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Why setting a New Year's reflection might be better than a resolution for 2021

While setting a resolution for 2021 might seem daunting, experts say people can learn from 2020 and make smarter goals.



After 2020, many people might want to ditch New Year's resolutions altogether. For some, getting through the day feels like more than enough. Trying to reach some audacious goal feels laughable. Experts say that after this difficult year, resolutions might undergo a makeover — and this is a good thing.

"I do think it is a healthy practice to look at your life and identify ways to grow. We know that people don't often succeed at New Year's resolutions because they tend to be lofty and require really big, sweeping changes," Sophie Lazarus, a clinical psychologist at the Ohio

State University Wexner Medical Center, told TODAY. "(After) people have been asked to adapt to so many things, setting these big goals is setting ourselves up to be discouraged."

That doesn't mean that Lazarus believes people should skip thinking about things they'd like to change next year. She just thinks they should take a more reasonable approach.

"We should be paying attention to our lives and making more small, incremental changes that benefit our well-being," she said.

Dr. Deborah Gilboa, a resiliency expert based in Pittsburgh, agrees that this year, in particular, people might want to reconsider resolutions.

"It's a great time to reflect on lessons learned," she told TODAY. "We have the opportunity to look back and say 'Oh I would have never done that if it wasn't for everything that happened.'"

While 2020 did disrupt so much, many people adapted and those new habits might be good ones. Families might realize that game night is a tradition that should

stay even after coronavirus restrictions lessen. Or perhaps thanks to everyone's newfound familiarity with Zoom, people will invite loved ones from across the country to regular get-togethers.

"Everybody I talked to has said to me some things that they learned that they don't want to forget," Gilboa said.



While people often joke about resolutions being broken only a few days into January, Gilboa believes there could be some benefit at looking at what one resolved last year and adapting that. Instead of setting hard-to-attain, lofty goals, people can focus on simply what they want to do differently.

"A lot of New Year's resolutions don't age well, but New Year's reflections can age really well," she said. "You have the option (this year) to come up with true resolutions, things that you are resolute about. Like 'My family will continue to be my priority' or 'I've seen the importance of health and I'm going to carry that forward with me.'"

Lazarus hopes that if people set resolutions or goals, that they don't involve self-criticism.

"We could really benefit from having our goals come from a place of kindness and having a greater sense of well-being about what is going to be healthy and positive," she said. "There is so much stress and lots of

things that are out of our control... Being really harsh and critical, that only increases your stress."

If people struggle with being kinder to themselves, she suggests they think of what they might say to a friend or family member who was being hard on themselves.

"Give yourself the same grace you would give to a friend," she said. "It is wise to adjust our expectations to the current circumstances."

Lazarus said practicing mindfulness can help and that doesn't have to look like meditation. People could simply try being in the moment when they do something, such as take a shower. This increased mindfulness can help people both when thinking of self-evaluation but also when grappling with pandemic stressors. For those still looking for concrete ways to better evaluate their efforts, Lazarus has some advice.

1 Year = 365 Opportunities



"There are two things that would be helpful if you are trying to set some type of resolution: Look honestly at your capacity. How much energy and time and space do you have? Really adapt your goal to that," she said. "Really look at your life. What is most important to you? What matters most or what do you value? If you set a goal or make a small change it should be related to that."

Title: Why setting a New Year's reflection might be better than a resolution for 2021

Source: <https://www.today.com/health/how-set-new-year-s-resolution-2021-t204626>

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| Are You Really Diversified?

Key Takeaways

- Investors who own stocks through an index fund like the S&P 500 or bonds via bond index funds often assume their portfolios are diversified and constant.
- Market dynamics and the construction of indexes can lead to concentration in terms of stock weightings and/or shifts in risks over time reducing the potential for diversification benefits.

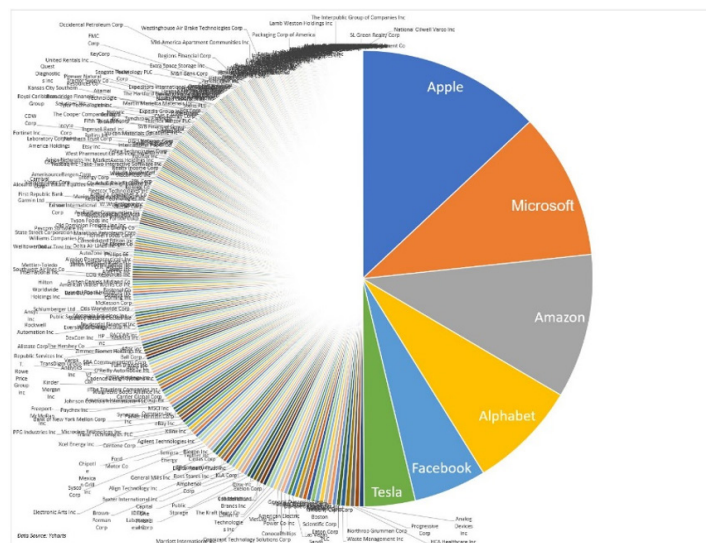
Diversification is one of the foundations of investing. Investors who own stocks through an index fund like the S&P 500 or bonds via bond index funds often assume their portfolios are diversified. However, the construction of the indexes can lead to concentration in terms of stock weightings and/or shifts in risks over time. To illustrate, let's take a look at some of the commonly used indexes within portfolios.

