

I'M 30ISH



WEBINAR SERIES

TOPIC 5: INVESTING 101



I'm 30ish Webinar Series

Investing 101

Agenda

- Excess Cash Flowchart
- Account Types
- Investment Types
- Portfolio Strategy
- Poll / Q&A

Disclaimer

The content written and spoken in this presentation is for informational purposes only and not written or intended as financial, tax, or legal advice. You are encouraged to seek financial, tax and legal advice from your professional advisors. The information contained in this material has been derived from sources believed to be reliable, but is not guaranteed as to accuracy and completeness and does not purport to be a complete analysis of the materials discussed.

**The best time to
plant a tree was 30
years ago...**

**The second best
time is now.**



Excess Cash Flowchart



Expenses



Everyone's situation is different, but this is a good starting point for thinking about a flow chart for excess cash.

1. **Cash:** 1 month of expenses in checking account
2. **401k:** Contribute to max out company match (probably Roth if given the option)
3. **Debt:** Pay down debt with interest above 10% (i.e. credit cards)
4. **HSA:** [If available] Max out annual contribution (do not use and invest if possible)
5. **IRA:** Max out annual contribution (Roth IRA better than Traditional IRA for most)
6. **Debt:** Pay down debt with interest above 5% (i.e. personal loans)
7. **Cash:** 3-6 months of expenses in checking/savings account
 - **401k:** Max out annual contributions
 - **Brokerage:** Invest remainder

Always be paying at least the minimum on all your debt.

Tax advantaged accounts (401k, IRA, HSA) should be tilted towards a growth allocation while the brokerage account may tilt a little less to growth.

Automate Good Habits

- Auto Pay Debts
 - Automate Investment Contributions
-

Account Types

	Retirement Accounts			
	Traditional 401k/IRA Accounts	Roth 401k/IRA Accounts	Brokerage Account	HSA Account
Contribution Tax Benefit	Yes (reduces ordinary income)	No	No	Yes (reduces ordinary income)
Taxes on Growth	No	No	Short Term - taxed at ordinary income Long Term - taxed at reduced rate	No
Taxes on Withdrawals	Yes (taxed at ordinary income)	No*	No	No*
Investment Options	401k - often limited IRA - more options	401k - often limited IRA - more options	Open	Open*
Single Filer Max Annual Contribution	401k - \$19,500* IRA - \$6,000	401k - \$19,500* IRA - \$6,000	No limit	\$3,600

