

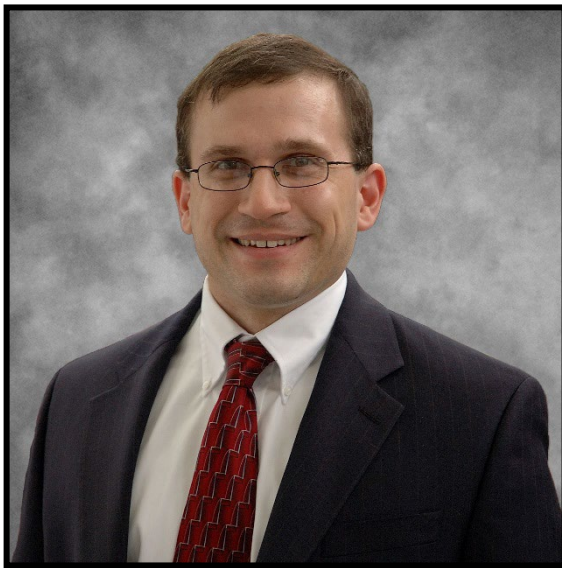


**EMERGING WEALTH**  
Investment Management, Inc.®



# MARKET INSIGHTS – FINDING INVESTMENT OPPORTUNITIES AHEAD!

Presented By  
**James J. Holtzman, CFP®<sup>®</sup>, CPA** (*inactive*)  
CEO, President and Wealth Advisor  
Legend Financial Advisors, Inc.®



## **JAMES J. HOLTZMAN, CFP<sup>®</sup>, CPA *(inactive)***

**James J. Holtzman, CFP<sup>®</sup>, CPA *(inactive)* is CEO, President and Wealth Advisor with Legend Financial Advisors, Inc.<sup>®</sup> and EmergingWealth Investment Management, Inc.<sup>®</sup>**

**Jim has been selected nine consecutive times by *Medical Economics* as one of “The 150 Best Financial Advisors for Doctors in America.”**

**Mr. Holtzman has been selected five times by *Dental Products Report* as one of “The Best Financial Advisors for Dentists in America”.**

**Jim has also been previously selected three times by *Pittsburgh Magazine* as one of the Pittsburgh area’s FIVE STAR Wealth Managers, a list that represents the most elite financial advisors in Pittsburgh.**

**With over 20 years of experience, Jim assists all types of clients with their financial planning and investment needs. Jim’s extensive skill set includes providing financial advice to retirement-focused clients, medical and dental practices, and businesses.**

**Jim serves as the firm’s Income Tax and Education Funding and Planning Specialist.**

**Jim’s previous professional experience includes employment with various CPA and Financial Advisory organizations where he provided tax, accounting, auditing and financial consulting services to individuals and businesses. Jim has also provided financial advice to various Fortune 500 and public company executives.**

**Jim’s areas of concentration include income tax planning, estate planning, stock option exercise planning, insurance, retirement planning and Section 529 Plans.**

