

What's New

I held the writing of this note an extra 48 hours hoping for a little bit more clarity. If you remember last quarter, I started with “We have a deal.” And then talked about the potential for an infrastructure package that had bipartisan support and would be a great investment in the country. Well, here we sit 90 days later and apparently, we do not have a deal. The deadline provided by speaker Pelosi for the House passage of the infrastructure package has come and gone, and all we know today is that it's future is very uncertain. So, what do we know? We know that the government will be funded through December; we know that there is a vote needed on the government's debt ceiling within the next 14 days or the government will default on their debt payments; and we know that the President has now committed to the passage of the infrastructure bill and the social reform package will be linked together putting both in much deeper layers of uncertainty. So, if nothing else there should be plenty of fodder for the news media over the next three months.



BRANDON MASBRUCH
Certified Financial Fiduciary®
Financial Advisor
Vice President and CIO

Keep an eye on our website, www.mfgteam.com, for updates throughout the quarter and throughout the year. This is also the best place to go through any of our previous messages to you.



Market Update

As we close out the third quarter almost all major indices, both stock and bond, ended negative for the quarter. And that's okay. After the performance of the stock indices through the first half of the year, a sideways movement for a quarter or longer is healthy and is very normal over the course of market cycles. The S&P 500 is up just over 14% through the first three quarters of the year, even with the performance of the past three months. When I penned this letter three months ago, on the heels of the “deal”, we would have expected strong performance out of the materials and industrials sectors of the stock market as the infrastructure bill became law and those investments started to take form. Instead, we saw strong performance out of energy companies as commodity prices continue to rise.

According to Fortune
the S&P 500 is positive
79% of the time in the
4th quarter of the year.

The coffee break
is believed to have been
created at the Gunderson
Tobacco Warehouse in our
very own Stoughton,
Wisconsin.

What's Next?

If you're wondering how these market trends might affect your specific financial

With the new volatility coming out of Washington, continued high levels of inflation, high energy prices and low supply heading into the winter, and a Fed that is going to be pushed to accelerate their decreases in asset purchases (oh and COVID is still here), volatility across all markets will be the underlying theme for months to come. Inflation continues to maintain above the recent historical average, even if the current levels of inflation rapidly return to more normal levels, new highs in prices and wages are set and the cost of goods and services are not going to decrease anytime soon.

plan—or how to take advantage of them—give us a call. We'll talk about where you're at, and how to get where you want to be.



Planning Ahead

One thing that is easy to do with all this noise, divisiveness, and negativity is to make decisions based upon your emotional reaction to what you are experiencing. Don't. Times like this continue to support the reason that we begin your relationship with us with a plan.

As a part of that plan, all our advisors have told you that the investment piece of the puzzle will continue to evolve, and our recommendations will evolve based upon the world around us. That has never been truer than now. Many advisors have continued to run to a traditional 60/40 type portfolio using traditional fixed income that is long on duration. That is because most advisors came up in the industry during the great bull market of fixed income. Those days are gone. As I have mentioned in the past, the trajectory of interest rates is a generally up-sloping curve, which will put tremendous price pressure on traditional fixed income. Asset selection will be very important, and the use of alternative asset classes as a replacement of traditional will continue to be a piece of the puzzle that we need to look to in a rising rate environment.

The best advice we have moving forward will be to continue to stick to the plan that we have in place with you. The plan was built to your unique life experiences, your unique goals, and will be adjusted when your life changes. If your plans and your life haven't changed, then there is no need to make major changes to the plan. This period of volatility, and this period of fear will pass, and the world will continue to spin. Always remember, when in doubt, shut off the TV, throw away the newspaper, unplug the computer, put down the smart phone, and meet with your advisor when questions arise.

[Click here to get in touch!](#)

Securities and advisory services offered through Commonwealth Financial Network®, member FINRA/SIPS, a Registered Investment Adviser, Fixed insurance products and services offered through Midwest Financial Group or CES Insurance Agency.