Investment Types

**Stocks
(Equities)**

**Bonds
(Fixed Income)**

Options

Mutual Funds

**Exchange-
Traded Funds
(ETFs)**

Annuities

Futures

Forex

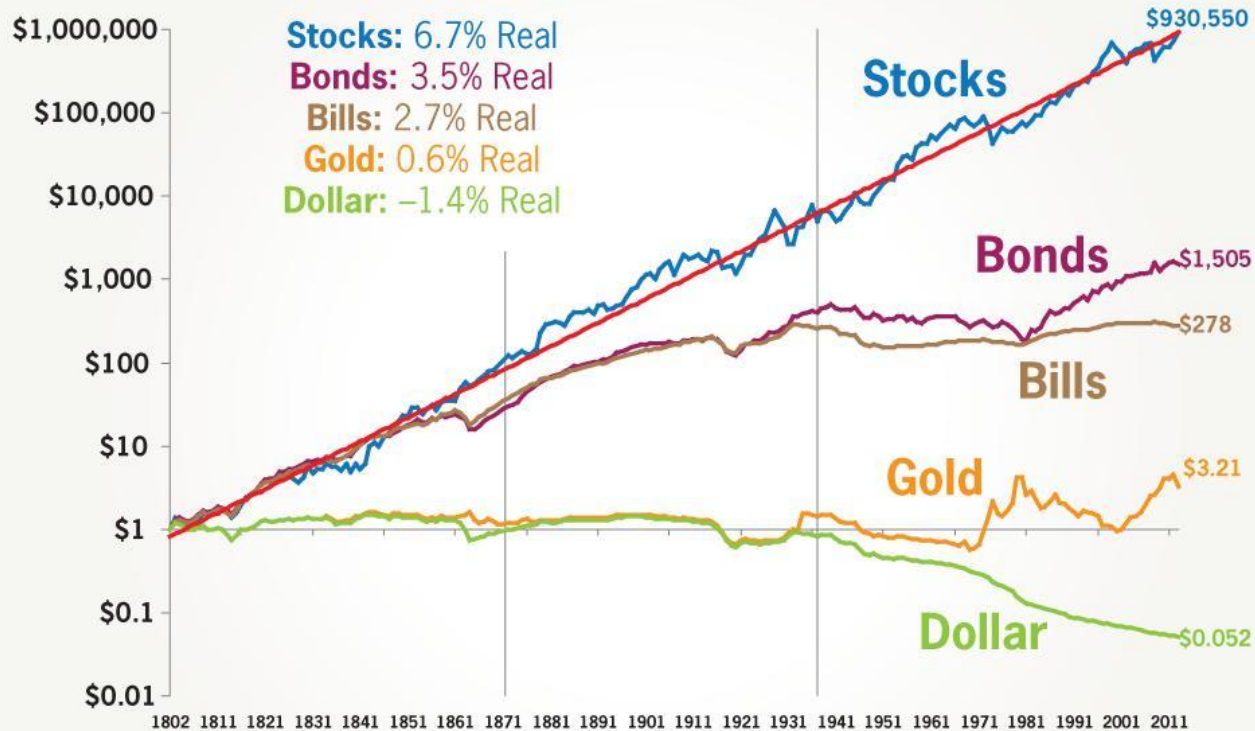
Crypto

	Stocks (Equities)	Bonds (Fixed Income)	Mutual Funds	Exchange-Traded Funds
Cost to Trade (Fees and “Loads”)	\$0 or Very Low	Very Low	\$0 to Very High	\$0 to Very Low
Cost to Hold (Expense Ratios)	\$0	\$0	High (0.50% to 1.50%)	Low (0.03% to 0.75%)
Diversified Investment	No	No	Yes*	Yes*
Tax Efficiency	Medium/High	Medium/High	Low	High
Guaranteed Return	No	No*	No*	No*

Total Real Return Indexes

January 1802 – December 2013

Past performance is not indicative of future results.



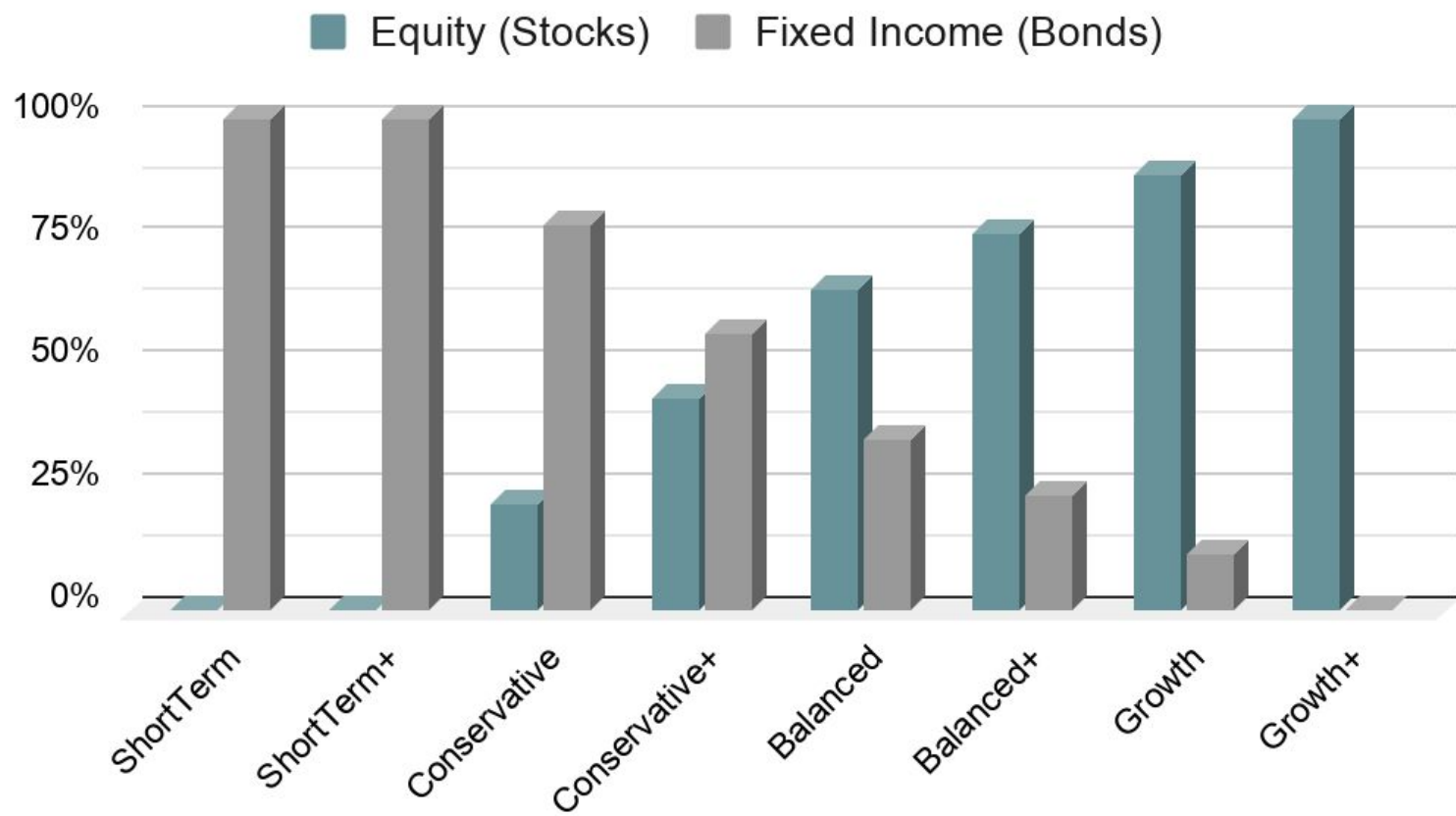
Source:

