



LLOYD TEVIS INVESTMENTS, LLC

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Market Commentary
June 2024



Russia-Ukraine War

The Russians have opened a new front along the northern border of Ukraine and are threatening a drive towards the city of Kharkov. This action should draw off Ukrainian forces from the eastern front, which remains the main focus of Russian effort. In particular, they seek to capture Chasiv Yar – a small town which gives access to the main line of fortified cities which support Ukraine's position in the east. But for the resumption of US aid and stepped up European aid, the Russians would have good hopes of collapsing the Ukrainian front in their forthcoming summer offensive. As it is, they can still hope for important territorial gains before aid significantly stiffens the defender's lines. The Russians will continue to believe in their ultimate victory as creeping gains slowly consume Ukraine and as its feckless allies once more abandon it.

On the side of Ukraine the need is for it, the US and the other NATO allies to commit to winning the war, depriving Russia of all its gains and imposing punitive measures on Russia for its aggressive war making. The Ukraine and its allies together certainly have the capacity to execute such a commitment. But the will to do so is not currently evident in the Biden administration. As a case in point, the US was until last week imposing rules of engagement on Ukraine which did not permit it to attack military targets in Russia with US supplied equipment. As a result Russia was able to marshal 50,000 troops undisturbed along its northern border and then launch them towards Kharkov. Russian jets could fly along their side of the border unchallenged, while launching bombs and missiles at Ukrainian defenders on the other side of the border. The US has a long history of crippling its war making

with misconceived rules of engagement. It is deeply disturbing to see this folly continuing. After strong representations by the State Department and the NATO allies that these restrictions had no basis in international law or practice, the White House consented to allow some weapons in the northern sector only to be used to attack urgent threats on the Russian side of the border. We think Biden needs to face up to the immorality of sending young Ukrainian men to die in the field while not allowing them to effectively use the weapons the US has put in their hands.

Putin commenced his fifth term as President. His supporters have taken to hailing him as emperor (Tsar.) Our view is Putin seeks a substantial military success to justify converting Russia from a republic into a quasi-constitutional monarchy. Such a step would embed supportive oligarchs as the new nobility and would partially solve the eventual succession problem posed by Putin's own mortality. From the perspective of the Kremlin these are the political problems actually in need of solution.

Putin has opened his fifth term with a purge of the Ministry of Defense. It is mainly apparatchiks who have been shuffled. So far only a few officers have been cashiered. With active and successful operations ongoing, now is not the moment for a full revision of the high command. Putin's moves appear aimed both at preparing for a long war and at solidifying loyalty to himself.

Russia continues to threaten its near abroad – Moldova, the Baltic states, Finland, Armenia and Georgia. In particular, it has removed buoys demarcating the maritime border between Russia and Estonia – probably as a way to probe NATO resolve. Russia also publicly fusses over its tactical nuclear arms. Deep throated growls from the Russian bear are its normal response to stressful situations.

Russia is also seeking to solidify support among its allies in the CTSO – the security organization including Russia and five ex-Soviet states. Russia has substantially tightened its bonds with Belarus to the point that one could imagine the absorption of Belarus into Russia when its current dictator Lukashenko (age 70) retires from the scene. By contrast, Armenia has all but withdrawn from the CTSO after Russia

failed to protect it in its recent war with Azerbaijan. Armenia is seeking entry to the EU. Russia has succeeded in having Georgia enact a law aimed at weakening western influence. The central Asian countries of Kazakhstan, Kyrgyzstan and Tajikistan seem to be content with the current status of the CTSO – neither antagonizing Russia by backing off, nor responding to Russian blandishments for a closer association.

In Africa the Russian Ministry of Defense has taken over activities formerly farmed out to the Wagner group. Whereas the Wagner group was mostly motivated by commercial concerns, the MoD appears to have a more strategic viewpoint – power projection and alliance with Iran appear to be the new foci of attention. It is notable that Russia continues to meddle so far afield with all the other demands upon it.