Let's start with the S&P 500 index, which is a market-cap weighted index. The index weighs companies by multiplying the number of shares outstanding times the price per share. In other words, the bigger companies dominate the index weight. As an example, let's take a look at the impact of adding Tesla to the index. On December 21st, Tesla will join the S&P 500 index. Tesla shares are up more than 600%, with a market value of about \$578 billion. Jason Thomas, Chief Economist at AssetMark, cites its market value has more than double the combined values of Toyota, General Motors, Ford, and Fiat Chrysler¹.

Tesla will be the sixth-biggest company in the S&P 500. To illustrate, the next chart by Michael Batnick, Director of Research at Ritholtz Wealth Management, highlights how the extreme example of concentration after including Tesla impacts the composition of the index. The top six stocks would be equal in size to the 369 smallest stocks in the index. To be clear, the chart is showing only the top 6 stocks and the bottom 369

(132-500), meaning stocks 7-131 are not shown².

Hypothetical contribution of top six stocks to S&P 500, as of December 2, 2020



Source: Ritholtz Wealth Management, for illustrative purposes

In 2020, the pandemic has led to a winner-take-all scenario, with a handful of technology companies that are essential to remote work capturing nearly all the of market returns and thus a bigger chunk of the index. The trend is not isolated to 2020. Over the past five years, the concentration as indicated by the percentage weight of the top ten holdings in the S&P 500 index has increased from 17% to 28%³.

What about fixed income markets?

Record- low interest rates have led to unprecedented issuance of bonds. This has shifted the composition of the Bloomberg Barclays US Aggregate Index, the most commonly used broad bond market index. In the chart below, J.P. Morgan highlights the percentage of Treasuries has decreased by 3% to 37%, while corporate bonds have increased by 3% to 28%⁴, since the start of the year. This shift means investors will have less exposure to safer investments, like Treasuries, that often act as a shock absorber to equity market volatility.

What does this mean for investors?

There are three key takeaways. First, the point in sharing the shifts in indexes is meant to inform investors on the risks they own as passive investors. With increased equity concentration and a reduced Treasury allocation, investors could potentially be carrying higher risk. Second, historically, concentration in equity market-cap indexes has led to higher volatility. In June 2000, the percentage of assets held

by the S&P 500's ten largest holdings temporarily rose above 25% and then fell over the next few years, driving higher market volatility⁵. Price decline in these top stocks could outweigh more robust performance from the broader market, thus driving higher volatility. Third, investors could consider adding an active approach within their stock and bond portfolios as a way to address these concerns.

¹Savos.

²<https://theirrelevantinvestor.com/2020/12/02/the-biggest-sp-500-addition-ever/>

³<https://www.morningstar.com/articles/992504/the-sp-500-grows-ever-more-concentrated>

⁴JPMorgan, weekly market update.

⁵<https://www.morningstar.com/articles/992504/the-sp-500-grows-ever-more-concentrated>

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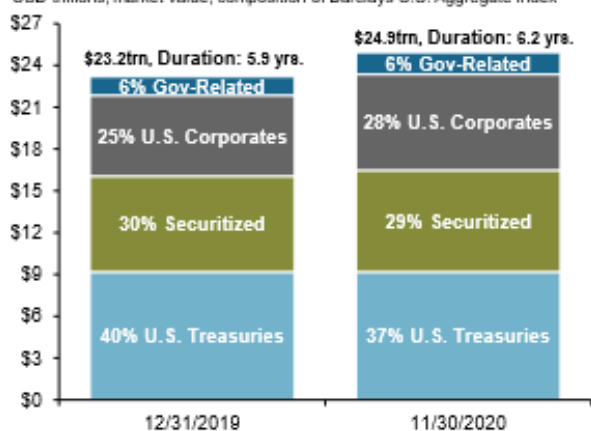
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Year-to-date shift in composition of the U.S. Agg.

USD trillions, market value, composition of Barclays U.S. Aggregate Index



The Pandemic's Impact on Savings Behaviors: Comparing Past and Present

One year ago, there was already troubling news about how little Americans had saved for retirement. Then the pandemic descended, multiplying those concerns.

Local and national governments attempted to help with the immediate needs of citizens who, on a grand scale, suffered sudden job losses. The CARES Act paved the way for people to take money from a source intended only for retirement; with a stroke of the pen, they could borrow and receive distributions from their retirement accounts without the carefully crafted penalties that had previously discouraged early withdrawals. Industry professionals and plan sponsors held their collective breath, worried about a flood of cash leaving plans — which, along with the anticipated



suspension of contributions, could leave future retirees financially decimated.

