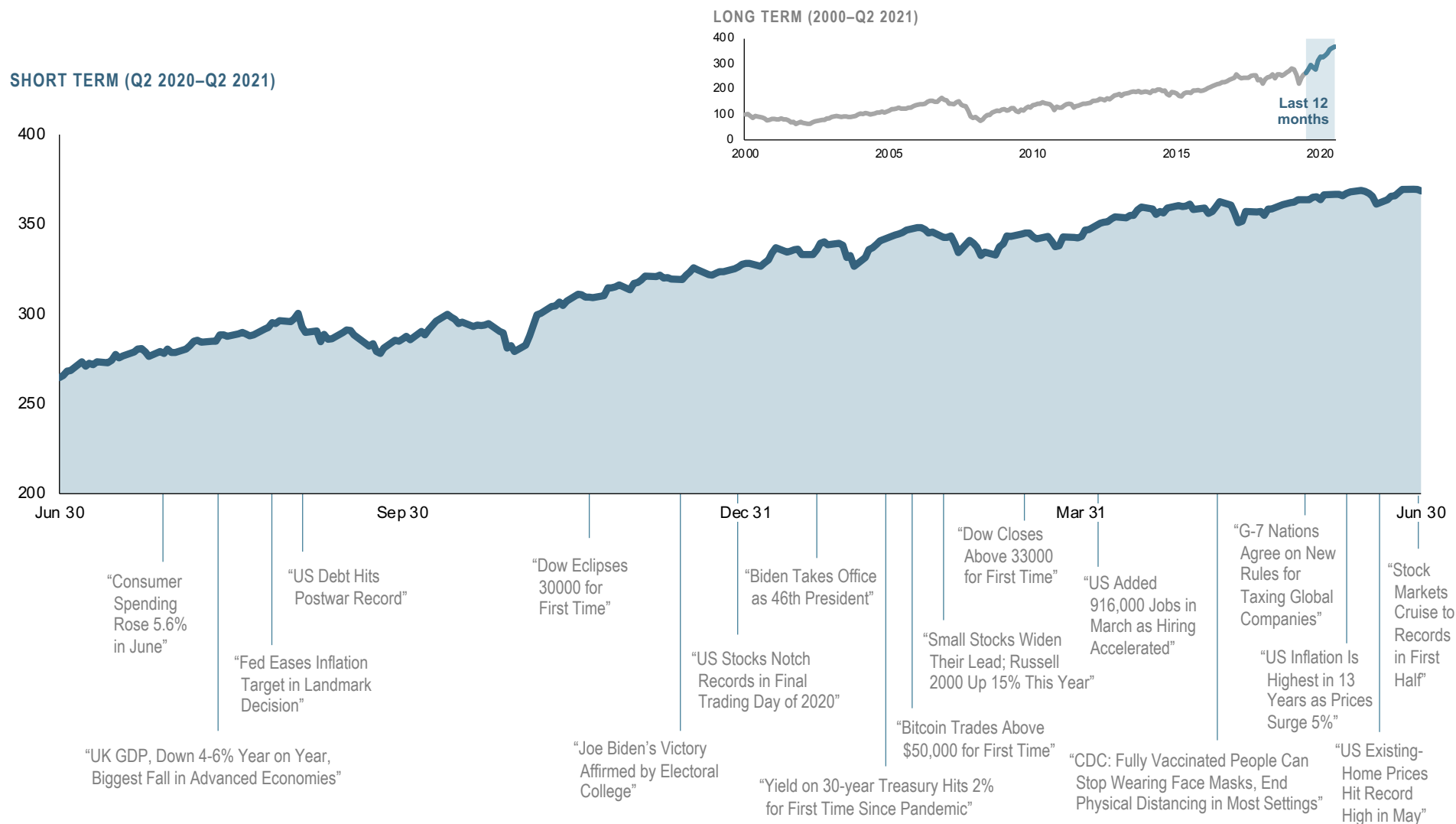
Index Returns as of June 30, 2021

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
1 Year	STOCKS					BONDS	
	44.16%	33.60%	40.90%	34.83%		-0.33%	0.05%
							
5 Years							
	17.89%	10.36%	13.03%	4.62%		3.03%	2.80%
							
10 Years							
	14.70%	5.70%	4.28%	6.85%		3.39%	4.12%
							

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: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2021, all rights reserved. Bloomberg Barclays data provided by Bloomberg.