Israeli-Hamas War

Israel and Hamas's negotiating positions remain irreconcilable. Israel is willing to trade people for people (i. e. Hamas's hostages versus Israel's detainees) and peace for peace. Israel has rejected the old formula of land for peace. Hamas continues trying to trade hostages for a phony peace in which it regroups. Neither side has budged since December, despite the earnest efforts of intermediaries to create hopeful momentum. Recently the Egyptian mediators have gone so far as to misstate the two sides views to the other side. The war is deeply cutting into Egypt's revenues from the Suez canal and it is unsurprising that the Egyptians want it wrapped up. The US and Europe also are putting significant pressure on Hamas to accept Israel's latest terms and on Israel to be satisfied with less than total victory.

Meanwhile, Israel has commenced a measured assault on Hamas's last redoubt in Rafah. We expect it to continue even as civilian casualties grow from about 15,000 currently to perhaps 40,000. (Hamas is reporting 34,000 Palestinian

dead to date but we estimate half of those to be combatant casualties.) We expect a final outcome where Hamas continues as a hunted terrorist group but no longer a territorial based power and Israel effectively annexes the northern half of the Gaza strip as war booty. Perhaps as this eventuality comes into clearer focus Hamas will modify its negotiating stance and preserve northern Gaza for the Palestinians.

Israel has come under mounting pressure from external parties (including the US) regarding civilian casualties. Our estimate is that IDF operations result in about 100 civilian deaths per day. This number is sufficiently low to make it clear the IDF is not deliberately targeting civilians. Indeed, it is probably making (as it claims) some effort to spare them. For comparison, Ukrainian civilian casualties are 10,000 confirmed deaths in Ukrainian held territory and an estimated 30,000 Ukrainian deaths in territory under Russian control for a total of 40,000 dead. The wounded are about twice as numerous, so the total civilian casualty count is about 120,000. Russia is clearly engaged in ethnic cleansing in Ukraine. Israel is fighting an existential defensive war in a densely populated territory. The difference is clear.

The US has installed its floating dock and has begun delivering humanitarian aide to Gaza. The dock has a maximum capacity of 150 trucks per day and had operated briefly at about 2/3 of capacity. The UN estimates Gaza's total need at 1,000 truck loads per day. Recent deliveries by land have averaged 250 trucks per day. Thus the dock is a potentially important addition to the flow of humanitarian resource into Gaza. Unfortunately rough seas have shut the dock down for a week or two of needed repairs. The supply situation for the population of Gaza remains extremely tenuous.

Iran's president and foreign minister were killed in a helicopter crash. As with the death of Kobe Bryant in 2020 the root cause appears to be VIP passengers pushing the pilot beyond the safe operating envelope of the aircraft. The president's death upsets the line of succession to the elderly Supreme Leader, Ayatollah Khamenei. Iran's streets have

been filled with mourners for the “martyrs.” Given the deceased's role in suppressing the Mahsa Amini protests of 2022/23 we are skeptical of how broad the grief really is. It remains to be seen if a new President will lead to any change in policies.

The Houthis are threatening to extend their anti-shipping campaign to the Mediterranean. Their latest achievement was to damage a Greek owned tanker in the Red Sea carrying oil from Russia to China. The US and UK recently launched a joint strike on the Houthis. But as long as Iran is resupplying them and feeding them targeting information from its spy ships, the Houthis are likely to continue making a nuisance of themselves.



Domestic Politics

The criminal fraud case against Donald Trump brought by the Manhattan District Attorney has resulted in a conviction on all charges. The prosecution showed that Trump put in place an extensive program to control scandalous personal publicity. Among the programs activities was an effort to suppress a salacious story originating with Stormy Daniels. The prosecution showed that the story had reasonable credibility and would break at a delicate moment for Trump's 2016 presidential campaign. An elaborate scheme was set up to pay for suppressing this story “off the books” and to then mischaracterize the reimbursement of the operator (Michael Cohen) who acted as the go between. The prosecution contended that this was a Trump authorized effort in favor of his campaign carried out with the help of deliberately falsified business records. The defense argued with some success that the president's long time personal attorney (Cohen) was a bigger sleaze than his short term girlfriend (Daniels), but it made no real effort to explain away the main acts which are heavily documented. Trump will be sentenced July 11. He

could well draw a sentence of 15 months house arrest. After sentencing, Trump is expected to immediately appeal the verdict. The appeal will likely fail but may stall imposition of the sentence until after the election. Trump will then hope for an electoral victory to nullify the effects of the verdict.

