BELL FINANCIAL

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Dear Friends:

This has been the most challenging year in memory. We've missed birthdays, holidays, and special family traditions. We stayed in our homes for days or weeks on end, we saw loved ones suffer from an income shortfall, and we may have lost someone close to us.

Despite the hardships of the past year, we have much for which to be thankful. We have a renewed appreciation of family, work, love, and the simple joys in life. We have learned to focus on the present. Perhaps our energy is now best spent on sharing our new appreciation. We can pay a compliment, share a laugh, encourage a friend, forgive a wrong, act kindly, and be generous.

Let us do our very best to make this year better than last. Let's focus on the positive and together we can make 2021 a year of healing.

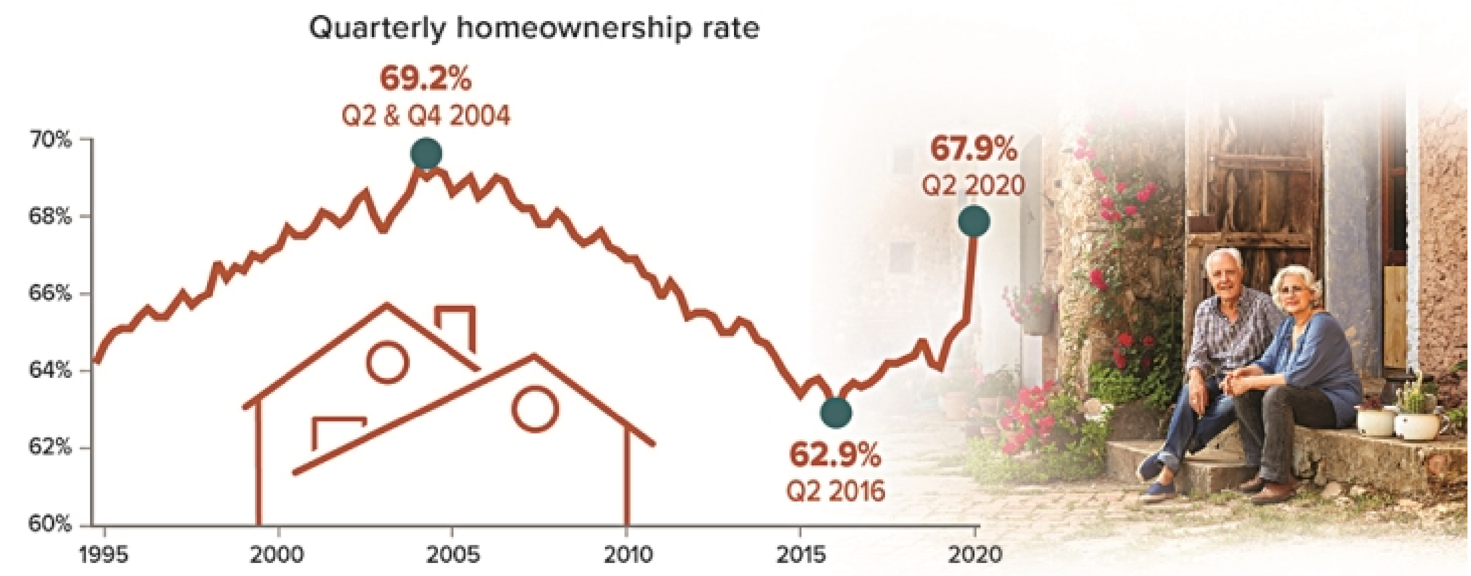
Thank you for your trust and confidence in me and in Bell Financial. We wish you joy and good health in the coming year.

Jesse

Homeownership Rate Spikes During Quarantine

The U.S. homeownership rate jumped by 2.6% in the second quarter of 2020, the largest quarterly increase on record, bringing it to a level last seen in 2008. Part of this unexpected increase may be due to a change in the survey process because of the coronavirus, as well as a drop in the number of rental units as renters moved in with family or took on roommates. However, many renters bought homes, spurred by low mortgage rates.

Homeownership increased across all age groups, but the biggest jump was among those under age 35, whose 40.6% rate was the highest in almost 12 years. Americans age 65 and older have the highest rate of homeownership at 80.4%.



Sources: U.S. Census Bureau, 2020; Bloomberg, July 28, 2020; MarketWatch, July 29, 2020

Sharing Your Money Values Can Be Part of Your Legacy

When it's time to prepare the next generation for a financial legacy, you might want to bring your family members together to talk about money. But sitting down together isn't easy, because money is a complicated and emotionally charged topic. Rather than risk conflict, your family may prefer to avoid talking about it altogether.