World Stock Market Performance

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



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.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

World Asset Classes

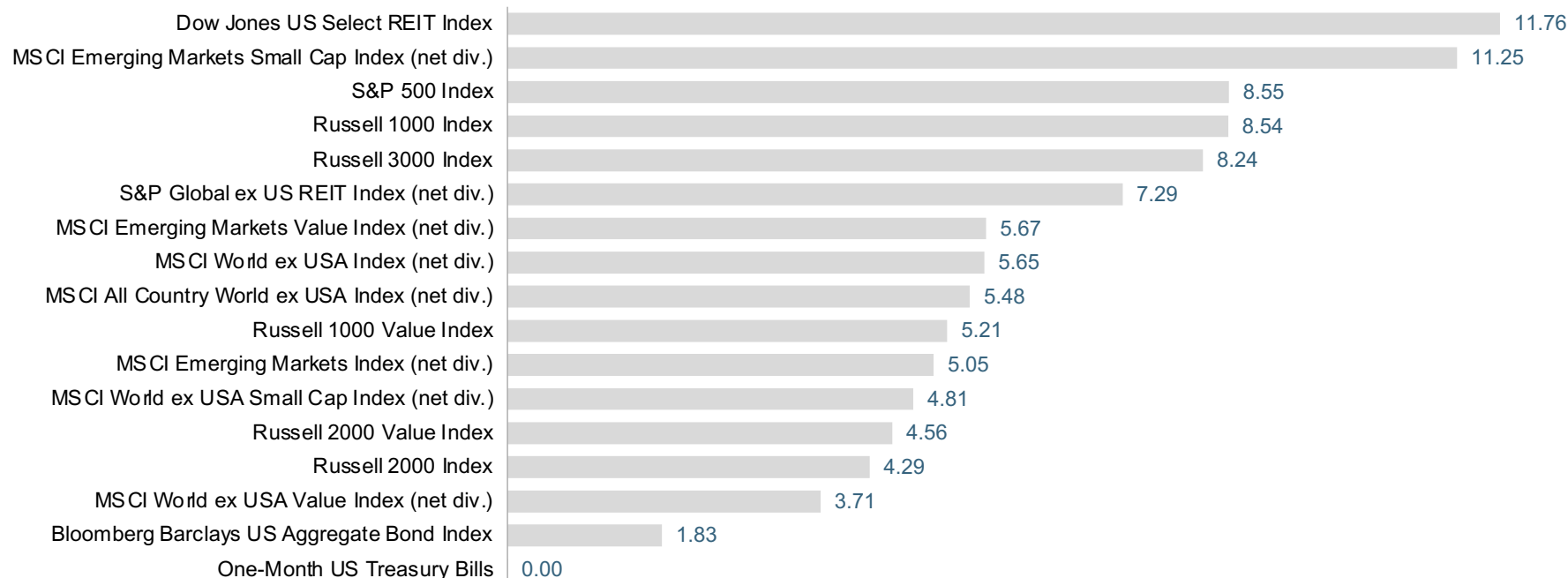
Second Quarter 2021 Index Returns (%)

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

Value performance was mixed in the US, with small value outperforming small growth but large value underperforming large growth. Value underperformed growth in non-US developed markets and outperformed in emerging markets.

