Foresight
Capital Management Advisors, Inc.

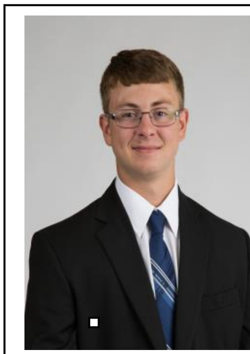
Newsletter 2Q 2022 & Market Summary

2022 started the year at all time market highs and fizzled fairly quickly as a series of economic and global issues hit all at once. The 1Q 2022 found the U.S. with spiked inflation up to 8.54%, the Federal Reserve increased interest rates .25%, a Ukrainian Russian war broke out, supply chain issues persist from China Covid lock downs, Oil prices have averaged over $100 per barrel, and the housing boom is beginning to slow from high commodity costs and a spike in mortgage rates to near 5%. This is the backdrop to fairly steady consumer spending in the U.S., corporate profits continue to show strength through April 22nd with 70% of companies beating revenue and 78% beating earnings, according to Refinitiv, and unemployment has lowered to 3.6%! So the world is not exactly utopic right now, but the U.S. economy seems to be one of the brightest spots and healthiest economies globally. All this being said, it is a time of heightened awareness and Foresight has begun to increase defensive measures by reducing the risk allocations in the portfolios as a precaution should any of the above-mentioned risk factors cause an economic spiral to a premature recession. We want to be tactically ready and in safer allocations. The Foresight Mutual Fund Model's held up decently well for 1Q 2022 beating the major indices, at March 31, 2022, the average year to date returns were as follows: Conservative -4.21%, Moderate -4.37%, and Aggressive -4.57% when the market indices were all down as follows: S&P 500 -4.60%, Foreign MSCI EAFE -5.79% and Aggregate Bonds -5.93%.

Welcome our employee accomplishments and newest employees at Foresight!

Patrick Carney, VP and Director of Personal Wealth Management, CFP, AIF®
Has Passed the CIMA®-Certified Investment Management Analyst License!

Jessica Osburn
Assistant Financial Analyst-Para Planner
Arizona St-BS Global Business and Finance

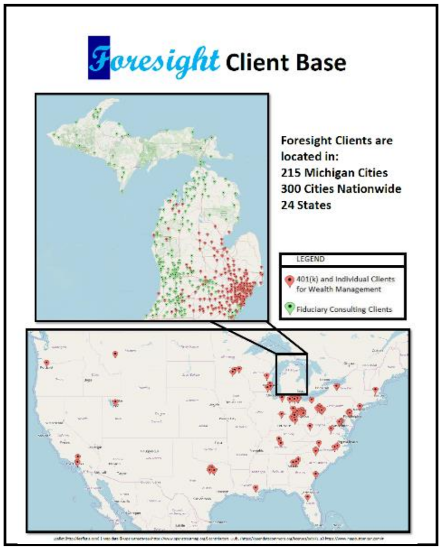


Michael Behrendt
Financial Analyst-Intern
UofM Dearborn pursuing BBA-Finance and Marketing

I-Bond Investment Idea for idle cash: With inflation running near 8.5%, which is the highest inflation we have seen in 41 years, the I-Bond or Inflation Bond offered by the U.S. Treasury is something to consider as an investment for idle cash. You can buy up to $10,000 at Treasurydirect.gov and up to an additional $5,000 with your income tax refund. The I-Bonds are paying 7.12% interest for the first 6 months for bonds purchased through April 2022! The interest resets every 6 months according to inflation in the U.S. You must hold the bond for at least 1 year and if you cash it in before 5 years you will lose only 3 months of interest as the penalty. With inflation running high this is definitely an investment to consider to offset some of the inflationary pressures we all feel in groceries, gas, and purchased goods. Visit Treasurydirect.gov to learn more and open an account if you wish to purchase an I-Bond.

PEP-Pooled Employer Plans: Foresight now offers 401(k) plans for small businesses under the new SECURE Law that introduced PEP Plans to all small businesses. Please call us today for more information on how to join the new PEP 401(k) plans and offer your employees a new expanded benefit!

CEPA- Certified Exit Planning Analysis Services: Foresight can provide exiting planning valuations for businesses and owners. Our firm can assist with implementing business improvements to assist with increasing the value of your business prior to an exit or retirement. If you are interested in these services or know someone who is, please reach out to Foresight at 877-429-4690.