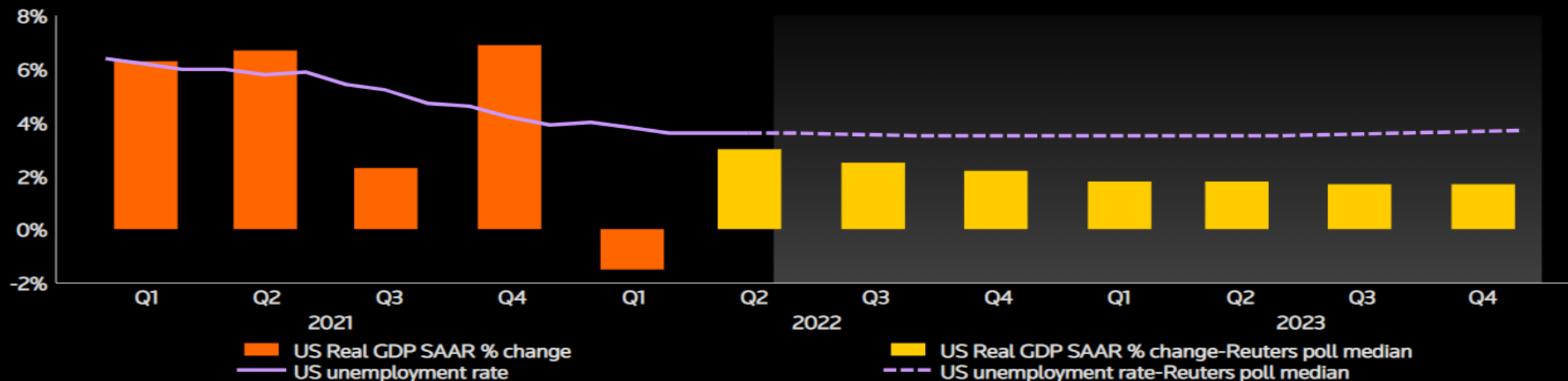
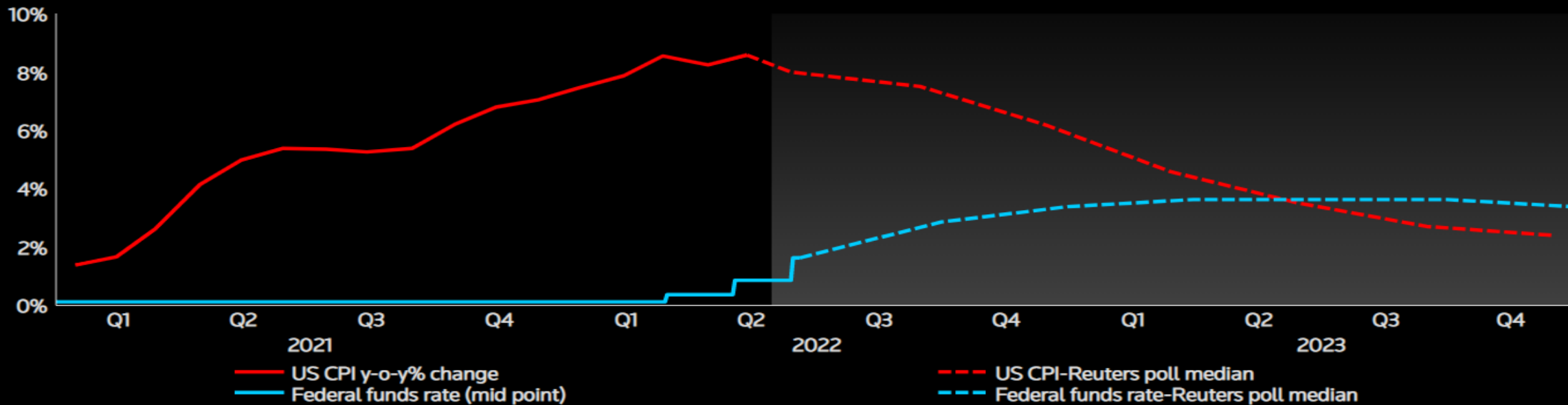
**Mr. Holtzman was selected by *Pittsburgh Business Times* as one of the 2013 Fast Tracker's, which honors leaders in the Pittsburgh area's business community who've had a significant impact on the growth of their organization.**

FEDERAL RESERVE

# FEDERAL RESERVE (FED) MEETING

1. **Date Of Next Meeting: December 13 and 14**
2. **Smaller Interest Rate (.50%) Increase Is Possible**
3. **Lag Of Six-Eight Months Until Interest Rate Increase Filters Through Economy**
4. **Recent Four .75% Increases Are The Most Aggressive Since The 1980s.**
5. **Markets Project 5.0 – 5.25% Terminal Rate or Rate That Fed Stops Increasing**
6. **Current Interest Rate: 3.75% - 4.00%**
7. **Labor Market Is Strong**

# Reuters Poll: U.S. economy and Federal Reserve rate outlook



Source: Refinitiv Datastream/Reuters Polls  
 Federal funds rate poll conducted June 17-21, 2022.  
 Economy poll conducted June 6-9, 2022  
 Milounee Purohit and Sujith Pal | REUTERS GRAPHICS