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

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



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. The S&P data is provided by Standard & Poor's Index Services Group. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2021, all rights reserved. Dow Jones data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Bloomberg Barclays data provided by Bloomberg. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

Impact of Diversification

Second Quarter 2021

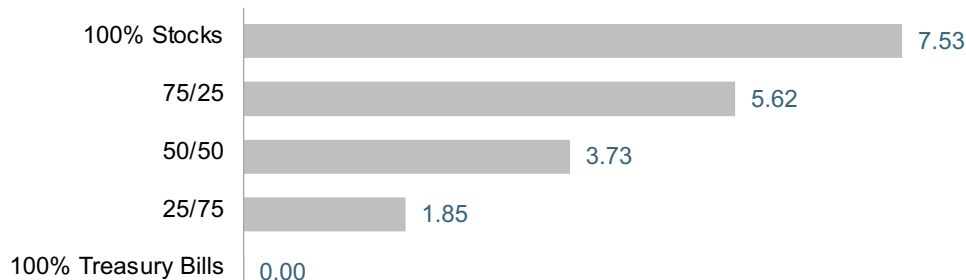
These portfolios illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

Period Returns (%)

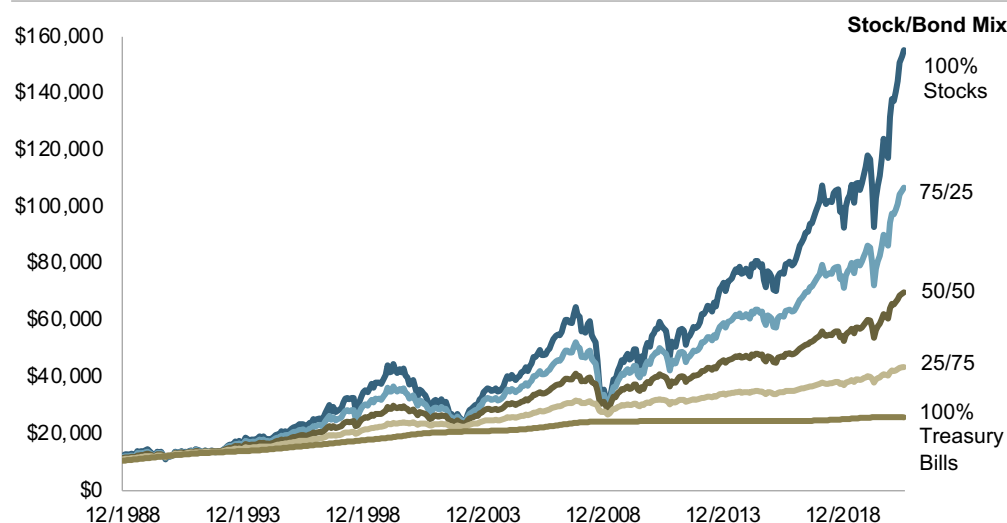
* Annualized

Asset Class	YTD	1 Yr	3 Yrs*	5 Yrs*	10 Yrs*	10-Year STDEV ¹
100% Stocks	12.6	39.9	15.1	15.2	10.5	14.0
75/25	9.3	29.0	11.8	11.7	8.1	10.5
50/50	6.2	18.7	8.4	8.2	5.7	7.0
25/75	3.1	9.1	4.9	4.6	3.1	3.5
100% Treasury Bills	0.0	0.1	1.2	1.1	0.6	0.2

Ranked Returns (%)



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).

US Stocks

Second Quarter 2021 Index Returns

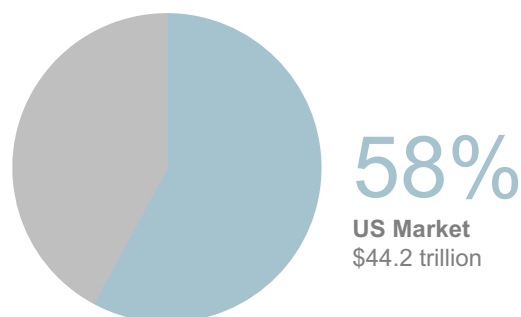
The US equity market posted positive returns for the quarter and outperformed non-US developed markets and emerging markets.

Value underperformed growth in large cap stocks but outperformed growth in small cap stocks.