FCMA Mutual Fund Model Returns
March 31, 2022

Conservative Model	-4.21%
Moderate Model	-4.37%
Aggressive Model	-4.57%

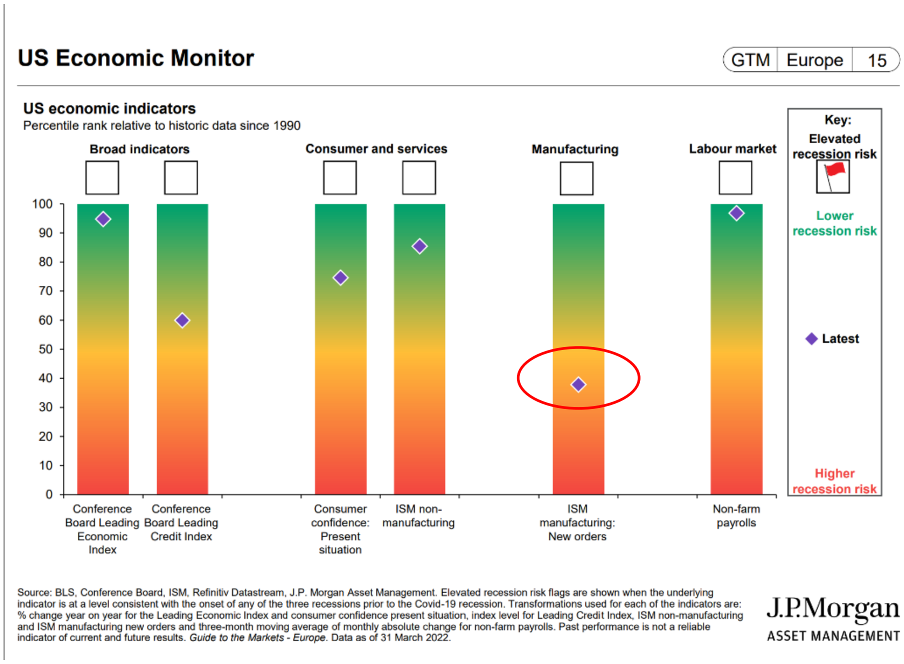
<u>Indexes:</u>

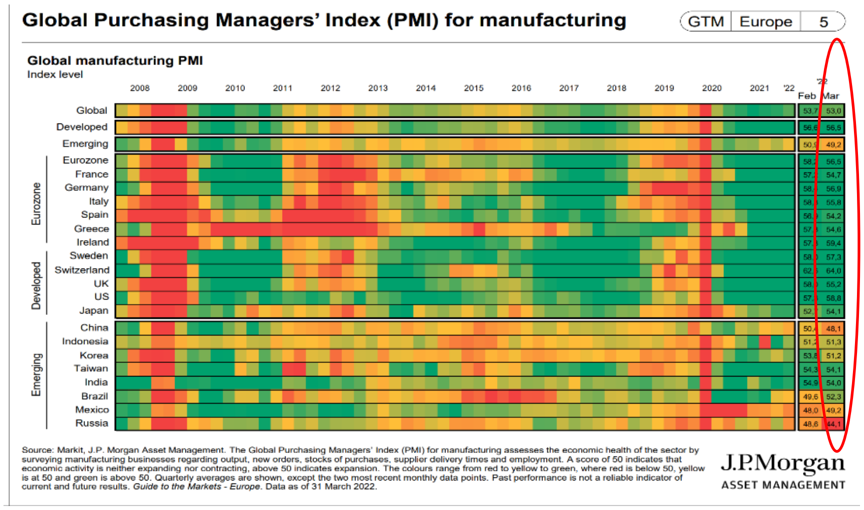
S&P 500 Index	-4.60%
MSCI EAFE Foreign	-5.79%
10Yr T-Bond Index	-5.93%

Future performance is not guaranteed; above returns are total return with reinvestment of dividends, interest, capital gains, and shown net of fees.

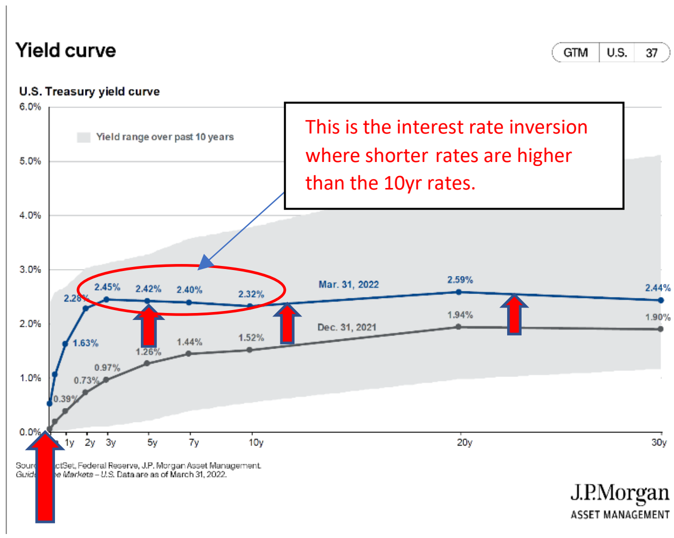
Foresight's Outlook and Portfolio Strategies

1Q 2022 certainly found more obstacles to navigate than most of us have seen in our lifetimes. It is remarkable that despite all the strife the U.S. has managed to remain fairly strong economically thus far. The labor market is at all-time lows with unemployment back to 3.6% as it was pre-covid. This is good news but according to Dr. Kelly, of JP Morgan Global Analyst, there are 9.6 million job openings and only 3.5 million looking for work. By the end of 2022 the U.S. will have a very tight job market where workers cannot be found, unless the 4 million waiting for green cards are granted them. Corporate profits and revenue are strong with 70% beating revenue and 78% beating on earnings, according to Refinitiv. These are predicted to slow as the economy reaches its peak and begins to moderate. See the chart to the left where all the blue diamonds are in the green but the manufacturing new orders have eased below the ½ way mark. If orders are easing then industry is beginning to slow and the economy will moderate in the coming months and years. Foresight believes a more moderated growth or normal growth is expected, something in the mid to single digit growth for returns in 2022. See the chart below from JP Morgan, The PMI which is the Global Purchasing Managers' Index, shows manufacturing strong, or above a score of 50, for all nations except Emerging Markets, China, and Russia. Globally the world majority looks to be in peak





