COPPERWYND FINANCIAL

Providing financial navigation for your life's journey.

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260

Office: 480-348-2100
Toll Free: 877-658-2100

https://www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®
Lynda Elley, CTLC, CCFS® CFP®
Erick S. Newton, CFP®
Jake Eggett, CFP®

Copperwynd Financial, LLC is a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Copperwynd Financial, LLC and its representatives are properly licensed or exempt from licensure. This website is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Copperwynd Financial, LLC unless a client service agreement is in place.

© 2022 Copperwynd Financial, LLC

Your Copperwynd Financial Newsletter: April 2022

Market Commentary

After a historically calm 2021, volatility returned in the first quarter of 2022, as inflation surged to 40-year highs, the Federal Reserve promised to raise interest rates faster than previously thought, and Russia surprised the world with a full-scale military invasion of Ukraine, marking the first major military conflict in Europe in decades. Those factors fueled a rise in volatility and pushed stocks lower in the first three months of the year. While all market segments were negative for the start of this year, the closing weeks of the quarter saw a "relief rally" that brought some improvement in results.

US Equity Indexes	Q1 Return	YTD
S&P 500	-4.60%	-4.60%
DJ Industrial Average	-4.10%	-4.10%
NASDAQ 100	-8.91%	-8.91%
S&P MidCap 400	-4.88%	-4.88%
Russell 2000	-7.53%	-7.53%
International Equity Indexes	**Q1 Return**	**YTD**
MSCI EAFE TR USD (Foreign Developed)	-5.79%	-5.79%
MSCI EM TR USD (Emerging Markets)	-6.92%	-6.92%
US Bond Indexes	**Q1 Return**	**YTD**
BBgBarc US Agg Bond	-5.93%	-5.93%

Source: YCharts

As we start a new quarter, markets are facing the most uncertainty since the pandemic, as headwinds from inflation, less-accommodative monetary policy, and geopolitics remain in place.

Inflation still sits near a 40-year high as we start the second quarter and with major commodities such as oil, wheat, corn, and natural gas surging in response to the Russia-Ukraine war, it's unlikely that key inflation indicators like the Consumer Price Index will meaningfully decline anytime soon. Until there is a definitive peak in inflation, the Federal Reserve is likely to continue to aggressively raise interest rates, and over time, higher rates will become a drag on economic growth. Our graphic of the month gives us some insight into what consumers are likely to cut first when the belts get tightened: CLICK HERE.

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260

Office: 480-348-2100
Toll Free: 877-658-2100

https://www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®
Lynda Elley, CTLC, CCFS® CFP®
Erick S. Newton, CFP®
Jake Eggett, CFP®

Copperwynd Financial, LLC is a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Copperwynd Financial, LLC and its representatives are properly licensed or exempt from licensure. This website is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Copperwynd Financial, LLC unless a client service agreement is in place.

© 2022 Copperwynd Financial, LLC

The Federal Reserve, meanwhile, has consistently warned markets that aggressive interest rate hikes are coming in the months ahead, and this quarter we expect the Fed will reveal its balance sheet reduction plan, which will detail how the Fed plans to unload the assets it acquired via the Quantitative Easing program over the past two years. If the details of this balance sheet reduction plan are more aggressive than markets expect, or the Fed commits to more rate hikes than are currently forecasted by markets, that could weigh on stocks and bonds alike.

Finally, the Russia-Ukraine war continues to rage on, and the geopolitical implications have spread beyond the battlefield, as relations between Russia and the West have hit multi-decade lows. Meanwhile, crippling economic sanctions against Russia remain in place, while commodity prices are still very elevated, and the longer those factors persist, the greater the chance we see a material slowdown in the global economy. For a personal insight on how the world may have changed over the past few years, please link here to our Guest Commentary from our own Amy Diamond, who shares her observations on successive trips to Italy! **CLICK HERE**

But while clearly there are risks to portfolios as we start the new quarter, it's also important to note that the U.S. economy is very strong and unemployment remains historically low, and that reality is helping support asset markets. Additionally, interest rates are rising but remain far below levels where most economists forecast that they will begin to slow the economy. Finally, consumer spending, which is one of the main engines of growth for the U.S. economy, is robust, and corporate and personal balance sheets are healthy.

