



TOWNSEND NEWSLETTER

2021 SUMMER EDITION



IN THIS ISSUE:

- Quarterly Commentary
- Newsworthy Items
- Congratulations
Annette Gomer!
- Legacy Planning:
A Holistic Approach
- Upcoming Events
- Client Corner
- Cayle's Connection
- Contacts



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www.TownsendRetirement.com

QUARTERLY COMMENTARY – Jeff Townsend, CRPC®

Welcome to summer! The S&P 500 has rebounded much faster than many analysts' predictions. The market is at all-time highs (depending on the day) and will continue to go higher over time but certainly not in a straight line.

A high percentage of adults in the U.S have been vaccinated against COVID-19 and new COVID-19 cases have substantially declined which has certainly helped with the economic recovery. Unemployment has fallen significantly and would most likely be even lower if the Feds would cut off the extra unemployment benefits. I've talked with many business owners who have told me that they can't fill positions as long as people can earn more sitting at home.

"Historically in America, the best healthcare, housing, transportation, nutrition and childcare programs was a job.

If you give people things that they typically get from a job don't be surprised when they don't take a job." – Phil Gramm and Senator Rick Scott, May 20, 2021, WSJ

Will inflation get out of hand? The Federal Reserve doesn't believe that it will. They still aim to keep short-term rates low because it thinks the labor market has a long road back to full health. However, inflation could eventually force the Fed's hand sooner than later. A couple months ago Fed Chair Jerome Powell and his colleagues said that they were not planning on raising interest rates before 2023. However, at the most recent meeting policy makers expect interest rates to rise prior to 2023.

While the Feds may not raise the interest rates anytime soon, it appears that they may reduce their Treasury securities purchasing fairly soon.

(Continued on pg. 3)

Newsworthy Items

A House of Representative subcommittee met in May to discuss reforming the tax code's advantageous treatment of the wealthy. The top 1% of US taxpayers reported at least \$540,009 of adjusted gross income (AGI) received 21% of all AGI nationwide but paid 40% of all the federal taxes that were collected in 2018 (source: IRS).

70% of Americans under the age of 30 years believe in wealth redistribution (source: Cato Institute).

49% of American women and 45% of American men begin taking their Social Security retirement benefits before they turn age 65 (source: Social Security).

US life expectancy at birth was 60.8 years in 1921. Today's life expectancy at birth is 77.8 years. Life expectancy has increased by a year every 6 years over the past 100 years (source: CDC).

59% of the world's cash holdings of central banks around the world are held in US dollars. This is the lowest level in 25 years but still making the dollar the most popular currency in the world. The Euro is the second most widely held currency making up 21% of global reserves (source: International Monetary Fund).

The S&P has downgraded the credit rating for state issued debt from Illinois 5 different times since 2009 (source: S&P).

18 states have legalized the use of marijuana who are at least age 21, Colorado was the first. From inception in 2014 to now Colorado has collected more than \$1.6 billion in taxes from the sale of marijuana (source: Marijuana Policy Project).

The yield on the 10-year Treasury note has been below 2% for 462 consecutive trading days, the longest stretch in US history. The 10-year Treasury note has averaged about 6% for the past 60 years (source: Treasury Dept.).

The number of job openings in the US has increased 1.2 million in the last couple months, meaning that employers have added over 20,000 new job postings each day. The total new job openings are more than 8 million which is the highest number recorded in US history (source: Bureau of Labor Statistics).

The Biden White House has released their government spending budget for the 2022 fiscal year which runs from 10/01/21 through 9/30/22. The total outlays are over \$5 trillion which will result in deficit spending of around \$2 trillion (source: Biden White House and Treasury Dept.).

The 10-year budget forecast released by the Biden White House predicts that inflation will not exceed 2.3% in any year through 2031 (source: Biden White House).

(Quarterly Commentary continued)

This move by itself could cause interest rates on bonds to go up. Rising bond interest rates have a negative effect on the share price of bonds, especially those with longer maturities. Because of this eventuality we have moved out of intermediate and long-term bond maturities and have moved to short-term bonds with maturities of three years or less. While the yields are lower, we believe this will lead to less risk.

As I said in the Spring Newsletter, I'm cautiously optimistic for the near term and this still holds true. Since the middle of March 2020, the S&P 500 is up about 85% without a single correction (down 10% or greater) and is trading at or near record highs. Does this mean that we are due for a correction soon? Who knows, but I do know that historically corrections are inevitable and create buying opportunities. Currently our Portfolio Advantage models are underweighted in equities and are waiting for a buying opportunity. Even though we have been underweighted in equities our returns have been consistent with risk vs. returns. Hopefully you remember that we purchased additional equities mid-March of last year which led to a very successful year for our clients.