industrial growth which is a time where 2022 is likely to be a year of modest gains and investors will need to be selective in choosing stocks and look for managers who seek alpha or value, because not all stocks will rise in 2022, and the market will see more overall volatility. Risk Tolerance needs to be reviewed and broad diversification with both value and index equity holdings as well as bond/fixed income that can adjust to rising interest rates and short in duration will be key to success in 2022. As Warren Buffett has famously said, 8 different ways, "Interest rates rising are to asset prices like gravity is to the apple. They power everything in the economic universe." What Warren is saying is if the Federal Reserve begins to raise interest rates in 2022 then expect stock prices to correct or adjust downward in price to meet the new interest rate environment. High P/E stocks will adjust downward in price in 2022. The Yield Curve chart, at Mar 31, 2022 has risen substantially since Dec 31, 2021 due to the Federal Reserve raising interest rates. This move jolted the bond curve and has caused some interest rate inversions between the 2yr and 10yr rates. This is and can be an indicator that a recession could occur in the next 18 months. Foresight is watching the Bond Curve very closely to see if this smooths out over the next few months as the Fed Reserve continues to raise interest rates. This situation needs to be carefully maneuvered by the Federal Reserve so it does not push the U.S. into a pre-mature recession but does reduce inflation which is causing many workers to struggle. As the interest rates rise the bonds are adjusting downward in price and this is why as you enter retirement it is so important to actually own the prime market bonds (laddered bonds) to keep stability in your portfolio. For savers or workers floating interest and short duration bonds are the safest play during this time period. Foresight has already adjusted the bond portfolios for our clients in this regard.



Foresight has and is moving the portfolios back to their normal risk level allocations of 60:40 for Moderate, 50:50 for Conservative, and 70:30 for Aggressive, we have reduced the equity slightly because of the added obstacles the 1Q has seen. It is a wait and see time period so we have decided to play it safer with less risk. Broad diversification favoring both value and indexing is the focus of all the Foresight portfolios at this time. We see opportunities in financials, U.S. large value stocks, convertible bonds, floating interest rate bonds, and short duration bonds. For Individuals who have personal portfolios with Foresight we continue to monitor the stock portfolios weekly using stop-losses and some of them have kicked with the recent market drop so there is more cash holdings at this time. The cash will be re-deployed as the market settles down and begins to rise again. Foresight has built out the laddered bond holdings this quarter as more discount bonds have become available in the market. These have been opportunities to add great interest paying bonds and add stability to the portfolio to help weather the volatility in the market. Please call or email if you have any questions or would like to review your portfolios.

Foresight Planning Ideas

IRS Contribution Limits - Some Increases for 2022: The IRS has released the new 401(k),403(b), and 457 savings limits for 2022 to increase to $20,500 deferral max and for 50+ $27,000 deferral. Total Savings limits for deferral, match and profit sharing has risen to $61,000 and if 50+ $67,500. IRA or Roth savings limits remain the same at $6,000 and if age 50+ $7,000. HSA savings limits rise in 2022 for single $50 up to $3,650 and for family up $100 to $7,300 and if 55+ up to $8,300.

PEP-Pooled Employer Plans: Foresight now offers 401(k) plans for small businesses under the new SECURE Law that introduced PEP Plans to all small businesses. No matter what size your company is with employees from 1 to 100 can join a PEP plan and offer 401(k) savings limits to your company employees! The PEP offers economy of scale and keeps the cost extremely reasonable for all members of the PEP. Please call us today for more information on how to join the new PEP 401(k) plans and offer your employees a new benefit!

I-Bond Investment Idea: With inflation running at 7%, which is the highest inflation we have seen in 40 years, the I-Bond or Inflation Bond offered by the U.S. Treasury is something to consider as an investment for idle cash. You can buy I-bonds from $25 up to $10,000 maximum at Treasurydirect.gov and up to an additional $5,000 in paper bonds with your income tax refund, however you need to file a form 8888 if you wish to invest your IRS refund in an I-Bond. The I-Bonds are paying 7.12% interest for the first 6 months for bonds purchased through April 2022! The interest resets every 6 months according to inflation in the U.S. The interest you earn is federally taxed but you do not pay state or local taxes on this interest. You must hold the bond for at least 1 year and if you cash it in before 5 years you will lose only 3 months of interest as the penalty. So consider if you receive 7.12% from Jan to July 2022 and then the interest resets in July 2022 at 5% the average interest you would receive for the year is 6.06%! Now compare that to money market interest rates or one year CD's in the banks which are averaging .15% to .75% according to Bankrate.com. The I-Bond looks to be a real winner, especially with inflation running high this is definitely an investment to consider to offset some of the inflationary pressures we all feel in groceries, gas, and purchased goods. Visit Treasurydirect.gov to learn more and open an account if you wish to purchase an I-Bond.

HSA-Health Savings Plans: Foresight now offers HSA investment plans with debit cards and investment growth for your health care savings accounts. Most employers are now offering HSA plans with your health benefit plans to keep costs reasonable, but the HSA plan attached to the benefit does not allow for you to invest your HSA account and the funds just set in a bank account. The Foresight HSA can be opened, in addition to your employer HSA, and allows you to invest your HSA in our Foresight Models just like we have for our 401(k) plans or mutual funds clients. Any unused HSA balance you have can be easily transferred to a Foresight HSA and made into an investment portfolio while keeping the minimum at your employer for use with your debit card! Then if you need funds put on your debit-card we can simply move funds to the debit card as needed. In the meantime, your HSA is growing and can be saved for healthcare in retirement too! Contact us for more information, 877-429-4690.