In sum, the outlook for markets and the economy is uncertain, and we should all expect continued volatility across asset classes in the short term. But core macroeconomic fundamentals remain very strong while U.S. corporations and the U.S. consumer are, broadly speaking, financially healthy. So, while risks remain, as they always do, there are also multiple positive factors supporting markets, and it is important to remember that a well-executed and diversified, long-term financial plan can overcome bouts of even intense volatility like we saw in the first quarter. Patience, as we have counseled before, will be important this year.

In your portfolios here, we are fully invested on all stock portfolios, albeit with a shift toward more lower volatility parts of the market (think Target not Zoom). Bonds have just re-entered a few positions after sitting in cash the past few months, but in acknowledgement of the challenge ahead from the Federal Reserve raising rates, we have re-entered floating rate bonds which generally withstand this environment better than most other types of fixed income.

Not surprisingly, our conversations with everyone over the past few months have been peppered with concerns about the Ukranian invasion, oil prices and inflation, and the “R” word has been bantered around as well (recession). We invite you to join us for our updated outlook for 2022 on Thursday, May 19th at noon MST. We will send out an email reminder to register for this online event at the end of this month.

COPPERWYND FINANCIAL

Financial Coaching –
A New Specialty Within Financial Planning

If you haven't heard of financial coaching, you soon will.

A financial coach is comparable to a fitness trainer minus the workout equipment! A trainer seeks to learn their client's fitness goals, what they have tried in the past, what worked, what didn't, as well as any obstacles along the way. Likewise, a financial coach helps clients who are feeling stressed and anxious about money create and maintain healthy financial habits. They work together to identify underlying values and goals to design an action plan with particular focus on budgeting, building savings, paying off debt and financial education. A coach also serves as an accountability partner during this process to ensure clients adhere to the game plan. In time, clients feel more in control, more at ease and more confident.

Coaches recognize that a relationship with money is more than dollars and data. Money is emotional. Coaches help clients identify feelings, behaviors, and long-held beliefs that prevent them from achieving their goals and work to understand and overcome them. For example, if parents or grandparents grew up during the Depression a client may view money from a scarcity mindset even though they have considerable wealth. Or, in a family where the children had the latest and greatest of everything, as adults they continue to live as if all wants are needs and rack up massive debt. Here are a few questions to ask yourself:

- Do I know the difference between a need and a want?
- Are my values and beliefs aligned with my financial goals?
- What are the reoccurring themes about money in my life that prevent me from achieving these goals?
- To remain current with the latest trends in financial planning, in 2021 the CFP® board recognized the value of behavioral finance in its curriculum with the addition of a "Psychology of Financial Planning" unit.

The gold standard in the financial coaching world is The Association of Financial Counseling and Planning Education (AFCPE) and its Accredited Financial Counselor (AFC®) certification. This professional organization supports coaches and counselors with varied backgrounds who provide personal finance education to individuals and families. They also set standards for best coaching practices, ethical behavior and a rigorous certification process. I am currently seeking my AFC® certification, supported by the Copperwynd team. If I can answer any questions or be of assistance, feel free to reach out to me at malport@copperwyndfinancial.com

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260

Office: 480-348-2100
Toll Free: 877-658-2100

https://www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®
Lynda Elley, CTLC, CCFS® CFP®
Erick S. Newton, CFP®
Jake Eggett, CFP®

Copperwynd Financial, LLC is a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Copperwynd Financial, LLC and its representatives are properly licensed or exempt from licensure. This website is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Copperwynd Financial, LLC unless a client service agreement is in place.

© 2022 Copperwynd Financial, LLC

COPPERWYND FINANCIAL

401(K) Allocation

Markets rallied into the close of the first quarter after hitting double digit losses in February for most indices. Interestingly enough, the rally in stocks was enough that stocks are now out-performing the bond index (AGG) for the first time in a very long time. The losses in the bond index are directly related to the movements by the Federal Reserve, whereas stocks have been taking their cues from the war in Ukraine. For the present, despite positive momentum going into the close of the quarter, we are standing pat on the 401K allocations. All plans are in cash for the bond component (where not losing is considered winning this year!) and the stock mix is more value-oriented than growth. This is a cautious approach and if you are feeling the desire to add more risk – maybe adding to the most beat-up segments of the market in tech or small company stocks! - please reach out to us for a custom allocation.

As always, if you need some assistance in making these changes, don't hesitate to call us at the office. Don't forget to change both the Current Allocation as well as the Future Funds Allocation when you make your changes.