**DO CERTIFICATES OF DEPOSITS  
MAKE SENSE?**

## CD ADVANTAGES

Covered By Bank's FDIC Insurance

Predictable Return

Use A Term To Meet A Goal

Higher Rate Than A Savings Account

## CD DISADVANTAGES

**Less Liquidity Than Savings Accounts**

**Early Withdrawal Penalties**

**Locking In A Lower Interest Rate If Interest Rates Keep Rising**

**Inflation Risk**



# DO CDs MAKE SENSE?

**CDs Are Not Great To Use During Inflationary Environment**

**The Difference Between Certain Money Market Rates and CDs Is Not Very Large To Justify Locking Up Your Money.**

**If Determined To Use CDs, Consider CD Laddering Strategy**

# LENGTH OF BEAR MARKETS

# BEAR MARKET LENGTH

21 Bear Markets Since 1928

Average Length Is 388 Days

Longest: 929 Days 2000-2002 Downturn

Shortest: 33 Days, Covid Downturn 2020

2022 Bear Market Start: January 3, 2022

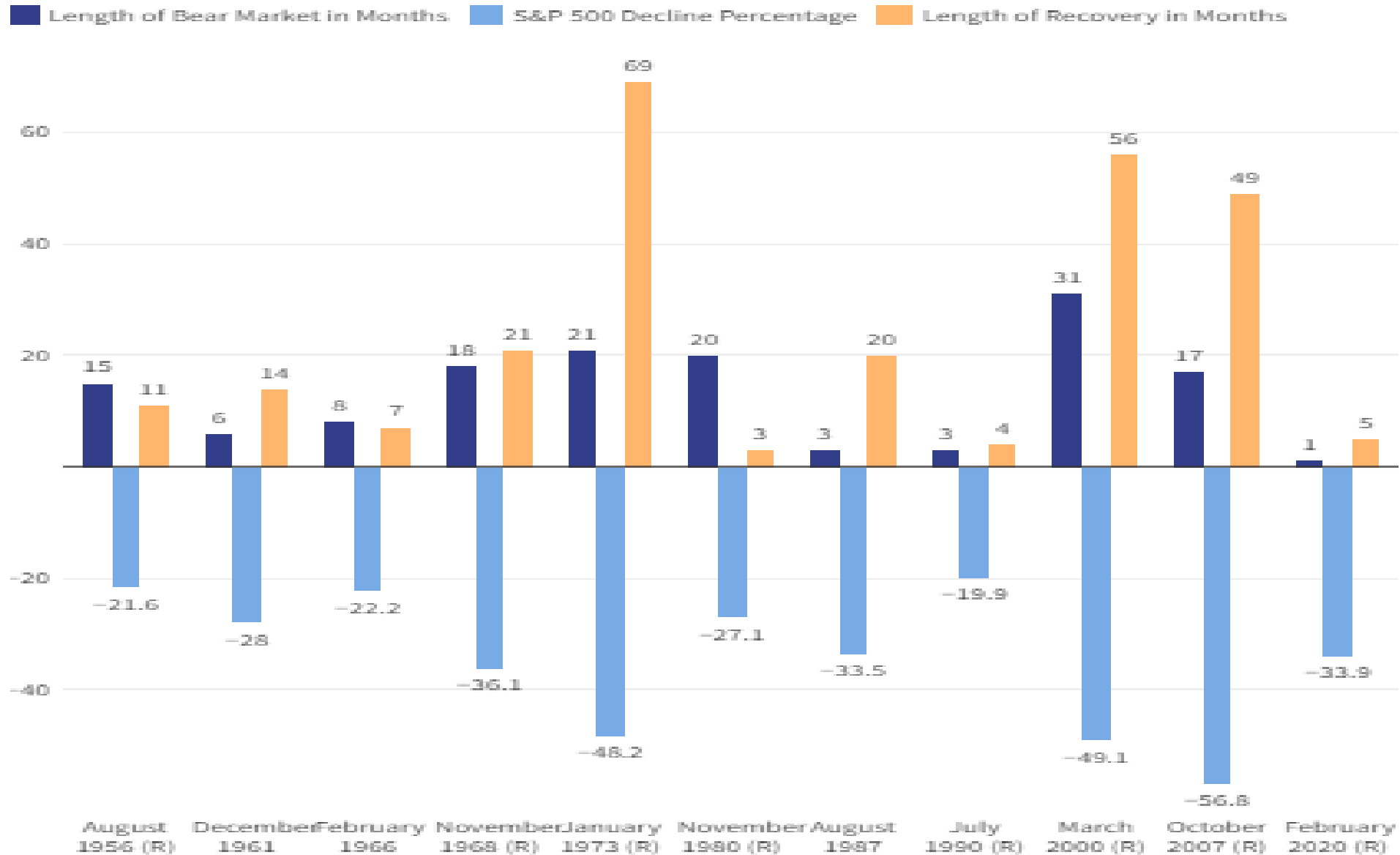
## Table 1: Bear markets are quicker than bull markets