Student Debt Refinancing: Consider refinancing student debt, if possible, since the interest-free period is scheduled to sunset on May 1, 2022. The Biden Administration is still working on loan forgiveness, but it is not a forefront topic is likely to be $10,000 if that. Therefore, the interest rates are still low and we recommend applying for a refinance to see if the payment options with lower interest are suitable for you. Please contact us if you would like an analysis regarding your student debt.

A New Idea! Charitable Remainder Trusts-CRT to Stretch Inherited IRAs for your beneficiaries: Meriline & Meacham, PA attorneys at law article, Jan 10, 2022, With proper planning, a charitable remainder trust can replicate a "stretch" IRA. Here's how it works according to Meriline and Meacham's article: You provide in your estate plan that on your death an IRA will be transferred to a CRT. This is an irrevocable trust that pays out a percentage of its assets to your children or other beneficiaries for life (or for a term of up to 20 years) and then distributes its remaining assets to one or more charities. A CRT is a tax-exempt entity, so any assets you contribute to the trust -including IRAs- aren't subject to tax unless they're distributed to noncharitable beneficiaries. The longer distributions can be stretched out, the closer a CRT comes to replicating a stretch IRA. It's important to note, however, that the trust's ability to do so depends on the age of your beneficiaries when you die. Contact us for more information.

CEPA- Certified Exit Planning Analysis Services: Foresight is now certified to provide exiting planning valuations for businesses and owners. Our firm is also prepared to assist with implementing business improvements to assist with increasing the value of your business prior to an exit or retirement. If you are interested, or know of someone who is interested, in pursuing services in this area please reach out to Foresight at 877-429-4690.

Last Pass App: Allows you to enter your Passwords in the application on your cell phone. The app allows you to assign Masters (people) who can enter the app and obtain the information if you pass away. Masters would be given the information to access your cell phone and this app to obtain the critical information needed. This is an app worth looking into as a safekeeping vault for all your passwords and user id logins.

Millennials: Have reached the age of 40. Millennials are now the largest % of the population, the most educated, and the most diverse group. This group will continue to drive the market and economy for years to come as they enter their highest earning years. Foresight has expanded our Speculative Portfolio which invests in future growth areas of the market. This portfolio is not for everyone, but especially millennials who have many years to let a portfolio grow, may find this a great opportunity. If you are interested in learning more about this please email us at consultant@fcmadvisors.net.

Foresight to release a new Whitepaper in 2022!

Focused on the many financial planning areas a young professional should strategically work into their overall lifestyle. When this is organized and addressed at a young age the young professional can successfully launch their career, start a family, pay off student debts and plan for their future! We walk through the Foresight holistic approach to financial planning in this new whitepaper that will be a must read for most career minded professionals. The sooner you read this whitepaper the more settled you will be as you begin the journey in your career.

On-line Access: Each year we encourage everyone to test your on-line access to your account(s) at the custodian or third-party administrator for your plan. Please visit Journeyrps.com, Noblepension.com, or Sentinelgroup.com retirement participant. For individual clients at TD Ameritrade access Advisorclient.com for Schwab Institutional Clients access Schwaballiance.com. To access your web portal for individual accounts, go to https://fp.morningstar.com. If you have any difficulty accessing your account, please email or contact us.

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2Q2022 Newsletter

Market Update
(all values as of 03.31.2022)

Stock Indices:

Dow Jones	34,678
S&P 500	4,530
Nasdaq	14,220

Bond Sector Yields:

2 Yr Treasury	2.28%
10 Yr Treasury	2.32%
10 Yr Municipal	2.23%
High Yield	5.79%

YTD Market Returns:

Dow Jones	-4.21%
S&P 500	-4.69%
Nasdaq	-9.10%
MSCI-EAFE	-6.61%
MSCI-Europe	-7.93%
MSCI-Pacific	-4.08%
MSCI-Emg Mkt	-7.32%
US Agg Bond	-5.93%
US Corp Bond	-7.69%
US Gov't Bond	-6.33%

Commodity Prices:

Gold	1,941
Silver	24.96
Oil (WTI)	100.72

Currencies:

Dollar / Euro	1.11
Dollar / Pound	1.31
Yen / Dollar	121.90
Dollar / Canadian	0.80

Macro Overview

The Russia-Ukraine war has intensified inflation expectations due to the threat of global supply chains which are expected to be impaired for an extended period of time. Supply chain issues were already wreaking havoc on global manufacturing, production costs, and consumer availability before the Russian invasion started.

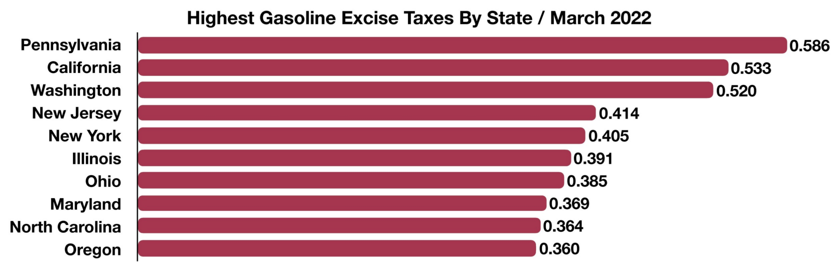
Consumers are rapidly losing purchasing power as rising rates and inflation have created higher borrowing costs for homebuyers and consumers overall. Quickly elevating mortgage rates have some borrowers being disqualified on mortgage loans that had previously been approved.

