



REGISTERED INVESTMENT ADVISOR SINCE 1982

NEWSLETTER

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The Importance of **BENEFICIARY DESIGNATIONS and TRUSTED CONTACTS**

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Please take time today to review your beneficiary designations and consider adding a trusted contact to your account if you have not done so already.

Do you have an IRA or a 401(k)? You probably do. You may have both retirement savings accounts in your portfolio or accounts that are similar. While IRAs and 401(k)s are commonplace, many IRA owners and 401(k) plan participants have a hard time answering a common question: who should they designate as the account beneficiary?

Who have you chosen to inherit those funds? Can you imagine what would happen if the money in your IRA or 401(k) went to someone from whom you were estranged? Or if your heirs found out that you never named a beneficiary in the first place? This occurs more often than you might think – and a little attention to detail today may help to prevent surprise or disappointment later.

When was the last time you looked at your beneficiary forms? Decades may have passed since you opened that IRA or enrolled in that 401(k) plan. Back then, you

presumably filled out a form stating who you wanted those assets to go to if you pass away. Even factoring in the hunt for a beneficiary's Social Security number, it might have taken you all of ten minutes to complete. In that moment, you may have made one of your biggest estate planning decisions. You need to make sure your decision is still the right one.

We'll help you review your IRA & 401(k) beneficiary designations – for free. It is vital to make sure that your IRA or 401(k) funds will go to whom you wish in the case of your passing. As a free service to the community, we provide beneficiary reviews and explain a lot of the “fine print” when it comes to the timeline of the assets' distributions. We also let people know about their options when they inherit IRA funds or 401(k) funds – you must be very careful because making careless moves could yield substantial tax consequences. Be sure to give us a call if you have any questions – We'll be happy to help.

Why would you add a “Trusted Contact” to your brokerage accounts? If your brokerage firm cannot reach you, adding a trusted contact to your brokerage account

****Please remember to notify us if you have had any material changes in your financial circumstances.****

may help your firm ensure that your current address and contact information are correct. Adding a trusted contact person to your brokerage account may help your investment advising firm to respond to possible financial exploitation or fraud in your account and protect your account's assets. If your investment advising firm suspects that you are experiencing a health issue, adding a trusted contact to your brokerage account may help

your advisors confirm your current health status. Adding a trusted contact to your brokerage account may help your investment advising firm to verify the identity of any legal guardian, executor, trustee or holder of a power of attorney on your account.

Be sure to give us a call if you have any questions – We'll be happy to assist.

Important Information Regarding Your Online Access and Document Delivery from TD Ameritrade through AdvisorClient.com

You may have received a letter from TD Ameritrade (TDA) concerning your email address. This letter was sent to notify you of a change that TDA recently implemented regarding the preferred delivery of your trade confirmations, statements, and tax forms from electronic to paper delivery.

If you would like to change your delivery preference from paper back to electronic, please visit our website southerncapital.com and select the green **TD Ameritrade** box at the top right of our page. Once you've been directed to TDA's Advisor Client website, either login or choose Set Up My Profile located underneath the green "login in" button to the right. Once you follow the prompts on the screen, you will then have the option to update your preferred delivery options. — Please call us if you need assistance. We'll be happy to help you! —

MARKET UPDATE

Recently sent to your email box

Last month the market had a strong rebound from the June lows, but now we are in the midst of a second leg downward. As of the time of this writing, the market has given back roughly half of its recent gains. Most likely the downward pressure is not over; and, along with that pressure, we are in the most difficult period of the year historically for stocks (September to October). Furthermore, we are still dealing with inflation (currently running around 8%) and the evidence of a looming recession, or at least a significant slowdown in the US economy. Therefore, it would be logical to conclude that we will go back and retest the June lows. Conventional wisdom, however, is not necessarily a reliable predictor of future outcomes.

What are some other more positive factors to consider?

- Often, but not always, the market bottoms out in late September or October, and we are already one-third of the way through September.
- Corporate earnings have decreased but are still expected to be positive for the third and possibly fourth quarter.
- Inflation may have peaked for this cycle; that does not mean the problem is solved, however, it would indicate that it may not become more severe.
- Fed Chairman Powell has been very vocal about his determination to remain firm in his resolve to raise rates as much as necessary and for as long as needed to defeat inflation. His

stance to be like Paul Volker is laudatory, but will a Fed Chair that has not been strong on monetary policy be able to stand up to political pressure when faced with a contracting economy? If not, the market will react favorably to any indication that the Fed is beginning to back off or even reverse course. Remember the adage: "Don't fight the Fed."

For the time being, we at Southern Capital Services are remaining in value-oriented funds, inflation hedges, an energy ETF, and cash. However, we will be looking to begin returning to more traditional asset mixes in our portfolios when we can determine that the market has likely bottomed.

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