Most Republican politicians have been vociferous in defending Trump. Their best argument is that this is a selective prosecution. Unfortunately, their party has long been just as enthusiastic for selective law enforcement. Their (failed) effort to prosecute Vice President Al Gore under the Hatch Act because he made telephone calls to major Democratic party donors from his office telephone was made all of 27 years ago. That was a massively less corrupt activity than the scheme of which Trump has just been convicted. American politics has long been a blood sport. The electorate probably decided long ago that Trump was guilty, and so the verdict probably will not effect his polling numbers. However the promises of retribution Trump is now freely making and the naked political effort to protect him are both likely to harden the nonpartisan portion of the electorate against Trump and the Republicans. Thus, the verdict may have an indirect effect on the election.

Abroad Trump's conviction has caught significant attention. The sight of the world's formerly most powerful man convicted over a relative peccadillo seems to have cheered citizens of authoritarian states even as it has dismayed their rulers. In Europe a handful of right wing politicians have rushed to Trump's defense. It is hard to see what they gain from that – he is deeply unpopular in Europe.

The more serious cases against Trump for violations of the Espionage Act, obstruction of justice, conspiracy to steal the Georgia election and inciting insurrection remain in a suspended state as the Supreme Court and Justice Cannon (the Florida trial judge in the espionage case) continue to slow walk proceedings. With Republican politicians actively protecting Trump it is inevitable that Republican appointed judges will similarly be suspected of protecting Trump. Unfortunately close scrutiny of their activities lends credence to that belief. There is a view that Trump's fate is best decided at the ballot box rather than in a Court of law.

However, that view necessarily implies an incompetency of the Justice system to deal with a serious threat to Constitutional order. Trump is clear that he seeks to overturn prevailing norms of governance in the United States. We do not think healthy political systems allow such ambitions to linger unaddressed.



China

President Xi made his first good will tour of Europe since Covid. Chinese manufacturing prowess and opportunistic money making off the Russo-Ukraine war have been causing friction in EU-China trade relations. China's bullying of US allies in Asia continues and Xi would like to keep the Europeans neutral. The US, by contrast, expects European support in resisting Chinese aggression as a minimal payback for resisting Russian aggression. We expect Xi collected the usual round of diplomatic air kisses while hearing more private demands for clarity on what he had to offer. On his return to Beijing Xi rolled out the red carpet for Putin and Chinese aid to Russia now appears to include lethal aid as well as industrial supplies. Did Xi's European trip leave him with the impression it would be cost free to slap the Europeans in the face or did he fail to secure what he wanted and so he decided to remind them that he has choices?

Recently Xi dispatched his naval fleet to practice a blockade/invasion of Taiwan. This act of intimidation was Xi's response to the Taiwanese having the temerity to elect a president Xi disfavors. All the indications are that Xi is leading his country into war with Taiwan and that war is highly likely to expand to include the US, Japan and possibly Australia. Xi likely doubts the US commitment to Taiwan having seen US waffling over Ukraine and Israel and its withdrawal from Afghanistan. He probably also believes China's larger fleet and shorter sailing times will give him an

easy victory. That could prove a serious miscalculation. Ukraine has sunk half of Russia's Black Sea fleet using sea drones despite having no warships of its own. An invasion fleet and a blockading force would both be tempting targets for sea drones. US intervention is most likely to take the form of heavy bombers armed with stand off weapons. Flight times are shorter than sea transit times so the apparent short lines of communication enjoyed by China are illusory.

Whether Xi starts a war or not, his posturing puts US capital invested in China at risk. Tesla and Apple are two companies with large direct exposure. Amazon's operations also would be heavily impacted by serious trade restrictions with China. Other major US companies have varying levels of exposure. Derisking this situation is something they must all consider. Alternate low cost manufacturing centers in Asia should continue to benefit from US disengagement from China. We note in particular India, whose GDP continues to expand in excess of 8% per year.

Domestically, China's hands remain full sorting out a real estate financing mess that is deeply intertwined with financing of local governments. Tariffs and trade restrictions are lesser annoyances, although concern about falling behind in AI is no doubt a real issue.