The Federal Reserve initiated its long awaited rate increase in March, making its first of several additional increases projected this year. Consumer loan rates, mortgage rates, and auto loan rates all increased. The Fed's objective is to circumvent inflationary pressures by raising rates in order to ease consumer demand for products and services. Economists believe that the tremendous spike in global commodity prices is creating commodity-led inflation, which increases costs for production, manufacturing, and consumers globally.

The pandemic-induced demand for homes nationwide may eventually subside as mortgage rates have reduced affordability for millions of homebuyers. The average 30-year conforming mortgage rate rose to 4.67% in March, up from a low of 2.66% in December 2020.

Short-term Treasury bond yields began to move higher than some long-term Treasury bond yields, viewed as an indication of a possible economic slowdown. Rising short-term rates may signal inflationary pressures, while lower long-term rates may suggest a recessionary environment sometime in the future.

A strengthening U.S. dollar over the past few weeks has been the result of global investors seeking stability as the Russian invasion of Ukraine has progressed. Optimistically, a stronger dollar can help stem inflation as it can make imported products less costly for American consumers. The most recent inflation data revealed a 7.9% annual rate, the highest in 40 years, putting pressure on consumers as wages struggle to keep pace with heightened inflation.



Gasoline prices have soared more in certain states than others, with excise gasoline taxes as a culprit. The federal government imposes a tax of 18.4 cents for each gallon sold nationally, yet some states impose an additional gas tax in order to raise funds for state infrastructure and highway projects. Even though the average cost of a gallon of regular gasoline nationally was $4.23 at the end of March, several states saw much higher prices due to additionally imposed excise taxes. (Sources: EIA, Federal Reserve, FreddieMac, U.S. Treasury)

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WAGES FOR FEMALES WERE UP 4.4% FROM A YEAR EARLIER VERSUS A 4.1% INCREASE FOR MEN

Stocks Have A Tough First Quarter – Equity Overview

The yield on the 10-year Treasury bond rose above the S&P 500 Index yield in March, meaning that the 2.32% yield on the 10 year Treasury bond is more than the 1.32% dividend yield for the S&P 500 Equity Index. Some analysts believe that current earnings estimates for the S&P 500 Index, which represents a wide swath of the equities market, may be distorted. Almost all of the growth in 2022 earnings for the index since the beginning of the year can be traced to the energy sector alone. The dramatic rise in oil and energy prices have propelled profits for oil and energy companies, which aren't representative of other sectors.

Major equity indices recouped some ground in March, with the S&P 500 Index , Dow Jones Industrial Average and the Nasdaq all having a positive month. First quarter returns were not as generous, as all three indices saw negative performance with the worst quarter in two years. Some analysts are skeptical if an upward trajectory will continue, while others see fundamental optimism surrounding earnings and economic growth, both of which affect stock prices. (Sources: S&P, Treasury, Dow Jones, Nasdaq)

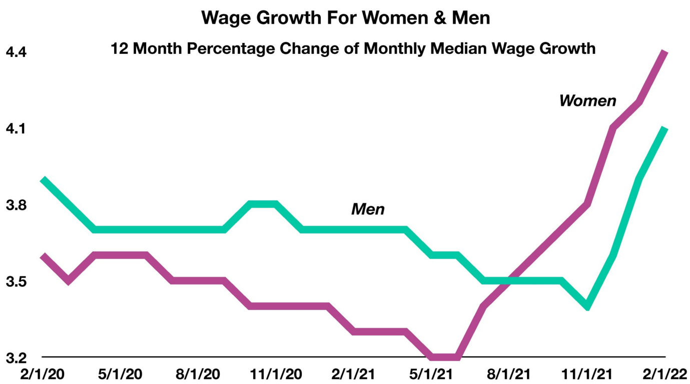
Rates On The Rise – Fixed Income Overview

Global bond yields rose in March as European and Asian central banks concurrently raised rates to help stifle global inflation. The Fed began to raise rates in March, with its first of perhaps six additional increases this year. Even though the increases are minimal, each increase affects the overall bond market. Treasury and corporate bond yields rose following the Fed's move, with the anticipation of a continued higher rate environment towards the end of the year.

Shorter term Treasury bonds have begun to yield more than some longer term Treasury bond maturities. Known as an inversion, economists and bond analysts view such a dynamic as indicative of a recessionary environment sometime in the future. (Sources: Treasury, Federal Reserve)

Women Getting Bigger Pay Raises Than Men – Labor Market Update

The pandemic derailed many working families, keeping family members home with children as schools and daycares were shuttered. Many mothers stayed home to care for children and other family members, with many even leaving their jobs. Data from the Atlanta Federal Reserve found that women have been seeing higher wage increases than men over the past few months.