<https://modelinvesting.com/articles/dynamic-vs-fixed-asset-allocation/>

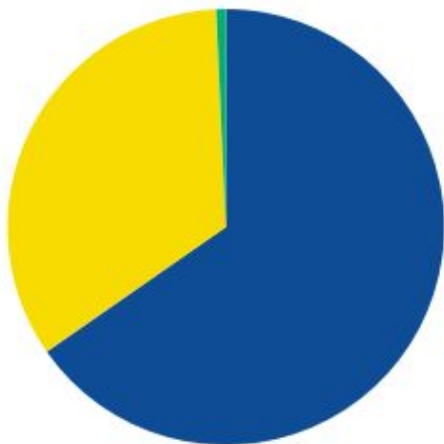
— S&P 500® (left)
 — S&P/Case-Shiller 20-City Composite Home Price Index® (right)



Portfolio Strategy

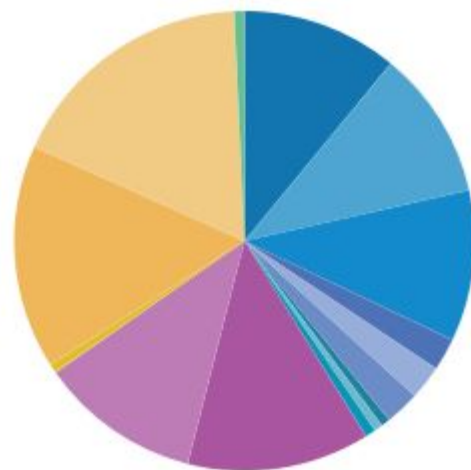


Stonekeep Balanced Model Portfolio
(6.05% blended rate)



- Equities (65.32%)
- Taxable Bonds (33.94%)
- Cash (0.70%)

Stonekeep Balanced Model Portfolio
(6.05% blended rate)



- Large Growth (10.98%)
- Large Value (10.47%)
- Large Blend (10.64%)
- Mid Growth (2.29%)
- Mid Value (2.38%)
- Mid Blend (2.43%)
- Small Growth (0.64%)
- Small Value (0.60%)
- Small Blend (0.72%)
- International (12.83%)
- Emerg Mkts (11.34%)
- Int Trm Mun (0.01%)
- Long Trm Mun (0.03%)
- Hgh Yld Bnd (0.59%)
- Inv Grd Bnd (15.77%)
- Sht Trm Bnd (17.58%)
- Cash (0.70%)