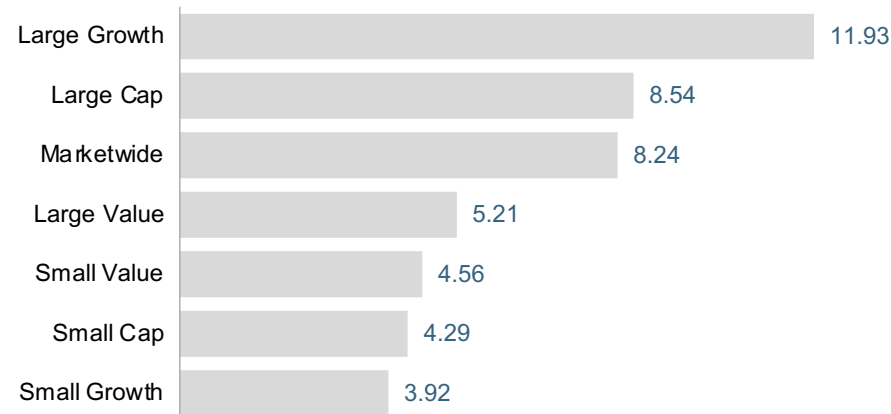
Small caps underperformed large caps.

REIT indices outperformed equity market indices.

World Market Capitalization—US



Ranked Returns (%)



Period Returns (%)

* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Large Growth	13.0	42.5	25.1	23.7	17.9
Large Cap	15.0	43.1	19.2	18.0	14.9
Marketwide	15.1	44.2	18.7	17.9	14.7
Large Value	17.1	43.7	12.4	11.9	11.6
Small Value	26.7	73.3	10.3	13.6	10.9
Small Cap	17.5	62.0	13.5	16.5	12.3
Small Growth	9.0	51.4	15.9	18.8	13.5

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: Marketwide (Russell 3000 Index), Large Cap (Russell 1000 Index), Large Cap Value (Russell 1000 Value Index), Large Cap Growth (Russell 1000 Growth Index), Small Cap (Russell 2000 Index), Small Cap Value (Russell 2000 Value Index), and Small Cap Growth (Russell 2000 Growth Index). World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Dow Jones US Select REIT Index used as proxy for the US REIT market. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2021, all rights reserved.

International Developed Stocks

Second Quarter 2021 Index Returns

Developed markets outside the US posted positive returns for the quarter, underperforming US equities but outperforming emerging markets.

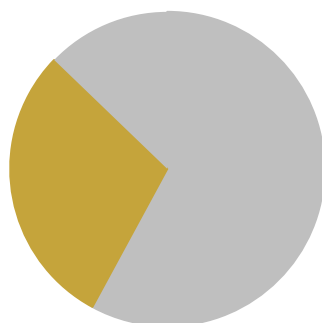
Value underperformed growth.

Small caps underperformed large caps.

World Market Capitalization—International Developed

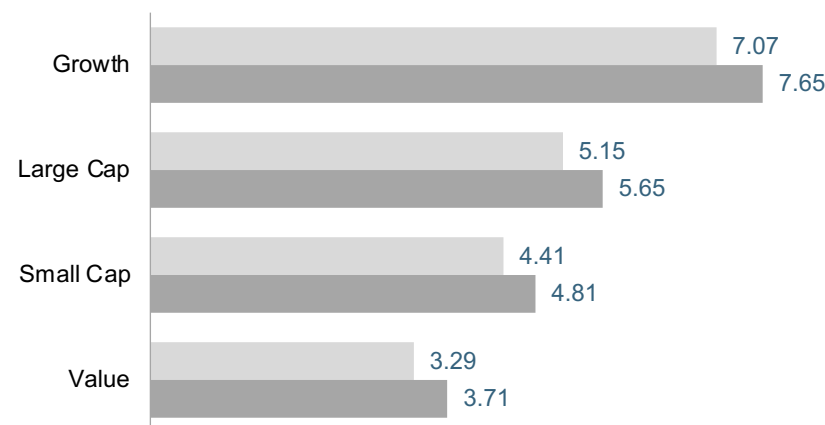
29%

International
Developed Market
\$22.3 trillion



Ranked Returns (%)

■ Local currency ■ US currency



Period Returns (%)

* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Value	12.4	35.9	4.2	8.1	3.9
Large Cap	9.9	33.6	8.6	10.4	5.7
Small Cap	9.9	42.3	8.9	11.9	7.7
Growth	7.3	31.1	12.6	12.4	7.4

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 World ex USA Index), Small Cap (MSCI World ex USA Small Cap Index), Value (MSCI World ex USA Value Index), and Growth (MSCI World ex USA 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 World ex USA IMI Index is used as the proxy for the International Developed market. MSCI data © MSCI 2021, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

Emerging Markets Stocks

Second Quarter 2021 Index Returns

Emerging markets posted positive returns for the quarter, underperforming the US and non-US developed equity markets.