If your family isn't quite ready to have a formal conversation, you can still lay the groundwork for the future by identifying and sharing your money values — the principles that guide your financial decisions.

Define Your Own Values

What does money mean to you? Does it signify personal accomplishment? The ability to provide for your family? The chance to make a difference in the world? Is being a wise steward of your money important to you, or would you rather enjoy it now? Taking time to think about your values may help you discover the lessons you might want to pass along to future generations.

Respect Perspectives

The unspoken assumption that others share your financial priorities runs through many money-centered conversations. But no two people have the same money values (even relatives). To one person, money might symbolize independence; to another, money equals security. Generational differences and life experiences may especially influence money values. Invite your family members to share their views and financial priorities whenever you have the opportunity.

See Yourself as a Role Model

Your actions can have a big impact on those around you. You're a financial role model for your children or grandchildren, and they notice how you spend your time and your money.

Look for ways to share your values and your financial knowledge. For example, if you want to teach children to make careful financial decisions, help them shop for an item they want by comparing features, quality, and price. If you want teenagers to prioritize saving for the future, try matching what they save for a car or for college. Teaching financial responsibility starts early, and modeling it is a lifelong effort.

Practice Thoughtful Giving

How you give is another expression of your money values, but if a family member is the recipient, your generosity may be misconstrued. For example, your adult son or daughter might be embarrassed to accept your help or worried that a monetary gift might come with strings attached. Or you may have a family member who often asks for (or needs) more financial support than another, which could lead to family conflicts.

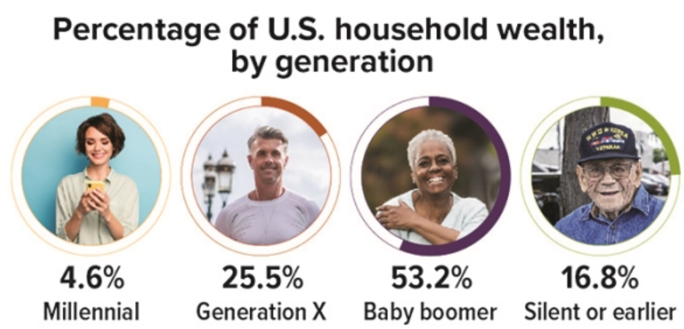
Defining your giving parameters in advance will make it easier to set priorities, explain why you are making certain decisions, and manage expectations. For example are you willing and able to:

- Help fund a college education?
- Provide seed money for a small business?
- Help with a down payment on a home?
- Pay for medical expenses?
- Contribute to an account for a family member with special needs?
- Offer nonfinancial help such as child care or transportation?

There are no right or wrong answers as long as your decisions align with your financial values and you are sure that your gift will benefit both you and your family member. Maintaining consistent boundaries that define what help you are willing and able to provide is key. Gifts that are not freely given may become financial or emotional obligations that disrupt family relationships.

The Great Wealth Transfer

Seventy percent of U.S. household wealth is held by older generations. Although younger people may be far behind today, they stand to inherit much of this wealth in the coming decades, while also accumulating wealth through their own efforts.



Source: Federal Reserve, 2020 (Q2 2020 data)

Reveal Your Experiences with Money

Being more transparent about your own financial hopes and dreams, and your financial concerns or struggles, may help other family members eventually open up about their own.

Share how money makes you feel — for example, the satisfaction you felt when you bought your first home or the pleasure of giving to someone in need. If you have been financially secure for a long time, your children may not realize how difficult it was for you, or for previous generations, to build wealth over time. Your hard-earned wisdom may help the next generation understand your values and serve as the foundation for a shared legacy.

Surge in COVID-19 Scams

Fraudsters and scam artists have always looked for new ways to prey on consumers. Many are now using their tactics to take advantage of consumers' heightened financial and health concerns over the coronavirus pandemic. Federal, state, and local law enforcement have issued warnings on the surge in coronavirus scams and offer advice on how consumers can help protect themselves.

Here are some of the more prevalent coronavirus scams that consumers need to watch out for, along with some tips for protecting yourself from becoming the victim of a scam.

Fraudulent Treatments, Vaccinations, and Home Test Kits

The Federal Trade Commission (FTC) issued warnings about scam artists attempting to sell fraudulent products that claim to treat, prevent, or diagnose COVID-19. The FDA has warned consumers to be wary of companies selling products that are not authorized or approved by the FDA. You can visit fda.gov for more information.

