

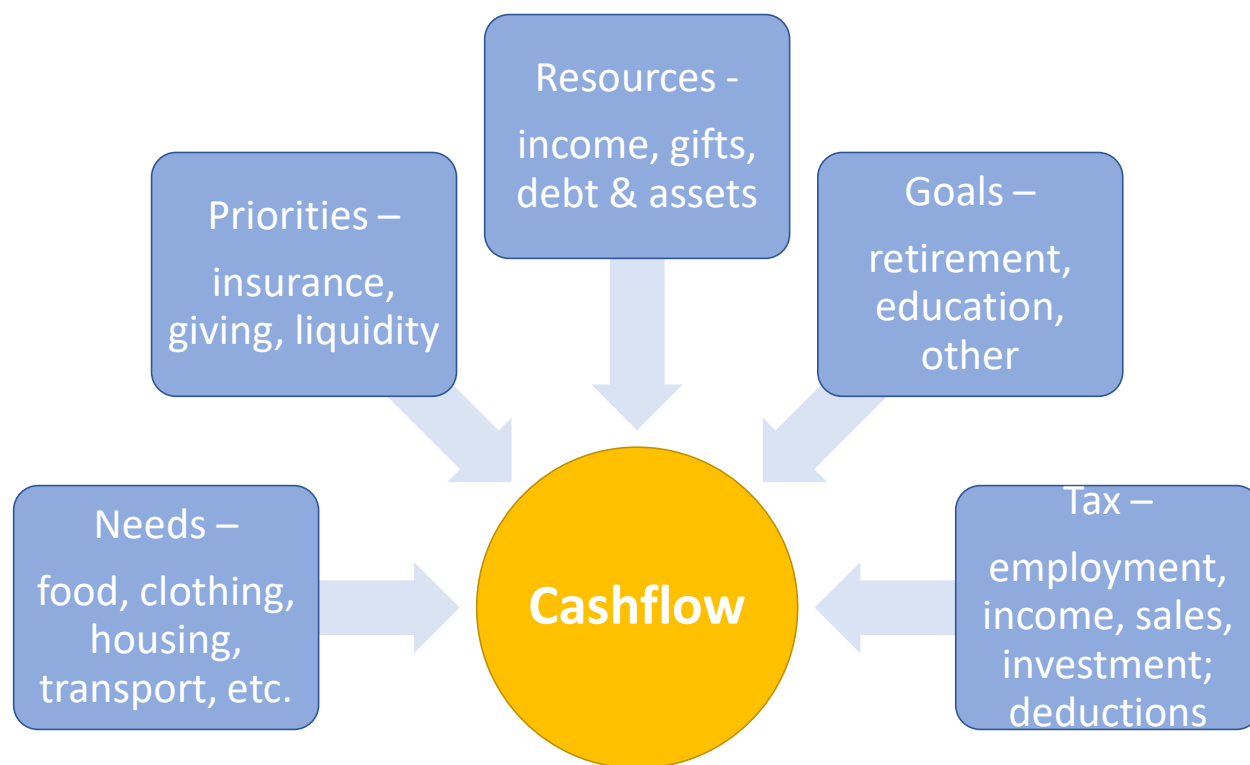


Cashflow, Planning & Investment Basics



Affinity
Financial Advisory

Cashflow, Planning & Investment Basics



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Planning Basics	
areas	implementation
tax strategy	comprehensive, touching all areas
risk & contingency	insurance, emergency fund, etc.
giving strategy	Donor Advised Funds (DAF), etc.
retirement plan	projections; account type selection & appropriate management
education plan	
estate plan	legal documents, trusts, etc.
legacy	tax strategy, account type selection & management
investment	Account type selection & purposeful management



Successful planning begins with cashflow management.

Successful cashflow management generates savings, which allows for goals-based investment.

In turn, cashflow & investment management are executed within the context of an overall plan.