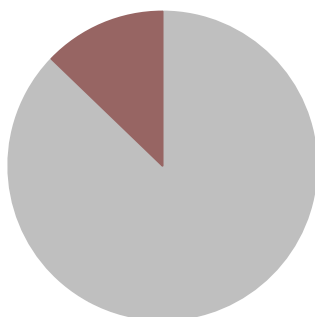
Value outperformed growth.

Small caps outperformed large caps.

World Market Capitalization—Emerging Markets

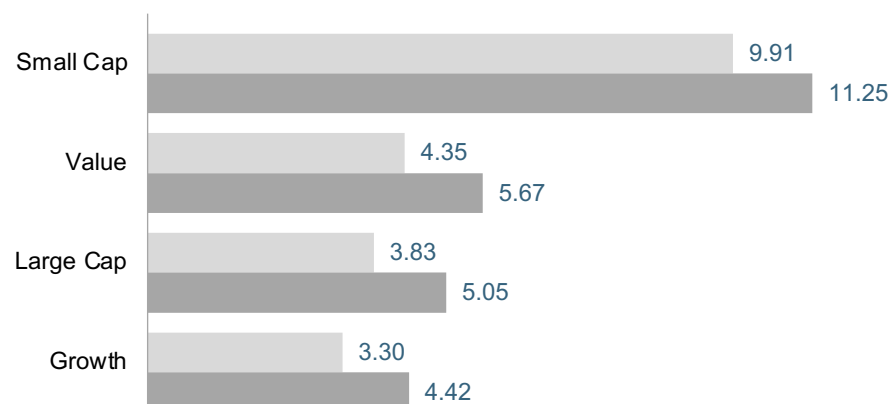
13%

Emerging
Markets
\$9.8 trillion



Ranked Returns (%)

■ Local currency ■ US currency



Period Returns (%)

* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Small Cap	19.8	63.8	12.3	11.9	4.6
Value	10.0	41.6	7.8	9.7	1.8
Large Cap	7.5	40.9	11.3	13.0	4.3
Growth	5.0	40.1	14.4	16.1	6.6

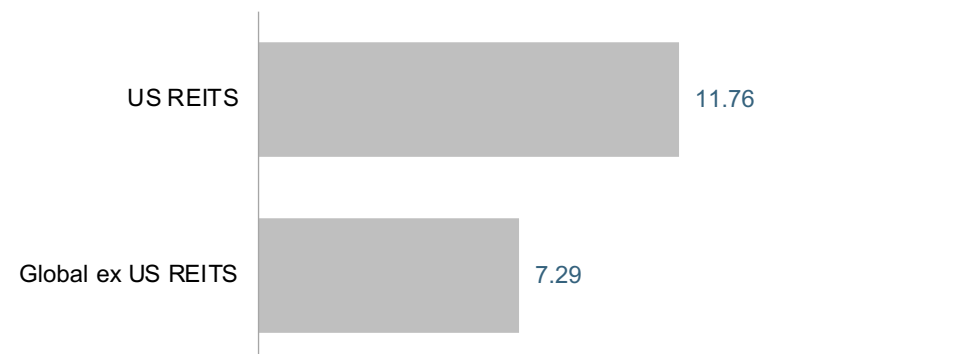
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI Emerging Markets Index), Small 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. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

Real Estate Investment Trusts (REITs)

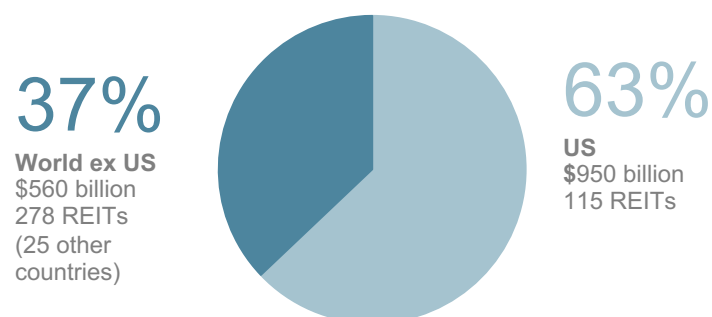
Second Quarter 2021 Index Returns

US real estate investment trusts outperformed non-US REITs during the quarter.