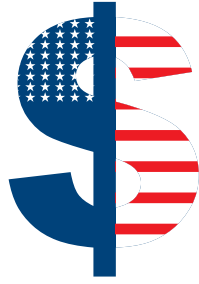
The Energy Transition

Latest figures on the green energy transition show progress in green electricity generation. Renewables (hydropower, solar, wind, nuclear and biomass) are supplying 40% of global electricity generation and fossil fuels are supplying 60%. Within the renewable category, hydropower production was diminished in 2024 by droughts and solar is displacing higher cost/higher risk nuclear. Within the fossil fuel category gas is displacing oil while coal fired electricity production is basically stable. Solar installed capacity is growing at about 12% per year while wind is growing at 8%.

By contrast, gas fired generation grew by only 2.4%. At this point renewables are growing fast enough to absorb the entire growth in electricity production and to begin incrementally displacing installed fossil fuel capacity.

Adoption of solar and wind implies a shift from a manufacturing model to a harvesting model for electricity generation. In most regions intensity of solar generation is not yet high enough to see the technological and economic implications of that shift. Thus China is the leading producer of solar energy equipment, but currently solar provides only 6% of China's electricity production. In California, however, the fraction of harvested power has grown to 38%. It would seem that harvested power's share of global production can increase dramatically before it runs into practical constraints.

Globally the highest potential for solar is in regions with abundant reliable sunshine of low seasonality. That set of criteria is best met in the Sahara. Realizing that potential requires a means to convert physical potential into revenues. The possibilities are transmitting electricity to user markets (mainly the EU), moving heavy industrial users of electricity close to the site of generation or (more speculatively) converting electricity to hydrogen which could be delivered to users by pipeline. The most energy intensive industries are production of basic materials (paper, metals, cement and basic chemicals) and computer data centers. The low value add in basic materials and high shipping costs make these less effective ways of exporting solar generating capacity. Computer services, by contrast, are high value add and very low shipping costs. Are Morocco and Tunis destined to become the site of the world's server farms? Growth of solar production capacity in the Saharan countries has the same possibility of transforming these relatively resource poor countries as oil had in transforming the Arabian peninsula.



The US Economy

Powered by cyclic recovery and fiscal stimulus the US economy remains strong. Monetary policy is firm enough to be slowly easing inflation out of the system. Headline short rates are kept steady as quantitative tightening is slowly relaxed. The stock market is rising but responsive to every twitch of news which bears on monetary policy.

Du Pont has announced another round of spin-offs as it continues a decade long effort to exit the conglomerate phase of its life. Orthodoxy in American business is nimbler and more focused. The exception is finance, where the dominant business model remains the gigantic beehive.

The EPA is moving ahead with its plans to review cyber security at water companies. Cyber security is a growing area of investment for all firms – even ones so staid as municipal water companies.

A new round of AI applications is being released. Tone deaf developers managed to create a kerfuffle for themselves with seemingly unlicensed use of an actress's voice. A Russian AI project drew a rebuke from the authorities for not hewing to the Kremlin's propaganda line. Beneath the squeaks and groans of public acceptance, AI should gradually raise productivity in service oriented businesses and business functions. The importance of this trend cannot be overstressed. Over 150 years waves of manufacturing progress have driven down the prices and raised the quality of manufactured goods and in the process greatly increased general prosperity. AI will do the same for services, creating another forward wave of prosperity. However, gradually must also be emphasized. For answers to general knowledge questions Wikipedia outshines current AI and AI's response is highly likely to be mined from Wikipedia.



Capital Markets

This month almost every asset class rose. The only sluggard was municipal bonds which basically stood still. Large cap growth led the pack with a 7% increase. Other equity classes and commodities were up 3.5% and bonds 1%. In the six month view (table 2) we see that US Large Cap Equity has been leading the bull market, but the rally has broadened to include all the developed equity classes. In addition gold and oil are up on continuing inflation and geopolitical tension.