Phishing Scams

Scammers have been using phishing scams related to the coronavirus pandemic to obtain personal and financial information. Phishing scams usually involve unsolicited phone calls, letters, emails, text messages, or fake websites that pose as legitimate organizations and try to convince you to provide personal or financial information. Once scam artists obtain this information, they use it to commit identity or financial theft.

Be wary of anyone claiming to be from an official organization, such as the Centers for Disease Control and Prevention or the World Health Organization. And remember that government organizations, such as the Social Security Administration and the Internal Revenue Service, will never initiate contact with you to ask for personal and financial information, such as your Social Security number. In addition, be on the lookout for nongovernment websites with domain names that include the words "coronavirus" or "COVID-19," as they are likely to be malicious.

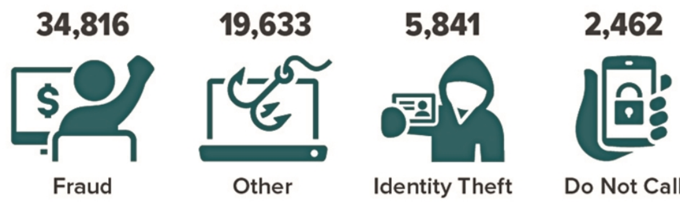
Coronavirus-Related Charity Scams

During the coronavirus pandemic, many charitable organizations have been established to help those affected by COVID-19. Unfortunately, scammers sometimes try to pose as legitimate charitable organizations in order to solicit donations from unsuspecting donors. Watch out for charities with names that are similar to more familiar or nationally known organizations such as the American Red Cross.

Before donating to a charity, make sure it is legitimate. Never donate cash, gift cards, or funds by wire transfer. The IRS website has a tool to assist you in checking out the status of a charitable organization at irs.gov/charities-and-nonprofits.

FTC COVID-19 Complaints

Over 60,000 complaints related to COVID-19 were reported to the Federal Trade Commission during the period between January 1 and June 3, 2020, with a total fraud loss of $45.32 million.



Source: Federal Trade Commission, 2020

Protecting Yourself from Scams

Here are some steps you can take to help protect yourself from becoming the victim of a scam, including a scam related to the coronavirus pandemic:

- Don't click on suspicious or unfamiliar links in emails, text messages, social media feeds and instant messaging services.
- Don't answer a phone call if you don't recognize the phone number — let it go to voicemail and check later to verify the caller.
- Never download email attachments unless you can verify that the sender is legitimate.
- Keep device and security software up-to-date.
- Maintain strong passwords and use multi-factor authentication whenever possible.
- Never share personal or financial information via email, text message, or over the phone.

If you receive a fraudulent email, text or phone call, report it to the appropriate government agency such as the Federal Trade Commission or Internal Revenue Service and your local police department.

Accumulating Funds for Short-Term Goals

Stock market volatility in 2020 has clearly reinforced at least one important investing principle: Short-term goals typically require a conservative investment approach. If your portfolio loses 20% of its value due to a temporary event, it would require a 25% gain just to regain that loss. This could take months or even years to achieve.

So how should you strive to accumulate funds for a short-term goal, such as a wedding or a down payment on a home? First, you'll need to define "short term," and then select appropriate vehicles for your money.

Investing time periods are usually expressed in general terms. Long term is typically considered 15 years or longer; mid term is between five and 15 years; and short term is generally five or fewer years.

The basic guidelines of investing apply to short-term goals just as they do for longer-term goals. When determining your investment mix, three factors come into play — your goals, time horizon, and risk tolerance. While all three factors are important, your risk tolerance — or ability to withstand losses while pursuing your goals — may warrant careful consideration.

Example: *Say you're trying to save $50,000 for a down payment on your first home. You'd like to achieve that goal in three years. As you're approaching your target, the market suddenly drops and your portfolio loses 10% of its value. How concerned would you feel? Would you be able to make up that loss from another source without risking other financial goals? Or might you be able to delay buying your new home until you could recoup your loss?*

These are the types of questions you should consider before you decide where to put those short-term dollars. If your time frame is not flexible or you would not be able to make up a loss, an appropriate choice may be lower-risk, conservative vehicles. Examples include standard savings accounts, certificates of deposit, and conservative mutual funds. Although these vehicles typically earn lower returns than higher-risk investments, a disciplined (and automated) saving habit combined with a realistic goal and time horizon can help you stay on course.

The FDIC insures CDs and savings accounts, which generally provide a fixed rate of return, up to $250,000 per depositor, per insured institution.

All investments are subject to market fluctuation, risk, and loss of principal. When sold, investments may be worth more or less than their original cost.

Mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

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