Ranked Returns (%)



Total Value of REIT Stocks



Period Returns (%)

* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
US REITS	22.9	40.0	8.1	5.2	8.7
Global ex US REITs	9.7	31.9	4.6	4.1	5.0

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

Second Quarter 2021 Index Returns

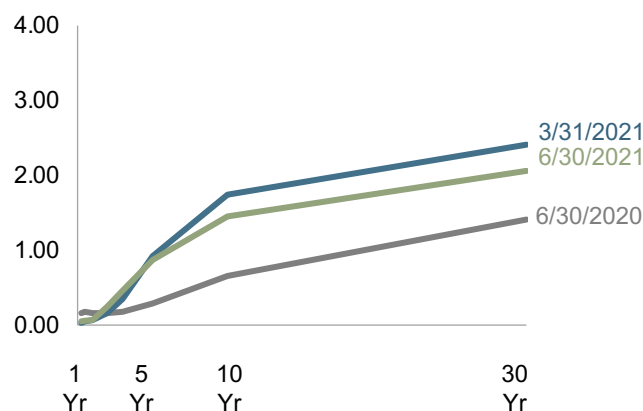
Changes in interest rates in the US Treasury fixed income market were generally mixed during the second quarter of 2021. The yield on the 5-Year Treasury note decreased 7 basis points (bps) to 0.88%. The yield on the 10-Year T-note decreased 28 bps to 1.46%. The 30-Year Treasury bond yield declined 35 bps to 2.04%.

On the short end of the yield curve, the 1-Month US Treasury bill yield remained unchanged at 0.05%, and the 1-Year T-bill yield increased 2 basis point to 0.10%. The 2-Year Treasury note increased 10 bps to 0.25%.

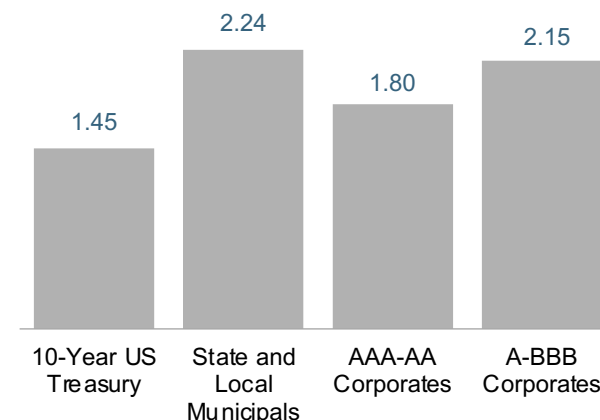
In terms of total returns, short-term corporate bonds gained 0.70%. Intermediate-term corporate bonds returned 1.70%.

The total return for short-term municipal bonds was 0.30%, while intermediate-term munis returned 0.80%. Revenue bonds outperformed general obligation bonds.

US Treasury Yield Curve (%)



Bond Yield across Issuers (%)



Period Returns (%)

Asset Class	*Annualized					
	QTR	YTD	1 Year	3 Years*	5 Years*	10 Years*
Bloomberg Barclays US Government Bond Index Long	6.4	-7.8	-10.4	8.0	3.2	6.6
Bloomberg Barclays US TIPS Index	3.3	1.7	6.5	6.5	4.2	3.4
Bloomberg Barclays US High Yield Corporate Bond Index	2.7	3.6	15.4	7.5	7.5	6.7
Bloomberg Barclays US Aggregate Bond Index	1.8	-1.6	-0.3	5.3	3.0	3.4
Bloomberg Barclays Municipal Bond Index	1.4	1.1	4.2	5.1	3.3	4.3
FTSE World Government Bond Index 1-5 Years	0.3	-2.1	2.1	2.3	1.3	-0.1
FTSE World Government Bond Index 1-5 Years (hedged to USD)	0.1	-0.3	0.1	2.8	1.9	1.9
ICE BofA 1-Year US Treasury Note Index	0.0	0.1	0.2	2.0	1.5	0.9
ICE BofA US 3-Month Treasury Bill Index	0.0	0.0	0.1	1.3	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 (SBBI) 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

Second Quarter 2021 Yield Curves

Changes in government bond yields in the global developed markets were mixed for the quarter.

