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THE EDUCATED INVESTOR

A GUIDE TO RETIREMENT PLANNING

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Some people still need to pay their taxes by April 15 despite the IRS moving the deadline to May 17

The IRS and Treasury Department have extended the tax filing season, pushing the deadline to May 17 from April 15. The extension won't help every taxpayer, however. That's because it does not include estimated tax payments, which are still due April 15.

Some taxpayers must make quarterly estimated tax payments throughout the year to avoid penalties. Estimated tax is used to pay levies on income that is not subject to withholding, including earnings from self-employment, interest, dividends, rent and alimony, according to the IRS.

This mostly affects self-employed individuals, as well as those with small businesses such as sole proprietors, partners and S-corporation shareholders — generally, anyone who doesn't work for an employer that withholds taxes from their paycheck.

Extending the deadline:

In the 2018 tax year, more than 9.5 million individual returns filed for the year included estimated payments. That's about 6% of the total 154 million returns submitted.



"While we appreciate the IRS recognition that a filing deadline postponement is indeed necessary, the announcement is far too selective in who is receiving relief," said Barry Melancon, a certified public accountant, chartered global management accountant, and president and CEO of the American Institute of CPAs, in a Wednesday statement. "In fact, the taxpayers who are most likely to benefit from this additional time are taxpayers who are able to meet the original filing deadline."

In 2020, the IRS did adjust the deadline for the first of four estimated tax payments to July 15 from April 15, the same extension as the overall tax filing deadline.

However, it didn't push back the remaining three payments — the second quarterly payment was also due on July 15, 2020.



More work for the taxpayer

Not including estimated payments effectively nullifies postponing the deadline for some taxpayers, according to the AICPA.

That's because calculating estimated tax payments includes other tax preparation, which will all need to be completed by the April 15 deadline.

To avoid penalties for underpaying estimated taxes, people who owe more than \$1,000 in tax after subtracting withholding and credits must pay the IRS at least 90% of the tax for the current year or 100% of the tax for the prior year, whichever is smaller.

That means to calculate a quarterly estimated payment, taxpayers need to either project their income for the year or have their previous year's income handy as they'd have it for their tax return.

"You still have to complete the 2020 return to get a bottom-line number to pretty much do an estimate," said Rhonda Collins, director of tax content and government relations at the National Association of Tax Professionals. "So it's still going to create a little bit of work for the taxpayer."

On top of that, small businesses and self-employed individuals that pay estimated taxes have been hit

particularly hard by the Covid pandemic and may be dealing with multiple issues that would complicate tax filing. Some may have loans through the Paycheck Protection Program, an Economic Injury Disaster Loan or another grant.

"Conflating all of those things on top of each other, there is really no relief for those individuals," said Melancon.

No relief for most small businesses

To be sure, keeping the April 15 estimated tax deadline can help those who need to make the quarterly payments appropriately manage their cash flow throughout the year, said Sheneya Wilson, CPA and founder of Fola Financial in New York.

Even if you do make estimated payments, you can still calculate what you owe April 15 and take advantage of the extension to file your tax return later, said Wilson.



The IRS did adjust the estimated tax deadline for some — taxpayers and businesses in Texas, Louisiana and Oklahoma have until June 15 to file their tax returns, make contributions to certain accounts and pay their first estimated tax payment. The deadlines were extended for those filers following severe winter storms that were declared a disaster by the Federal Emergency Management Agency.

Title: Some people still need to pay their taxes by April 15 despite the IRS moving the deadline to May 17

Source: <https://www.cnbc.com/2021/03/18/some-still-need-to-pay-tax-by-april-15-despite-new-may-17-deadline.html>

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Is the inflation genie out of the bottle?

Key Takeaways

- Rising rates and the likely scale of US fiscal stimulus has raised concerns of inflationary pressures.
- Rising inflation does not differentiate between temporary and long-term sustainable inflation. This near-term increase in inflation could prove temporary.
- For investors, a period of higher inflation even if temporary paired with low rates could prove costly for excess cash which earns an even more negative real rate.