Wages for females were up 4.4% from a year earlier versus a 4.1% increase for men during the same period. The February data marks six consecutive months that female wages have outpaced male wages, a dramatic deviation from traditional trends. The data also found that women switching jobs are also seeing larger pay increases than men switching jobs. Women are also more likely to work part-time than men are, thus having more flexibility in planning for family and personal time. (Sources: Dept. of Labor, Atlanta Federal Reserve; Labor Report First Look)

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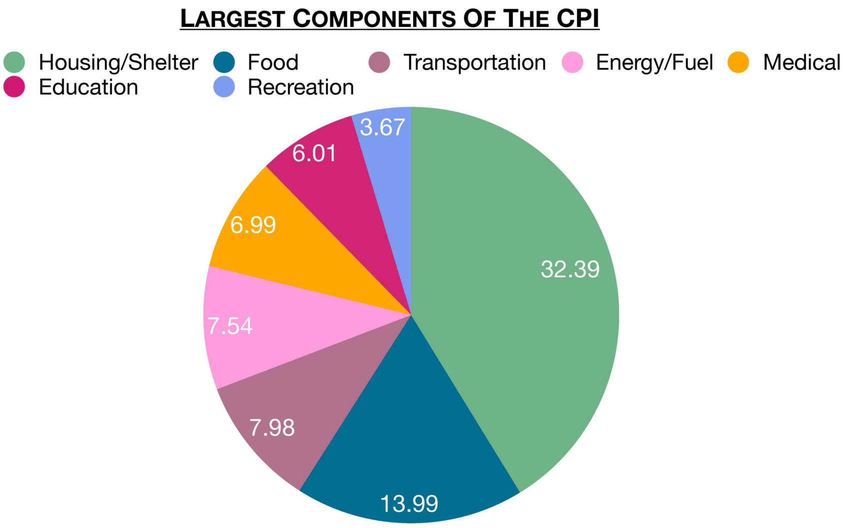
21.5% OF THE CONSUMER PRICE INDEX IS COMPOSED OF FOOD AND ENERGY EXPENDITURES

Food & Gasoline Making Up More Of Consumer Expenditures – Consumer Inflation

Food and energy have become the two fastest rising expenses for consumers nationwide, as well as representing a larger proportion of total living costs. Currently, 21.5% of the Consumer Price Index (CPI) is composed of food and energy expenditures, where the cost of groceries alone were 6.5% higher and the price of gasoline 50.8% higher than a year ago.

The concern that many economists have identified is that as millions of Americans are spending more on food and energy, they have less to spend on what they'd truly desire or want, also known as discretionary goods. As funds for discretionary items become scarce, economic growth suffers as sales of cars, furniture, clothing, and dining out become less affordable for millions of consumers.



Historically, food and energy prices have always been very volatile, making up more or less of consumer expenditures over time. Where consumers live and how old they are also dictates how influential components of the CPI are. Gasoline for example is less expensive in Oklahoma than in California, and seniors may not spend any funds on education but may spend more on medical expenses. (Sources: Dept. of Labor, BLS)

What Is Stagflation – Inflation Overview

Becoming more of a topic throughout the financial media is stagflation, characterized as an environment with minimal economic growth, inflation, and elevated unemployment. The last time the U.S. experienced stagflation was in the late 1970's and early 1980's, with only a small portion of consumers remembering what it was like.

Many economists believe that the inflation we are experiencing today is driven by supply constraints and not driven by heightened consumer demand. Traditional periods of inflation have always evolved from excessive consumer demand supported by expanding wages. Currently, wages are not keeping up with inflation, thus producing diminishing incomes and consumer purchasing power.

Should wages fail to keep up with inflation, and economic growth begin to falter, then the risk of stagflation increases. Unemployment may increase concurrently should companies decide to reduce staff and cut positions as an economic slowdown sets in. (Source: Federal Reserve Bank of Kansas City)

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RMDS CAN AFFECT TAXES ON SOCIAL SECURITY BENEFITS

Tax On Social Security In Retirement – Retirement Tax Planning

A prudent and effective tax strategy during your employment years will mostly likely need to be modified in retirement. Once earned income ceases and income from retirement plans, investments, and Social Security commences, tax liabilities change.

The impact of the changes is primarily driven by the assets that we have little tax control over once we reach 72 (70 ½ if you reach 70 ½ before January 1, 2020) which include IRAs, 401k plans, and pensions, which triggers RMDs (Required Minimum Distributions).

Distributions from tax deferred retirement accounts such as an IRA or a 401k are generally taxed at the ordinary tax rate. Distributions from a Roth IRA or Roth 401k are income tax free as long as the account has been opened for at least five years and the account holder is 59.5.

Investment income such as stock dividends and bond interest are taxed differently, especially when they are held outside of a retirement account. Realizing gains on stocks that have been held for one year or more can be taxed at a more favorable rate than the ordinary rate. Interest on bonds and gains realized on short-term positions less than one year are taxed at the ordinary rate.

Retirement also introduces us to Social Security which, contrary to popular belief, can be taxed. Eligibility for Social Security benefit payments begins at age 62, but can be postponed until age 70. A key determinant as to when to start receiving Social Security may be contingent on the amount of retirement assets in retirement accounts subject to RMDs. This is where tax strategies can vary dramatically.