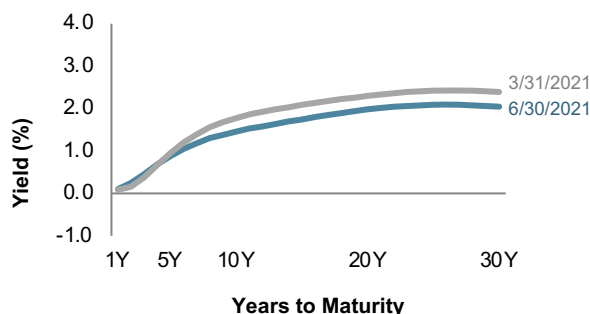
Term premiums were mixed in developed markets.

Short- and intermediate-term nominal interest rates were negative in Japan and Germany.

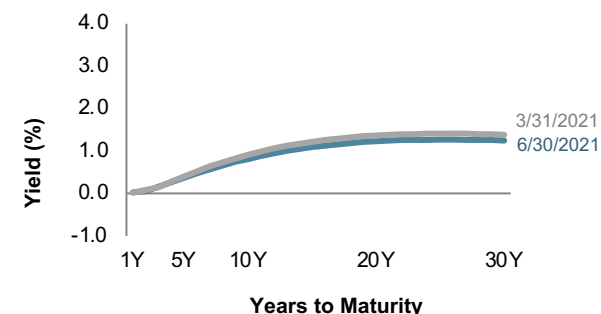
Changes in Yields (bps) since 3/31/2021

	1Y	5Y	10Y	20Y	30Y
US	1.8	-6.5	-31.9	-31.8	-35.0
UK	0.8	-3.1	-9.9	-13.8	-13.8
Germany	-2.2	5.4	5.1	4.4	1.5
Japan	1.9	-1.5	-4.4	-3.7	2.2
Canada	11.1	1.8	-16.0	-16.1	-12.8
Australia	-11.0	-3.2	-24.7	-37.3	-40.5