Apr-22	Agg. Growth ***100% Equity***	Growth	Moderate	Balanced	Conservative
	10%	**25%**	**40%**	**55%**	**80%**
Stable Asset - OR - Short Term Bon	*10%*	*20%*	*40%*	*55%*	*80%*
Total Return	*0%*	*0%*	*0%*	*0%*	*0%*
High Yield Bonds	*0%*	*0%*	*0%*	*0%*	*0%*
Inflation Protected Bonds	*0%*	*0%*	*0%*	*0%*	*0%*
	75%	**65%**	**50%**	**40%**	**20%**
Large Cap Growth	*35%*	*25%*	*20%*	*15%*	*5%*
Large Cap Value	*40%*	*40%*	*30%*	*25%*	*15%*
	15%	**10%**	**10%**	**5%**	**0%**
Mid Cap Growth	*5%*	*0%*	*0%*	*0%*	*0%*
Mid Cap Value	*10%*	*10%*	*10%*	*5%*	*0%*
	0%	**0%**	**0%**	**0%**	**0%**
Small Cap Growth	*0%*	*0%*	*0%*	*0%*	*0%*
Small Cap Value	*0%*	*0%*	*0%*	*0%*	*0%*
	0%	**0%**	**0%**	**0%**	**0%**
Developed International	*0%*	*0%*	*0%*	*0%*	*0%*
Emerging Markets	*0%*	*0%*	*0%*	*0%*	*0%*
	100.00%	100.00%	100.00%	100.00%	100.00%

Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260

Office: 480-348-2100
Toll Free: 877-658-2100

https://www.copperwyndfinancial.com

David Daughtrey, CFA, CFP®
Lynda Elley, CTLC, CCFS® CFP®
Erick S. Newton, CFP®
Jake Eggett, CFP®

Copperwynd Financial, LLC is a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Copperwynd Financial, LLC and its representatives are properly licensed or exempt from licensure. This website is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Copperwynd Financial, LLC unless a client service agreement is in place.

© 2022 Copperwynd Financial, LLC

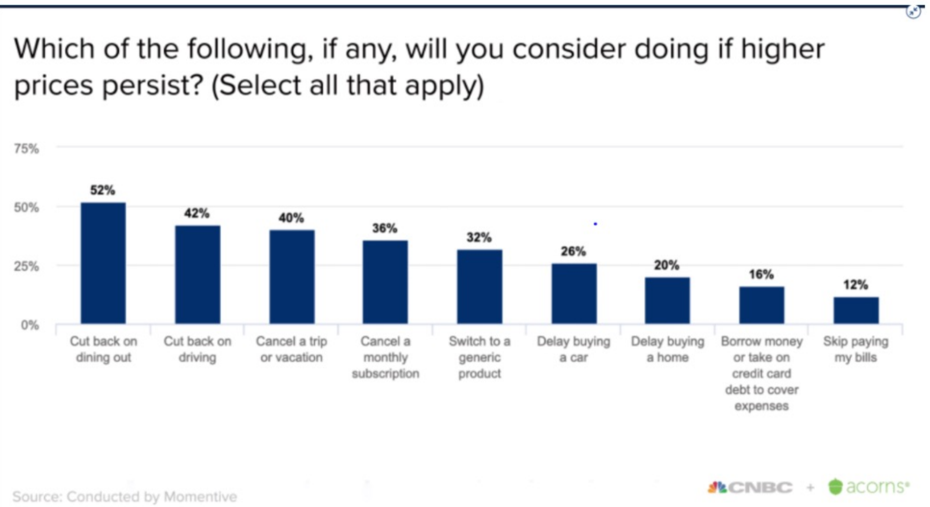
Copperwynd Financial
14256 N. Northsight Blvd
Suite B-115
Scottsdale, AZ 85260

Office: 480-348-2100
Toll Free: 877-658-2100

https://www.copperwyndfinancial.com

Graphic of The Month

How much are you willing to tolerate as prices head higher? A recent survey by CNBC shows us what responses they got when asking the question to their viewers where they will cutback spending first, if inflation continues higher:



David Daughtrey, CFA, CFP®
Lynda Elley, CTLC, CCFS® CFP®
Erick S. Newton, CFP®
Jake Eggett, CFP®

Copperwynd Financial, LLC is a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Copperwynd Financial, LLC and its representatives are properly licensed or exempt from licensure. This website is solely for informational purposes. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Copperwynd Financial, LLC unless a client service agreement is in place.

© 2022 Copperwynd Financial, LLC