History of US equity bear markets (S&P 500)

Peak	Trough	Decline	Recovery	Event (s)
09/1929	06/1932	86.2%	03/1937	Crash of 1929, 1st part of Great Depression
03/1937	04/1942	60.0%	05/1946	2nd part of Great Depression, WWII
10/2007	03/2009	56.8%	02/2020	Global Financial Crisis
06/1911	12/1920	51.0%	12/1924	WWI, Post-War Auto Bubble Burst
03/2000	10/2002	49.1%	10/2007	Dot-com bubble burst
01/1973	10/1974	48.2%	08/1987	Inflationary Bear Market, Vietnam, Watergate
11/1968	05/1970	36.1%	01/1973	Start of Inflationary Bear Market
01/1906	10/1907	34.2%	08/1908	Panic of 1907
02/2020	03/2020	33.9%	03/2020	COVID-19 Crash of 2020
08/1987	10/1987	33.2%	07/1990	Black Monday
4/1899	06/1900	30.4%	03/1901	Cornering of Northern Pacific Stock
05/1946	06/1949	29.6%	08/1956	Post-war Bear Market
12/1961	06/1962	28.0%	02/1966	Height of Cold War, Cuban Missile Crisis
10/1892	07/1893	27.3%	03/1894	Silver Agitation
11/1886	03/1888	22.0%	05/1889	Depression, Railroad strikes
04/1903	09/1903	21.7%	11/1904	Rich Man's Panic
8/1897	03/1898	21.1%	08/1898	Outbreak of Boer War
09/1909	07/1910	20.6%	02/1911	Enforcement of the Sherman Anti-Trust Act
5/1890	07/1891	20.1%	02/1892	Barings Brothers Crisis