As you've heard me say many times, a successful investor focus on their long-term goals and plans and sees market declines as opportunities to buy some of the world's best companies at a discount. Over the long term, mainstream equities have been the best hedge against inflation and greatest wealth creator.

Another point worth noting is that all of our portfolios generate dividends. I love dividends because it gives us a second way to make money other than the hopes of share price appreciation. Dividends usually don't decline during market declines and when they do, they don't decline nearly as much as the market. In other words, they pay you while you wait for the markets to recover.

Conclusion: We think the best course of action for our clients is to be patient, hold your ground, accept the market's ups and downs and see any corrections as a buying opportunity.

Thank you for your continued trust and confidence in us! Don't hesitate to let us know if you have any questions.

Stay healthy and be safe!

- Jeff Townsend, CEO



*Did you lose your Townsend golf ball
when playing at El Conquistador
Golf Course in Oro Valley, Arizona?
If so, another client shagged it when
searching for their ball!*

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 Townsend & Associates, Inc. ["Townsend"]), or any non-investment related content, made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this commentary serves as the receipt of, or as a substitute for, personalized investment advice from Townsend. Please remember to contact Townsend, 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, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. Townsend is neither a law Firm, nor a certified public accounting Firm, and no portion of the commentary content should be construed as legal or accounting advice. A copy of the Townsend's current written disclosure Brochure discussing our advisory services and fees continues to remain available upon request. Please advise us if you have not been receiving account statements (at least quarterly) from the account custodian.

LEGACY PLANNING

a holistic approach

Written by:
Sallie Diamond
Sallie@TownsendRetirement.com



The uncertainty in so many aspects of our lives today stemming from the Covid-19 pandemic coupled with current economic and social conditions have created a renewed need for many of us to review our estate plans. But maybe we should be thinking in broader terms than just “estate” planning.

Legacy planning and estate planning are two closely related terms, however legacy planning encompasses much more than estate planning. Legacy planning focuses on the values behind the distribution of your wealth rather than how much money you leave to someone.

Legacy planning is a more holistic approach to estate planning. While it is the creation of a plan for managing your total wealth while you’re alive and for distributing your assets how you choose after your death, it also includes important decisions that ensure your family’s core values, responsible behaviors and community involvement are passed on to future generations.

While your estate includes all assets of any value that you own including financial assets such as real property, business interests, investments, insurance proceeds, retirement accounts and personal property, your legacy also includes non-financial assets, such as family heirlooms, stories, and accumulated wisdom and life lessons of your family. This combination leaves a clear plan to pass on your legacy.

The most important step in the legacy planning process is to determine what your values are. Before you start thinking about who your beneficiaries are going to be and what each person or organization is going to get, you should have an idea of what you value most and the kind of legacy you want to leave. This can help ease the decision-making process later on, because you already know the core principles that are guiding your planning decisions. What do you want your descendants to think when they hear your name? What kind of opportunities do you want your descendants to have? Do you want them to have immediate access or to be able to have the assets to live on for their entire lifetimes? These types of questions can help guide you and get you thinking about your values and what you would like your wealth to go towards. It can help put meaning behind your assets and attach them to your legacy.

Legacy planning helps ensure that the management of your assets will be dictated by your wishes throughout your life and may provide a variety of benefits to you and your family. When they are executed and implemented properly, legacy plans may help reduce family disputes and court bureaucracy, provide effective disability planning, appropriately utilize exemptions to minimize taxes, and provide certain asset protection benefits to beneficiaries.

Proper legacy planning can be the key to a successful retirement plan and helps to ensure that your wishes and loved ones are taken care of. The multifaceted process of legacy planning can serve a wide array of purposes, from helping to preserve your assets for future use, transferring your wealth, and passing on core family values.

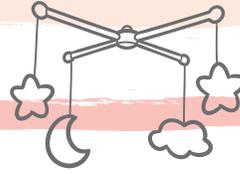
There are many strategies and tools that can be utilized to help protect your wealth and make sure it is effectively transferred. A variety of legal documents, such as Revocable Living Trusts, Wills, Powers of Attorney, and advanced medical documents, are beneficial to the legacy planning process.

Please feel free to contact our Legacy Planner, Sallie Diamond to get the process started.

In a world that so easily overwhelms,
let's not forget the all-encompassing magic
in welcoming a new baby.



Sometimes it's the smallest
things that center us -



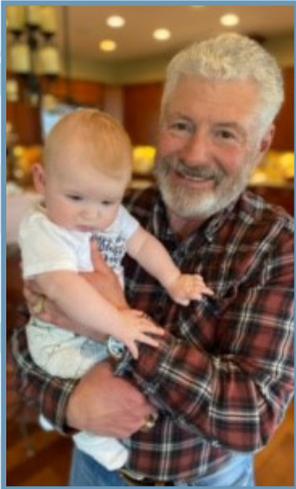
Join us in celebrating
these special blessings.