Interest rates have risen sharply in 2021. The 10-year Treasury yield rose from 0.93% at the start of the year to 1.64%¹ through March 12th. The speed at which yields have climbed has investors concerned about inflation. In addition, the trillions of dollars of fiscal stimulus spent by Congress and trillions of dollars in monetary stimulus by the Federal Reserve (Fed) has led investors wondering if inflation is inevitable, as indicated by the markets. Admittedly, given the vast amounts of spending, the risks are skewed to the upside. However, investors should evaluate the starting point of inflation given the unusual nature of the recent crisis.



The extraordinary measures taken by the US government and the Fed to curb the impact of the shutdown

from Covid-19 have likely led to some distortions in the inflation data as measured over the year. For example, the shutdown of the economy caused demand to collapse and thus inflation to plummet in the first half of 2020. In 2021, as the economy begins to re-open, pent up demand for everything from restaurants to travel and tourism relative to constrained supply has contributed to an increase in inflation in the short term. Fed Chair Powell has signaled that they will not react to this rise in inflation as they perceive this to be temporary².

Core PCE Inflation (% change, year over year)



Source: Bloomberg

So yes, inflation has increased, but it's important to have perspective. Over the last decade, the Fed has rarely achieved its 2% target for inflation as measured by Core PCE (Personal Consumption Expenditures excluding food and energy). Therefore, if moderate inflation is occurring today because of economic growth and rising from very low levels, it is not a bad thing. On the other hand, to have long-term sustainable inflation, or envision the probability of a 1970's style 10% inflation headed our way, seems less likely for several reasons.

First, the economy is still a long way from operating at full capacity, the point at which inflation pressure is likely to become problematic. The US economy shed a record 22.2 million jobs during the crisis. While the

economy has made steady progress and recouped 12.5 million of those jobs lost, it still remains short nearly 10 million jobs to close the gap³. Fed Chair Powell has noted the true measure of unemployment is close to 10%⁴.

Second, the Fed has tools to keep inflation in check by targeting inflation at 2%, which it formally adopted in 2012⁵. Even if inflation moves a bit above 2%, the Fed can rein in inflation by raising short term rates. Fed Chair Powell has also indicated that interest rates will remain low until further substantial progress has been made toward the 2% inflation. If inflation were to surprise on the high side, the Fed would likely move faster to raise short term rates.

For investors there are two key implications. First, a period of higher inflation and low rates will make real rates on cash even more negative. As such, investors with excess cash on the sidelines and looking to protect and grow their real wealth may want to put

their excess cash to work. Lastly, inflation is only one consideration and future returns may vary, but investors should take comfort that, on its own, a moderate increase is not typically negative for equities as higher inflation should coincide with stronger earnings growth.

¹<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/TextView.aspx?data=yieldYear&year=2021>

²<https://www.pbs.org/newshour/economy/chairman-powell-says-higher-inflation-is-temporary-fed-will-be-patient#:~:text=will%2Dbe%2Dpatient-,Chairman%20Powell%20says%20higher%20inflation,%2C%20fed%20will%20be%20'patient'&text=%E2%80%9CWe%20think%20our%20current%20policy,higher%20inflation%20on%20the%20horizon.>

³JP Morgan Guide to the Market

⁴<https://www.federalreserve.gov/newsevents/speech/powell20210210a.htm>

⁵<https://www.stlouisfed.org/open-vault/2019/january/fed-inflation-target-2-percent#:~:text=As%20such%20the%20FOMC%20adopted,2%20percent%20in%20January%202012.>

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It's Always a Good Time to Start

With spring and summer upon us, it's likely that we are all trying to get into or maintain some fitness goals. If you're just getting started with a health regimen, it's important to remain realistic about how quickly you will see progress. Before you think about hitting the gym or going for a run, it is highly suggested you get input from your doctor. In this era of COVID-19 precautions, a Teledoc appointment makes it much easier to get medical advice. If you're given the green light, the path ahead might seem uncertain, even overwhelming. Whether you're new to fitness or have been out of it for a few months, or years, try and keep the following in mind:

Full Range of Motion

Your focus should be on going through the full range of motion (ROM) with proper form, while also en-



suring your regimen works all the muscles in your body. Don't rush to add more weight or try to perform exercises beyond your capabilities; you could injure yourself. And yes, this includes strength training. Cardiovascular, or aerobic exercise is a great way to burn calories and develop your overall health; but when

it comes to losing body fat efficiently, you'll need to incorporate strength training. It just so happens you might end up with a desirable physique as you do this. It doesn't have to be using weights or machines at the gym--there are plenty of bodyweight calisthenic exercises that allow you to build strength and muscle as well. Not only will building muscle increase your body's metabolism, thus allowing you to burn more calories even when you're resting, it will transfer to your everyday life. You'll notice carrying groceries or doing household chores become easier. You will even burn more calories while binge watching some shameless show. At the very least, you'll start to feel an overall increase in energy.

Small Movements Add Up

Of course, you don't have to completely ignore cardio and should not underestimate just what kinds of activities count. Going for a ten-minute walk? That's cardio. Parking your car at the farthest end of the lot and then having to walk uphill to get to your destination? Cardio. Taking the stairs instead of the elevator/escalator? Cardio. Performing these tasks casually qualifies them as low-intensity exercises, and they do add up.



Furthermore, in doing a strength training workout it's completely possible to get to a point where your muscles deplete their glycogen stores, and your body must oxidize fat in order for you to be able to continue. For most of us, this happens after twenty minutes of intense activity. High-Intensity Interval Training (HIIT)



takes advantage of this relationship, allowing us to do both strength training and cardio all in one workout, saving time¹. If you enjoy doing aerobic activity, that's perfectly fine. The act of going for a walk/run or bike ride can be a reward in and of itself both physically and mentally. Maybe you want to train for your first 5K or marathon. If that's the case, strength training is still essential to ensure you accomplish these types of cardiovascular goals while minimizing the risk of injury.

Scheduling

A good schedule to follow for a beginner or someone who hasn't trained in a long time would be a Monday/Wednesday/Friday full-body regimen. It might seem strange to be resting four days a week, but your body will reward you as Jeff Cavaliere (MSPT, CSCS) from Athlean-X points out: "...the natural instinct is to go up and do more...when the right action would be to dial it down and do less." As time passes, you will find doing this same program becomes easier and easier. When this happens, you can start applying progressive overload in many forms.

The most basic we might think of is simply adding weight to our exercises, but this is not the only method. Decreasing rest time between exercises, doing additional sets or repetitions, or in the case of calisthenics, progressing into more difficult forms of a particular exercise like going from knee-pushups to

regular push-ups can all contribute to progressive overload and thus, continue to challenge your body. You can also incorporate plyometric and isometric versions of certain exercises. In plyometrics you perform an exercise with explosive power. Jump squats and clapping pushups are a great example. Isometric holds are where you simply maintain a specific position for as long as possible. Planks, wall sits, and pushup holds are some excellent examples and though they may seem trivial at first, after thirty seconds or so you will feel a burn.



Try and Have Some Fun

You don't have to just stick to the modalities mentioned. Team sports, whether it's a casual kickball league or a group of serious soccer players you find on Meetup.com, can be a wonderful way to stay active and social. If you're single or in a relationship, dance classes can't be ignored either. Whatever your decision, these types of activities usually involve some sort of socializing afterwards and can be a great way to meet new people while you are also getting exercise. If you're not feeling too social, that's okay. Rock climbing-- bouldering in particular-- solo hikes, or even a virtual yoga session in the comfort of your home can all allow you to stay fit and healthy. If you find yourself wanting to make performance or competitive gains

while partaking in sports, then a strength-conditioning program will go a long way. Who knows? Maybe you can help your kickball team take the trophy.