As time passed, everyone began to breathe again, real-

izing that the vast majority of plan participants did not withdraw retirement funds. Nor was there a wholesale move to suspend contributions, either on the part of companies or participants. Still, the virus leaves some big questions, like what will be the long-term impact on participant saving behaviors?

The answer is unclear, according to a new paper from T. Rowe Price, *How the Coronavirus Pandemic is Affecting Retirement Saving*. However, there may be insights to gain from looking backward. Armed with data stemming from the 2007–2009 global recession, plan sponsors and financial professionals may be better prepared to help participants navigate their way ahead toward financial wellness — and therefore a better retirement.



T. Rowe Price asserts that, although the percentage of participants who took advantage of CARES Act provisions was small, the impact of their actions will be far-reaching. Of those who took a coronavirus-related distribution, 21% took the maximum allowed, the lesser of \$100,000 or 100% of their vested account balance.

As they analyzed data from the earlier financial crisis, T. Rowe Price found that people who were then working tended to retire at a different time than they had planned, due to factors outside their control such as health, job loss or unexpected financial need. Concerns about affording retirement continue to plague all generations; one-third of today's workers surveyed

report concern they will have to reduce their standard of living in retirement.



The pandemic highlights the need to continue educating employees about financial wellness. People who have emergency savings are better able to ride out even the kind of significant disruption wrought by COVID-19. Employers are in a unique position to help, by working with their financial professionals to provide the needed education. Between 40% and 60% of those surveyed by T. Rowe Price said they are interested in learning from their employer or plan professionals how to set and meet financial goals. And 62% of 401(k) plan participants said they look to the company that manages their plan to help them achieve financial goals, including debt reduction, college education and day-to-day expense management along with saving for retirement.

The T. Rowe Price *Insights on Retirement* contains more information that may help you set a strategy to improve plan results. Read it here: <https://tinyurl.com/TRP-Insights>.

This information is not intended as authoritative guidance or tax or legal advice. You should consult with your attorney or tax advisor for guidance on your specific situation.

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Cranberry Brie Pull Apart Bread



What's in Season for January?



Citrus



Cabbage



Sweet Potatoes

Apples
Avocados
Bananas
Beets
Bok Choy
Broccoli
Brussels Sprouts
Carrots

Cauliflower
Celery
Greens
Kiwi
Leeks
Lemons/Limes
Mango
Mushrooms
Parsnips

Pears
Pomegranates
Potatoes
Rutabagas
Strawberries (FL)
Sweet Onions
Turnips
Winter Squashes

INGREDIENTS:

- 1 round loaf sourdough bread
- 4 tablespoons butter
- 2/3 cup raw pecans chopped
- 3 tablespoons brown sugar
- 1 (16 ounce) wheel of brie, cubed
- 1 cup dried cranberries

SERVINGS: 6

Prep Time: 25 Minutes

INSTRUCTIONS:

1. Preheat the oven to 350 degrees F.
2. Slice the bread horizontally and vertically to create 1 inch cubes, being careful not to actually slice all the way through the bread.
3. In a small bowl, combine 2 tablespoons butter, the pecans and brown sugar. Use your hands to mix the butter into the pecans to create a crumble. Take the remaining 2 tablespoons butter and insert thin slices into the loaf of bread.
4. Place the loaf on a baking sheet and stuff the brie inside the bread, filling in all the spaces in between the cuts. Add the cranberries and pecans. Transfer to the oven and bake for 15-20 minutes or until the brie is melted and gooey. Serve immediately.



Sources: <https://www.halfbakedharvest.com/cranberry-brie-pull-apart-bread/>, [Produceforkids.com](https://www.produceforkids.com)



The Sudoku Section



3	1			4		8		2
							3	
				2			1	9
4		5			1			
	8	3			4	5		
9					8	7		
	9		7				4	
							5	8
			9					

7	9	2	5	3	6	8	4	1
8	5	6	2	1	4	7	3	9
3	4	1	9	8	7	2	6	5
4	2	7	8	5	3	1	9	6
1	6	5	4	7	9	3	8	2
9	8	3	1	9	2	5	7	4
6	1	9	3	2	8	4	5	7
5	3	4	7	6	1	9	2	8
2	7	8	9	4	5	6	1	3

The answers



January Special Days & Holidays (Financial Wellness Month)

1st- New Years Day

1st-7th- New Year's Resolutions

2nd- Motivation and Inspiration Day

4th- Trivia Day

13th- Hat Day

18th- Martin Luther King Jr. Day

24th- Compliment Day

26th- Spouses Day

27th- Chocolate Cake Day

28th- Data Privacy Day (personal info)

29th- Puzzle Day

25th-30th- Tax Identity Theft

Awareness



Source: www.printmysudoku.com