Wishing our new parents
and grandparents so much joy
and wonder-filled moments ahead.

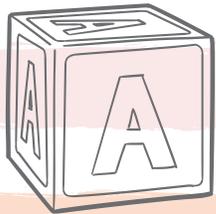


Meet the twins
Emery & Raegan Holmes
New parents A.J. & Kelly
are beyond in love

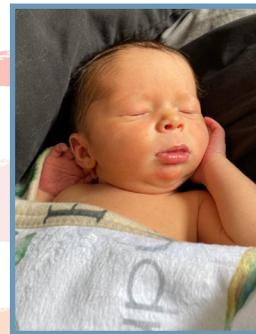


Meet little
brother
Maverik Bell.
Kaitlin & Chad
are loving
life with boys

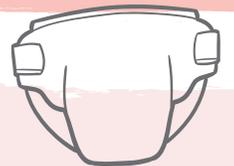
Meet Eli Edward Brnak
grandparents are smitten



Meet
Lillian
Amick
Jonathan &
wife Emily's newest
outdoor adventure baby!

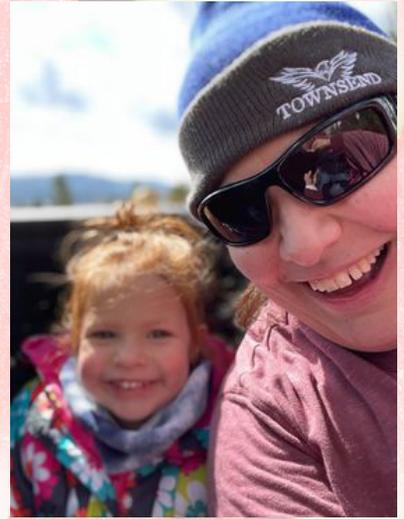


Meet
Redd Tongren
Meet
Hendryx Boscia



Grandparents now to eight little ones

Townsend client corner



Camping in style



Bright blooms
floral class



SPRINGTIME ALLSTAR



Supporting our law enforcement

FALLEN HERO TOURNAMENT



TASTE OF
NEW TERRAIN

Cayle's Connections

Sweet Summertime

Welcome back! I hope you are as excited as Jeff and I are to be getting out and about – without a mask!! We got our shots in March and have been enjoying life thoroughly. I've enjoyed all the wonderful Zoom events Madison put together but am really looking forward to seeing people again.

The good news is things are open! The zoo, museums, movie theatres, restaurants, concerts – you name it, you'll find it. I'm going to focus again on adventures. Who doesn't like a good adventure!

Located in Rocky Mountain National Park, Sprague Lake is a beautiful area surrounded by lush trees and beautiful mountains and the Continental Divide. Be aware that Rocky Mountain National Park is requiring reservations again this summer. For more information www.nps.gov/romo/index.htm

In Estes Park, there's a new mountain coaster. Jeff and I did the one in Copper Mountain and really liked it! Mustang Mountain opened in May and allows the driver complete control of the speed. Might be a good stop if you're headed to Rocky Mountain National Park! <https://tinyurl.com/3543cd62>

Looking for some easy hikes to do with the grand-kids? Here's one near Golden and the following website offers suggestions for things to do: www.dayhikesneardenver.com/meadow-forest-loop-trails-lookout-mountain/

One of our favorite motorcycle rides takes us to Nederland. Just west of Boulder, Nederland started as a trading post and then found success as a mining town. There are wilderness areas and the Barker Meadow Reservoir. It's a quaint town with a mining museum, shops, restaurants and the Carousel of Happiness. www.nederlandco.org/

The longest zipline in Colorado is located in Conifer. I love a good zipline! Denver Adventures is home to 6 different ziplines, all of which add up to 1.5 miles and fly overhead at 250 feet.

www.denveradventures.com/zipline/

Another great recommendation is the Treehouse Adventure Park in Bailey. Test out a fun series of self-guided zip lines and challenge bridges spanning across the ponderosa tree tops.

www.treehouseadventurepark.com

For one not too far from Denver – the “ghost town that never died” Silver Plume. Located near Georgetown, Silver Plume is a former silver mining camp that was originally incorporated in 1880. It's home to 100+ residents with lots of historic attractions like the train station and the Georgetown Loop Railroad, the George Rowe Museum and the Bread Bar. For more information visit

www.silverplumeco.com/

Have you ever dreamed of being a farmer or rancher but never had it come to fruition? While starting a farm on your own is hard work, there are easier ways to get your fix, like, of course, visiting a working farm for a day or two. If you are looking to have a farm experience but aren't sure how to do it, check out Colorado's Villard Ranch. Located in Craig, the Villard Ranch is a third-generation sheep farm that is just as famous for its meats as it is for the friendly Villard family. If you have been craving a vacation from the ordinary, this is it, as you can also rent horses, try your hand at sheep farming, hike, search for wildlife, or just relax in this peaceful oasis.

www.villardranch.com/home

Cayle Townsend



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Nellie Townsend x 202

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or Questions on Your Accounts:**

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Kaitlin Bell x 232
Tiffany Brown x 209
Derek Cheshire x 206
A.J. Holmes x 222

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We're open Monday through Thursday 7:30 a.m. - 5:30 p.m. and Fridays 8 a.m. - noon.