Let's Get Moving

Are you ready to apply some of this knowledge into your routine? Some excellent resources to use also happen to be free. YouTube has various channels created by experts who can help you along your journey, no matter if you're a beginner, intermediate or advanced. Calisthenic Movement, Athlean-X and Gravity Transformation are excellent channels I highly recommend and if you decide you need more specialized content, they have programs you can purchase².

With so much at our fingertips, it's become increasingly difficult to not want to become fitter and healthier. Making yourself accountable to someone, whether it's a personal trainer or a friend, can be a huge boost. If you feel like you need support, find someone you can partner up with. With a plethora of apps out there, it's become easier to share our workouts and progress with others. Madbarz, for example, has a feed of its members and which regimens they've just completed. Even the free version allows you to connect with other users.

Whatever your preferred method is, just remember to take it easy at first and slowly push yourself. Always warm up, even if it's just a five-minute walk, and do some sort of cool down, like stretches.

Title: It's Always a Good Time to Start

1. Belluz, Julia. "How to Get the Most out of Your Exercise Time, according to Science." Vox, 10 Jan. 2019, www.vox.com/science-and-health/2019/1/10/18148463/high-intensity-interval-training-hiit-orangetheory.

2. Workout Frequency- How Many Times a Week Is Too Much? | ATHLEAN-X. 21 May 2010, athleanx.com/uncategorized/workout-frequency-how-many-times-a-week-is-too-much. Accessed 23 Mar. 2021.

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Grilled King Salmon w/ Meyer Lemon Relish



INGREDIENTS:

- 1 teaspoon Meyer lemon zest plus 1/2 cup finely chopped Meyer lemon segments, divided
- 1/4 cup finely chopped shallot
- 2 1/2 teaspoons kosher salt, divided
- 1/2 teaspoon granulated sugar
- 1/3 cup plus 2 tablespoons extra-virgin olive oil, divided
- 1/4 cup drained capers, roughly chopped

- 1/4 cup pitted Castelvetrano olives, chopped
- 3 tablespoons chopped fresh flat-leaf parsley, divided
- 1/2 teaspoon Aleppo pepper or 1/4 teaspoon crushed red pepper
- Pinch of cayenne pepper
- 6 (5-ounce) skin-on king salmon fillets



SERVINGS: 6

Prep Time: 20 Minutes

INSTRUCTIONS:

1. Combine lemon segments, shallot, 1 teaspoon salt, and sugar in a medium bowl. Gently whisk in 1/3 cup olive oil; stir in capers, olives, 2 tablespoons parsley, Aleppo, and cayenne. Set aside.
2. Preheat grill to very high (500°F). Brush salmon with remaining 2 tablespoons olive oil; season with thyme, pepper, lemon zest, remaining 1 tablespoon parsley, and remaining 1 1/2 teaspoons salt. Grill salmon, skin sides down, covered, until skin is golden and crispy, about 3 minutes. Flip fish, and grill, uncovered, to desired degree of doneness, 2 to 3 minutes for medium-rare.
3. Transfer fillets to dinner plates, and top evenly with relish.

Sources: <https://www.foodandwine.com/recipes/grilled-king-salmon-meyer-lemon-relish>; Produceforkids.com

What's in Season for April?



Beets



Peas



Mango

Apples

Artichokes

Asparagus

Avocados

Bananas

Blueberries

Bok Choy

Broccoli

Cabbage

Carrots

Cauliflower

Celery

Citrus

Greens

Kiwi

Leeks

Lemons/Limes

Mushrooms

Parsnips

Pears

Pineapple

Potatoes

Strawberries

Vidalia Onions



The Sudoku Section

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

The answers

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



April Special Days & Holidays

(National Financial Literacy Month)



1st - April Fool's Day	11th - Pet Day
2nd - National Walking Day	13th-17th - National Retirement Planning Week
3rd - Chocolate Mousse Day	
4th - Easter	15th - Tax Day (Extended to May 17th)
5th-11th - Public Health Week	18th - Financial Advisor Day
7th - World Health Day	18th-24th - National Volunteer Week
10th - Siblings Day	22nd - Earth Day

Source: www.printmysudoku.com