S&P 500 vs Equity Weight

--- S&P 500 — Balanced Model Equity Weight



Target Risk Funds

- Automatic Rebalancing

	LifeStrategy Income Fund	LifeStrategy Conservative Growth Fund	LifeStrategy Moderate Growth Fund	LifeStrategy Growth Fund
For investors who:	<p>Care most about current income.</p> <p>Accept the limited growth potential that comes with limited exposure to stock market risk.</p> <p>Get details on LifeStrategy Income Fund</p>	<p>Care more about current income than long-term growth.</p> <p>Want some growth potential but with less exposure to stock market risk.</p> <p>Get details on LifeStrategy Conservative Growth Fund</p>	<p>Care more about long-term growth than current income.</p> <p>Want more growth potential and accept added exposure to stock market risk.</p> <p>Get details on LifeStrategy Moderate Growth Fund</p>	<p>Care most about long-term growth.</p> <p>Accept significant exposure to stock market risk in exchange for more growth potential.</p> <p>Get details on LifeStrategy Growth Fund</p>
Investment time horizon	3 to 5 years	More than 5 years	More than 5 years	More than 5 years
Risk	 <p>Low to moderate</p>	 <p>Moderate</p>	 <p>Moderate to high</p>	 <p>High</p>
Target allocation	 <p>■ 20% stocks ■ 80% bonds</p>	 <p>■ 40% stocks ■ 60% bonds</p>	 <p>■ 60% stocks ■ 40% bonds</p>	 <p>■ 80% stocks ■ 20% bonds</p>

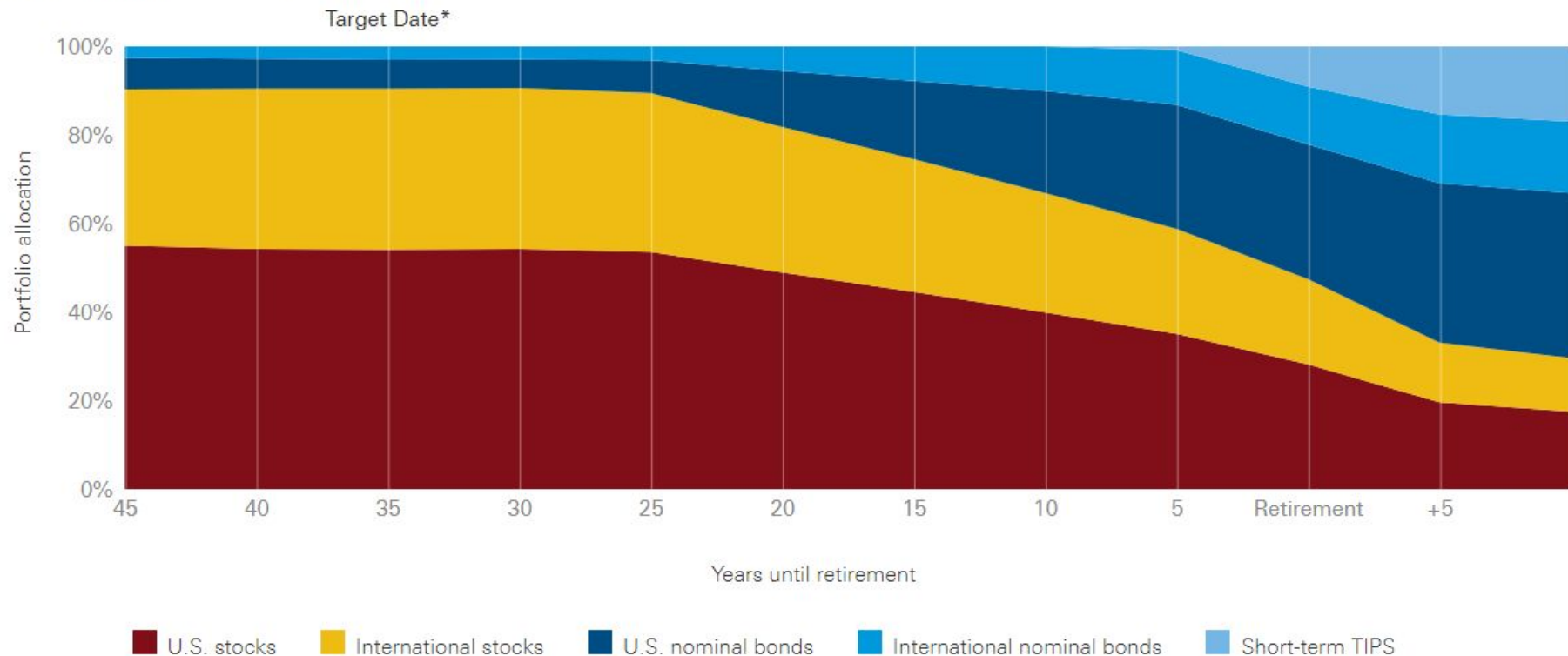
Target Date Funds

- Set it and forget it



Glidepath and asset allocation

Regional exposure (% of equities)



Source: Vanguard

* Target date is the year stated in the fund name and assumes retirement at age 65.

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**So plant now and don't
dig up the seed every day
to check if it is growing!**



Poll / Q&A

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