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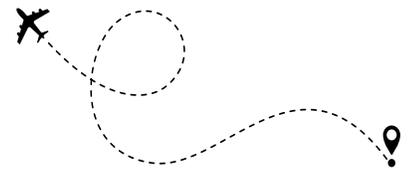
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Employee Spotlight



ANNETTE GOMER | ADMINISTRATIVE ASSISTANT

Annette has been an integral part in the success of our firm. Over the past 15 years she has embodied who we are, our values and our beliefs – anchoring us in deep rooted client relationships.

Good things come with time, lived experiences, day after day willingness to learn, adapt and grow – it's the slow and steady rhythm of life. The inner work expands outwards and we feel so fortunate to have had a colleague so present, responsible, nurturing, engaged and supportive. We know you, as the client, felt all these qualities when being greeted for your appointments or conversing through phone calls. Annette's authenticity is truly vibrational.

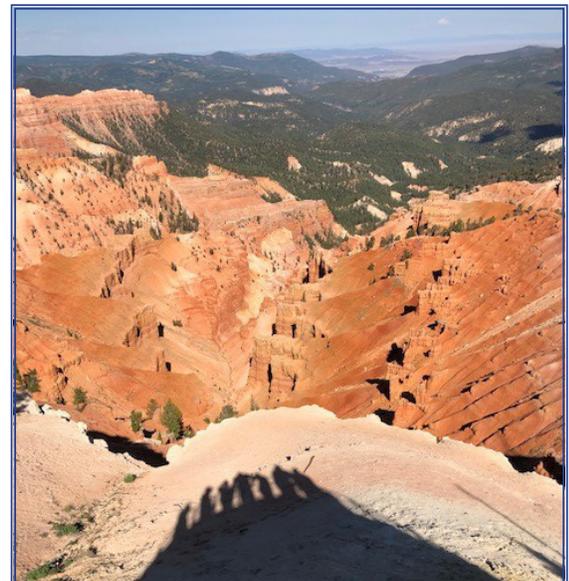
Any role in a company takes practice, intention, humility and patience. They require awareness and presence – both never done perfectly nor 100% of the time. Mistakes are made and initiatives are taken to learn. But when dedicated to the mission, valuable spaces are created and stronger connections are formed. A steady, loyal colleague like Annette is rare to find and we are so grateful for our time together.

Annette is stretching beyond the roles, identities and expectations here at Townsend and laying a new foundation with family in Texas. Retirement is an unfamiliar territory; however, through the transition, we know Annette will curate beautiful memories, tend to relationships, act on new explorations and engage in more meaningful ways.

We will miss her presence, but new purpose lies outside the sphere of Townsend and we can't wait to follow her next journey.

Life is meant to be lived and unfolded in the happiest of ways!

Please join us in wishing Annette a blissful retirement. Send her a farewell note amgomer@gmail.com



Nordic Cooking Class



*Townsend ladies
enjoying golf*



HAPPY
retirement



**Rollin Oldies
RV Club
adventures to
Creede, Colorado**

UPCOMING EVENTS

We've missed you!

Although the virtual events have been fun, handshakes & hugs are making a strong comeback!

Should you be uncomfortable in attending our events in person, know that we fully respect your decision and hope to continue providing alternative options to keep you engaged in this community

- Fill-A-Backpack Volunteer Event | Wednesday, July 14th
- Rollin Oldies RV Club to Hill City South Dakota | Thursday, July 15th
- Screaming Eagles Motorcycle Ride | Saturday, July 17th
- Triggers Shooting Club | Sunday, July 18th
- Screaming Eagles Motorcycle Ride | Saturday, August 7th
- All Client Golf Tournament | Friday, August 13th
- LMCO + ULA Cocktail Party | Thursday, August 19th
- Anniversary Party | Friday, August 27th
- Triggers Shooting Club | Sunday, August 29th
- Road to Retirement Presentation | Thursday, September 16th
- Screaming Eagles Motorcycle Ride | Saturday, September 18th
- Wish For Wheels Bike Build Volunteer Event | Friday, September 24th
- Triggers Shooting Club | Sunday, September 26th

**WE'RE
BACK!!**

After working in a remote setting since March of 2020, we are operating fully back in the office. In addition to phone and virtual appointments, in person meetings are available again.

Call today to schedule 303.452.5986