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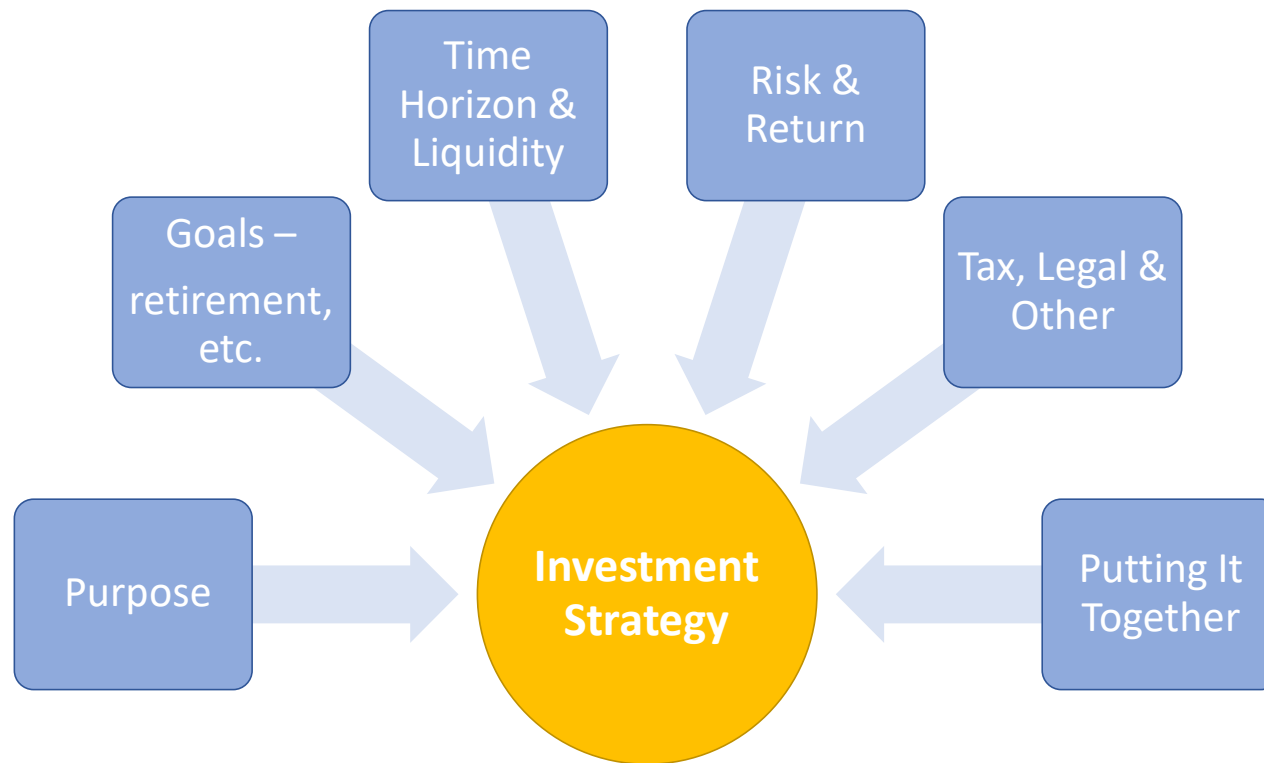
What is the purpose of your money accounts?





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Cashflow, Planning & Investment Basics –

Personal Risk & Other Investment Considerations



Need to Take Risk

Required return

Market risk

Consequence of failure - acceptability



Ability to Take Risk

Time horizon

Liquidity needs

Risk capacity – loss compromises goal



Behavioral Considerations

Risk tolerance – risk aversion is the opposite

Risk preference – safety vs. return

Financial knowledge

Investing experience

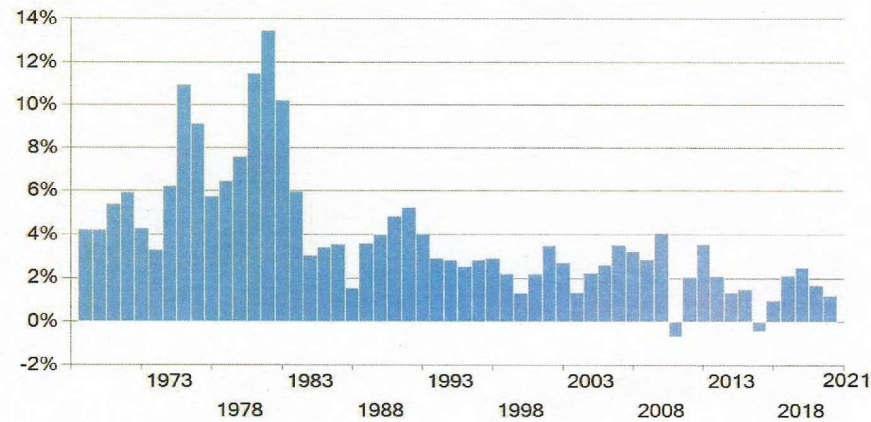
Risk perception – how risky is the stock market?

Risk composure – during a loss did you sell, hold or buy?

Inflation

Inflation is the annual increase in the price of goods and services as measured by the federal government. The graph¹ below illustrates the annual percentage change every other year since the base year of 1967. Over the last 54 years, the average annual inflation rate in the U.S. has been 3.76%.

Annual Inflation Rates



US Bureau of Labor Statistics 1967 - 2021



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Time Horizon & Basic Asset Allocation

Asset Allocation				Time Horizon		
Description	Asset Class			usage of funds		
	Cash	Bonds	Equity	time before	pace and/or duration	potential extent
cash	100%			0 years	day to day	complete
bonds		100%		unknown	brief	complete
very conservative		80%	20%	0 years	a few years	complete
conservative		60%	40%	0 years	several to many years	
moderate		40%	60%	< 5 years	many years	
aggressive		20%	80%	5 - 10 years		
equity			100%	> 10 years		



Why Affinity?

Who We Are

- independent Registered Investment Advisor(RIA)
- no corporate agenda
- Fiduciaries - bound to a high standard

Client Service

- financial planning & advisory (full service) – no extra charge
- client portal – cashflow, investment & goal tracking, vault & more

Our Fees

- are typically lower
- not commission based
- non tiered – all account balances are charged at the same fee %; helps keep fees low

Investment Management *wide range of options*

in-house management

- deepens expertise
- increases efficiency
- keeps fees low

fee based options exclusively

- no surrender charges on annuities or funds
- exiting investments is easy & almost always without cost

exchange traded funds (ETFs)

- used extensively
- higher tax efficiency
- lower cost
- higher flexibility

technical analysis

- simple yet powerful tools for - tracking investment viability
- not used by many advisors