Retirees with excessive assets in retirement accounts subject to RMDs and with non-retirement investment income may want to confer with a tax professional to help determine when to take Social Security. Conversely, retirees with minimal assets in retirement accounts and investments may have little concern about paying taxes on their Social Security benefits. The IRS determines if and how taxes are owed on Social Security by the "provisional income" measure. Provisional income includes gross income, tax-free interest, and 50% of Social Security benefits. If the provisional income is above a certain amount, then a portion of the Social Security income becomes taxable.

One way to potentially lower taxes in retirement is to start taking distributions from tax-deferred accounts before it's required. Again, once you reach age 59½, you can withdraw funds from those accounts without paying the 10% early withdrawal penalty. The withdrawals are still taxed as ordinary income, but over time they reduce the size of tax deferred accounts, and thus the size of your RMDs. Another reason to access those funds before 72 is that it could help you delay taking your Social Security benefit, which increases in size the later you take it, up to age 70.

Another strategy for reducing the potential tax consequences of RMDs is converting a traditional IRA or 401(k) plan into a Roth IRA before the age of 72. A Roth conversion may make sense when you're certain you'll be in a higher bracket when you eventually withdraw the money, which is often the case once RMDs and Social Security are factored in. (Sources: Social Security Admin., IRS, Tax Policy Center)

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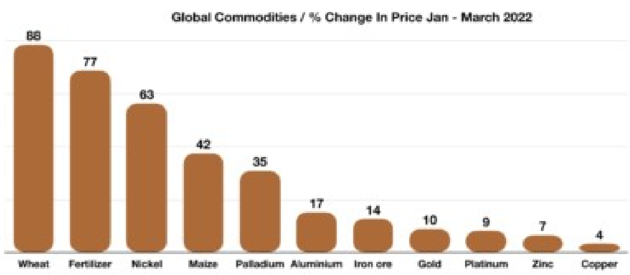
What Commodities Have Been Most Affected – Global Dynamics

Global commodity prices have experienced extreme volatility since the inception of the Russian invasion of Ukraine. Of concern is that many of the affected commodities are essential to food production and industrial manufacturing worldwide. As exports of some of these commodities from Russia and Ukraine have cratered since the war began, supply issues have become critical and prices have rapidly risen.



Food related commodities such as wheat and fertilizer have risen substantially, raising food production costs to developed and poorer, emerging economies already struggling with food shortages. Metals such as nickel, palladium, aluminum and copper are widely used in manufacturing and industrial production, affecting the technology and automotive sectors. (Sources: World Bank; International Energy Agency; and OECD Agricultural Outlook database)

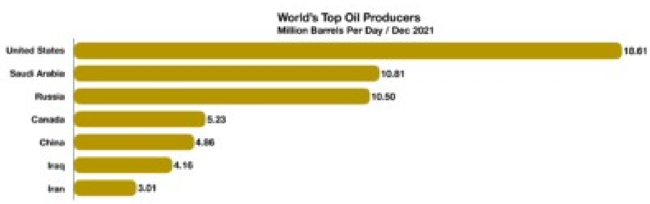
Top Oil Producing & Oil Exporting Countries – Global Oil Market

Global geopolitical events have historically affected oil and gasoline prices worldwide, as production and supply issues evolve. As the largest oil producer in the world, the Unites States accounts for roughly 20% of total world production. Saudi Arabia accounts for 12% and Russia accounts for 11% of total world production. Even though Russia only produces 11% of total production, it accounts for over 10% of total world oil exports, making it one of the largest exporters of oil.

With oil production at nearly 19 million barrels per day, the United States produces nearly double what Saudi Arabia and Russia produce each day. Countries producing much less demand larger imports of oil in order to satisfy consumption, such as China.

Over the past twenty years, the U.S. has become nearly non-reliant on foreign oil, essentially producing what it consumes. Some analysts believe that the U.S. may be more immune from the Russian conflict than other countries, whose reliance on Russian oil exports is critical.

The United States does import oil from Russia as well as other countries in order to meet the country's average daily consumption of roughly 20 million barrels. Imports from Russia have averaged about 22 million barrels per month, about the same amount the U.S. produces in a single day. (Sources: IEA, Dept. of Energy)



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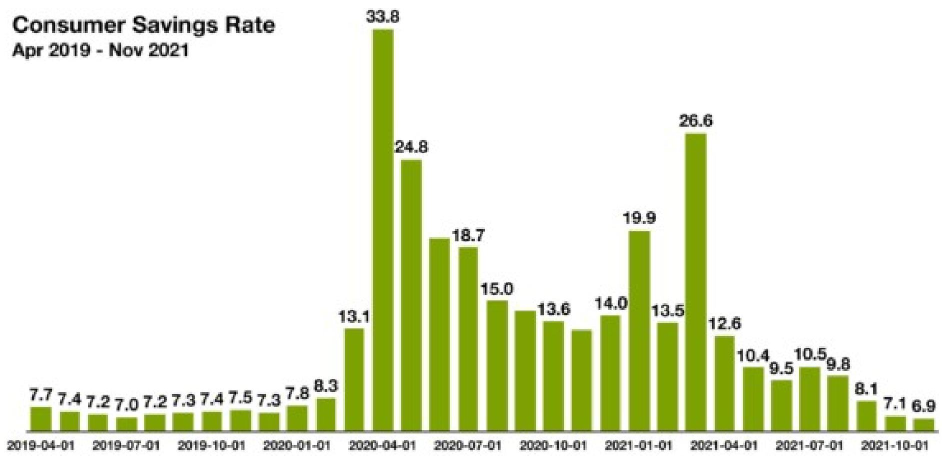
Why Such A Drop in Consumer Savings – Consumer Behavior

Consumers are saving the lowest amount in four years as stimulus assistance funds and generous unemployment benefits have gradually evaporated, encouraging consumers to tap their savings at an accelerating pace.