Source: BofA Global Investment Strategy, Ibbotson, SBBI Yearbook, Bloomberg

# S&P 500 Bear Markets and Recoveries



# BEAR MARKET RALLY

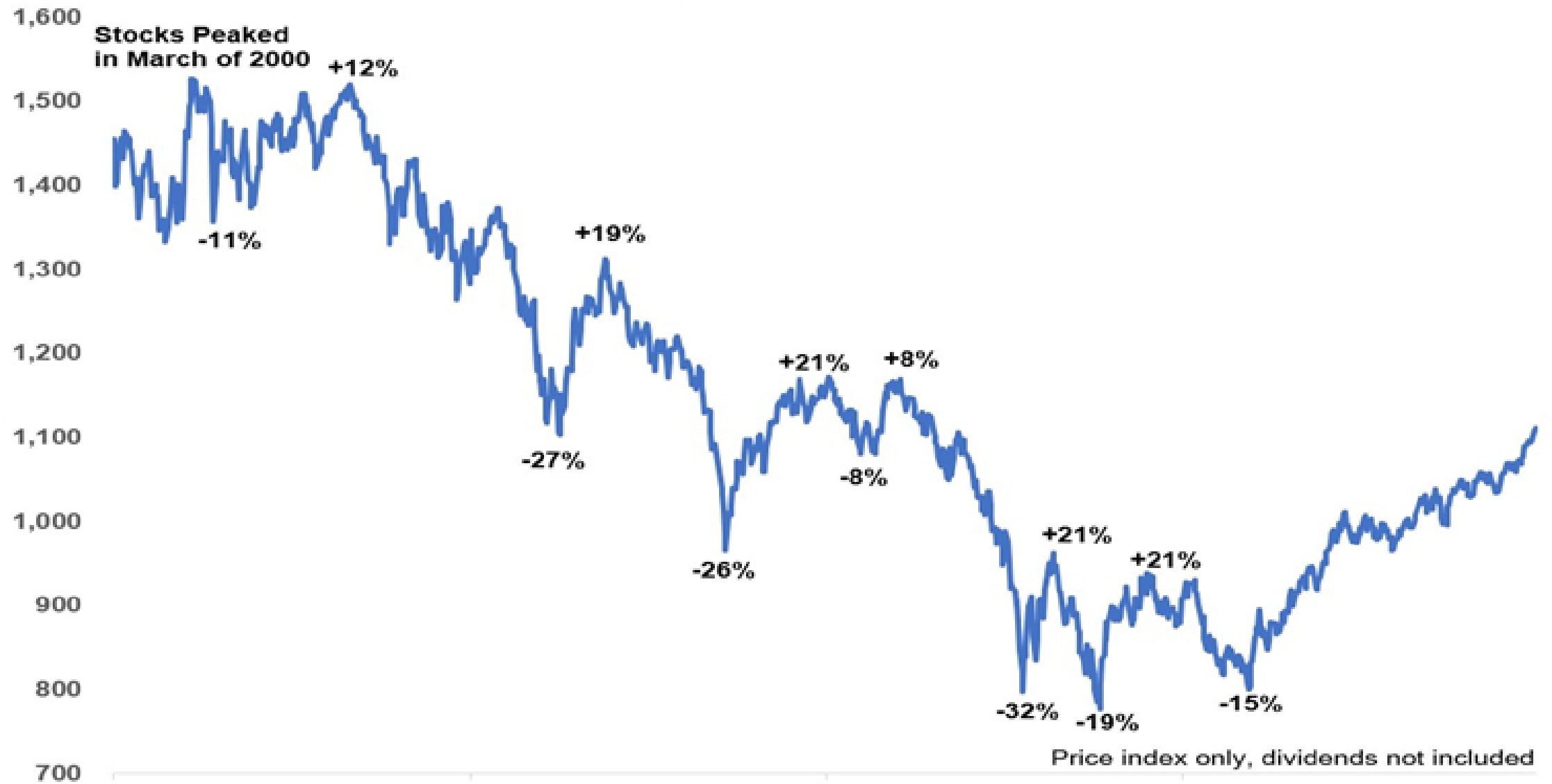




# WHAT IS A BEAR MARKET RALLY

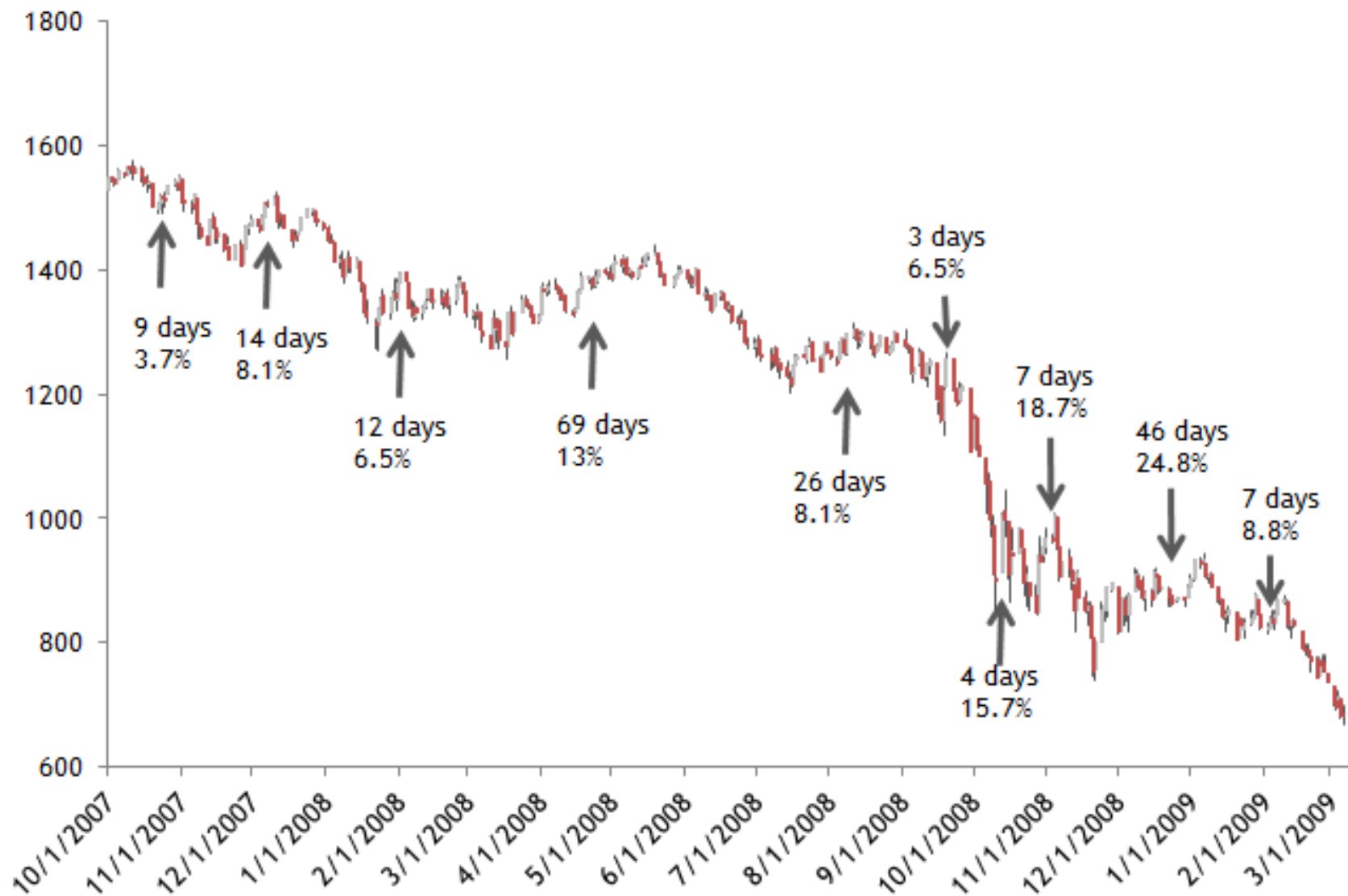
1. Time Of Optimism That Raises Stock Prices Temporarily In The Middle Of A Bear Market
2. After Temporary Rise, The Market Pushes Prices Lower Than Before
3. Every Bear Market Since 1900 Has Had At Least A Rally Of 5.0% Or More Before Declining To Its Ultimate Bottom

## Bear Market Rallies in the 2000-2002 Bear Market





# Bear Market Rallies 2007-2009





# TAX LOSS HARVESTING

# RECOGNIZING CAPITAL LOSSES

- Tax-Loss Harvesting
- Fully Deductible Against Capital Gains
- Deduct Up To \$3,000.00 Against Ordinary Income

# RECOGNIZING CAPITAL GAINS

	<b>10% And 12% Tax Brackets</b>	<b>22% Up To 35% Tax Brackets</b>	<b>37.0% Tax Bracket</b>
<b>Short-Term (One Year Or Less)</b>	<b>Ordinary Income Tax Rate</b>		
<b>Long-Term (Longer Than One Year)</b>	<b>0%*</b>	<b>15%*</b>	<b>20%</b>

**\*To The Extent Taxable Income Remains In These Brackets. Consult Your Tax Advisor About How This Applies To Your Situation.**

## Tax-Loss Harvesting

### Investment A

**+ \$50,000**  
Capital Gains



Potential tax owed  
**\$20,400**  
(\$50,000 x 40.8%\*)

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Potential tax savings  
**\$21,624**  
(\$20,000 + \$1,224)

### Investment B

**- \$75,000**  
Capital Loss



Use loss to offset **\$50,000** gain.  
Potential tax saved  
**\$20,400** (\$50,000 x 40.8%\*)

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Apply **\$3,000** to reduce ordinary income.  
Potential tax saved **\$1,224** (\$3,000 x 40.8%)

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Remaining **\$22,000** of tax losses may be applied to long-term gains or income in future tax years

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\*A maximum federal income tax rate of 37%, plus 3.8%.  
Source: BNY Mellon Wealth Management. June 2022.

# QUESTIONS AND ANSWERS



Q&A

# CONTACT INFORMATION



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