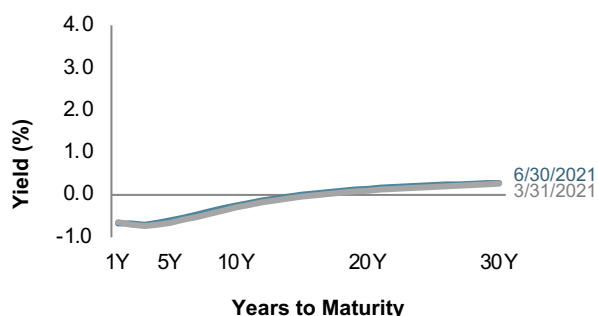
US



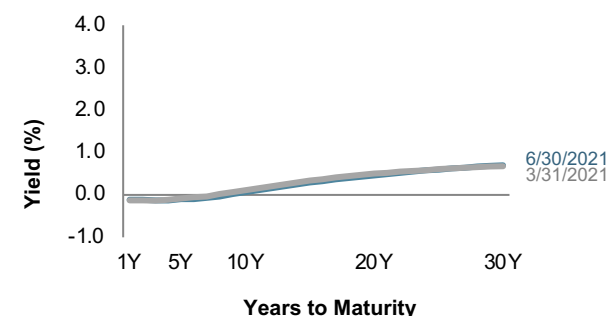
UK



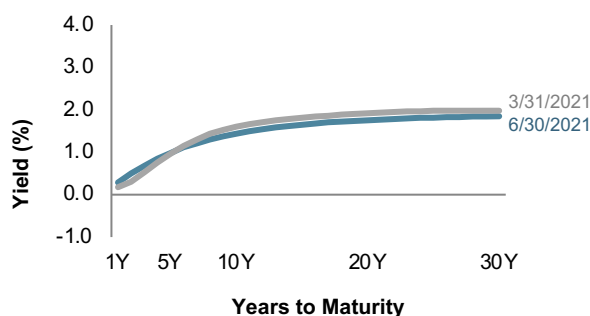
Germany



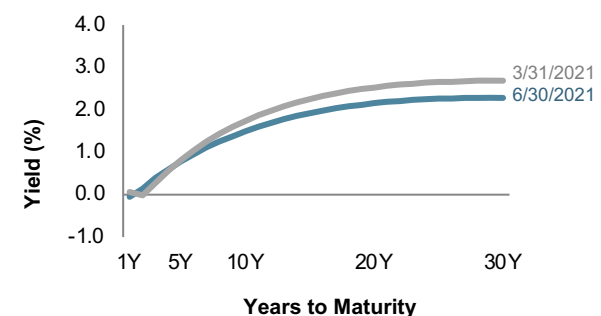
Japan



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.*

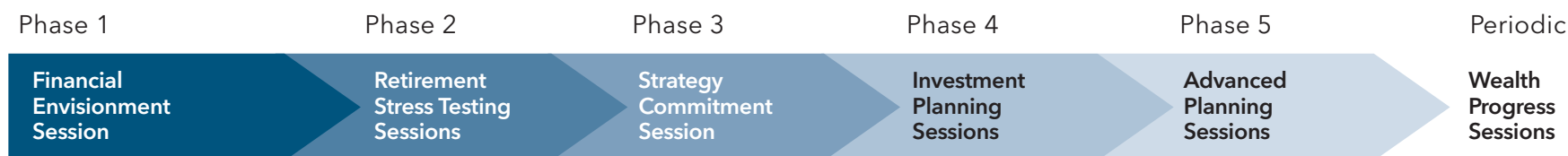
In order to help those you care about achieve their goals and dreams, we provide a complimentary **Wealth Planning Second Opinion** for those people. We're pleased to offer your friends, family and colleagues the same guidance and expertise that you've experienced as a valued client of Professional Financial.

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™

Kam-Lin K. Hill, MBA, ChFC®, CFP®
Chartered Global Management Accountant
Accredited Wealth Management Advisor™

Professional Financial Strategies, Inc.

Powder Mill Office Park
1159 Pittsford-Victor Road, Suite 120
P. O. Box 999
Pittsford, NY 14534
(585) 218-9080
planning@ProfessionalFinancial.com
www.ProfessionalFinancial.com



Disclosure: Professional Financial Strategies, Inc. ("Professional Financial") is an independent investment advisor registered with the Securities and Exchange Commission. CFP professionals are fiduciaries with a duty of loyalty and care to act in client best interest and individually licensed by the Certified Financial Planner Board of Standards.

Past performance may not be indicative of future results. Actual results, performance, or achievements may differ materially from those expressed or implied. Different types of investments involve varying degree of risk, and there can be no assurance that the future performance of any specific investment or investment strategy (including any recommended by Professional Financial) will be profitable, or equal any corresponding indicated historical performance level(s), or be suitable for your individual situation. All expressions of opinion are subject to change without notice in reaction to changing market conditions, social or geopolitical conditions, and/or applicable laws. Any awards and honors referenced above were independently granted on the basis of current professional and reference value such as position, noteworthy accomplishments, visibility, prominence, regulatory filings and/or education in the fields of finance and management.

Moreover, you should not assume that any discussion or information contained in this paper serves as the receipt of, or as a substitute for, personalized investment advice. To the extent you have any questions regarding the applicability of any specific issue discussed to your individual situation, you are encouraged to consult with a CFP® wealth professional or other competent professional specialist. Professional Financial is neither a law firm nor a certified public accounting firm, and so no portion of this content should be construed as legal or accounting advice.

A printed copy of the Professional Financial's current disclosure brochure discussing advisory services and fees is available upon request by calling 585.218.9080. If you are a Professional Financial client, please remember to contact Professional Financial, **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.