The drop in savings has also been prolific for those nearing retirement. As markets have pulled back, so have retirement fund values, elongating the retirement threshold for many.

Savings rates rose dramatically in 2020 as billions of dollars in stimulus relief payments made their way into consumer accounts. Federal Reserve data found that households spent only 40 percent of their payments, used 30 percent to pay down debt, and saved about 30 percent on the initial round of stimulus payments. The spectacular rise in the savings rate to nearly 34 percent in April 2020, was a validation of how much of the payments went towards savings.

As additional relief programs along with generous unemployment benefits became effective, the savings rate remained elevated through the end of 2021. The most recent data show that the savings rate dropped to 6.9 percent in November 2021, lower than where it stood at roughly 7.5 percent before the pandemic began. (Source: U.S. Bureau of Economic Analysis, St. Louis Federal Reserve Bank)



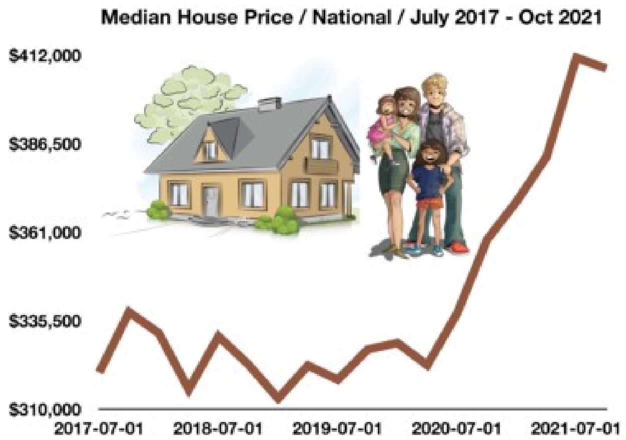
Capital Management Advisors, Inc.

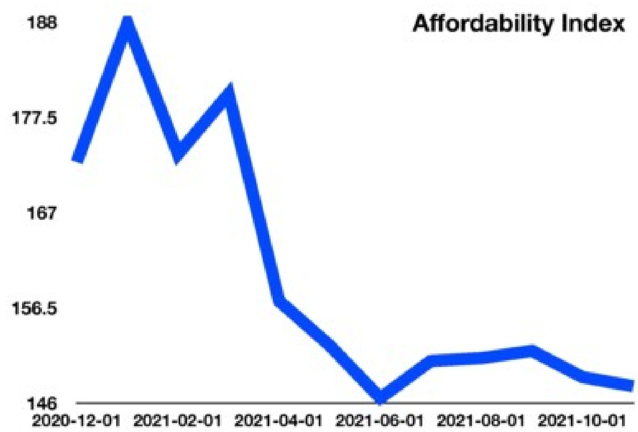
Where Are Home Prices Headed – Housing Market Update

After rising consecutively every quarter since the middle of 2020, housing prices have started to pullback. Limited inventory, migration to rural areas, extended low mortgage rates, and material supply issues have all contributed to elevated home prices over the past two years. The most recent data available by the St. Louis Federal Reserve show a decrease in the median sales price of houses nationwide to $408,100 in October 2021, a drop from $411,200 the previous quarter.

Affordability has become a grave issue for younger homebuyers, even with record low mortgage rates, as inflated prices have forced many to rent until prices retract.

As the Fed readies for a rate increase in March, it will also be selling millions of dollars in mortgage bonds from its balance sheet in order to help mitigate inflationary pressures. Many analysts believe that the Fed's actions will directly influence mortgage rates to rise, possibly enough to stifle rising housing prices. A growing consensus seems to believe that housing prices will be pressured lower as additional inventory becomes available and as rates rise with the Fed's actions. (Source: St. Louis Federal Reserve Bank)





Important Age Limits When Parents Send Kids Off To School – College Expense Planning

Auto insurance

Kids can stay on their parents' auto insurance even if they have moved out and they're away at school and still listing the parent's home address as their primary residence. In addition, children not enrolled in school, considered an eligible dependent (insurers have different definitions), still drive a vehicle owned and insured by a parent, are eligible to stay on their parent's insurance.

If an adult child has a driver's license and is living in at home, then normally your auto insurance company may require that she or he is listed on your policy, regardless of their age.

People living in the same household have access to the insured vehicles, so insurance providers want all licensed household members placed on your car insurance policy. This allows your auto insurance company to look at all drivers' risk factors and calculate car insurance rates accurately.

Health Insurance

Per federal law, a child can remain on their parents' health insurance until their 26th birthday in most states. There are no restrictions before then, so the child is eligible for coverage under their parent's plan even if married, and/or not in school.

Claim As Dependent For Taxes

The Federal Government allows you to claim dependent children until they are 19. This age limit is extended to 24 if they attend college. If your child is over 24 but not earning much income, they can be claimed as a qualifying relative if they meet the income limits and/or if they are permanently disabled. In order to be claimed as a dependent, a child cannot have a gross income of more than $4,300 in tax year 2021 or 2022. (Source: IRS)