Table 1: Recent Market Performance

Asset Group	Asset Class	6-month trend	3-month return	1-month return
Equity	US Large Cap	rising	2.83%	3.76%
	...Large Cap Growth	rising	3.28%	7.05%
	...Large Cap Value	rising	2.63%	2.75%
	...Growth – Value	rising	0.65%	4.30%
	US Mid/Small Cap	rising	1.24%	3.31%
	Intl Developed	rising	5.09%	3.66%
	Intl Emerging	rising	4.50%	1.88%
Fixed Income	Treasury 3-7 year	flat	-0.78%	0.79%
	Treasury 7-10 year	flat	-1.51%	1.50%
	TIPS	flat	-0.39%	1.11%
	Municipal	flat	-2.07%	-0.55%
	Investment Grade	flat	-0.72%	1.81%
	Medium Grade	flat	-0.26%	1.10%
	Preferred	rising	-1.34%	2.55%
	REIT	flat	-1.90%	5.47%
Commodity	Euro	flat	0.45%	1.75%
	Gold	rising	12.50%	2.08%
	Crude Oil	rising	2.01%	3.27%

Table 2: Leading Asset Classes
Six Month Horizon

Asset Group	Asset Class	Six Month Return
Equity	US Large Cap Growth	19.32%
Equity	US Large Cap	15.61%
Commodity	Gold	13.36%
Equity	Intl Developed	12.10%
Equity	US Mid/Small Cap	11.93%
Equity	US Large Cap Value	11.25%
Commodity	Crude Oil	10.14%



Advice

Last month we advised buying the dips. Those who did so profited as the equity market hit an all time high on the rebound. In a rising market with occasional bursts of volatility amateur traders can prosper and convince themselves that they are masters of the trading game. Lean against such self congratulation and recognize a benign environment, not personal genius, as the real author of results. As always, investors should keep their attention on proper strategy – the true determinant of long term success.

June is a special month of the year. The hubbub of holidays, taxes and school graduations is past while the torpor of deep summer has not yet arrived. This moment of relative calm is a good one for an annual financial review. In the appendix we include a methodical check list to work down.

In working through this list you may discover issues that need attention. The next few months provide the time to do so. The important thing to accomplish at this time is to make a proper assessment of where you are at and what requires work. Financial arrangements naturally get out of date and require maintenance as the current of life carries you along. The important thing is to not let maintenance issues snowball into a problem.



About Lloyd Tevis Investments

Lloyd Tevis Investments LLC is a registered investment advisor offering its services over the internet to US individual investors and their families. Our Precision investing™ service provides clients with highly personalized investment solutions tuned to the client's specific circumstances and objectives. We believe the strategic asset allocation decision is the key decision faced by our investors. Accordingly, our monthly commentary focuses on matters which can shape the longer term performance of asset classes. We do not time market swings or pick individual stocks. Discussion at this level of detail is made for the light which it throws on relative valuations and such discussion should not be read as an investment recommendation. Indeed, our investment focus is on maximizing diversification, careful risk budgeting and maximizing implementation efficiency. These are the proven builders of long term investment success.

In evaluating political and social developments our perspective is that of long term investors. We believe the investor's interest is best served by a stable environment in which change occurs incrementally as broadly supported policies rather than by an environment of abrupt changes and frequent U-turns driven by transient partisan advantages. Finally, our assessments should always be read as what we consider likely to occur and not as expressions of what we would like to see come about. To learn more about our firm visit us at lloydtevis.com.

About Cover Page

Our cover shows a portion of the Russian Black Sea fleet either sunk or rendered hors de combat by the Ukrainians. Notably none of these vessels fell in ship to ship combat or even to manned aircraft. Rather they were sunk by missiles and sea drones. The launch points for these weapons were dozens to hundreds of miles away from their targets. Many were attacked not on the open seas but in the protected confines of ports and dry docks. While these circumstances likely reduced crew losses, the vulnerability of the ships is emphasized. Clearly the ever shifting state of military technology currently puts traditional warships at a considerable disadvantage. The Russian navy is not currently a top tier navy, but neither are the Ukrainians the best outfitted opponents. We read the situation as indicating that a top tier navy with the best missiles and drones could likely make short work of a traditionally outfitted opponent.

Details:

1. The Moskava (121) a Slava class guided missile cruiser of 9,830 tons displacement with a crew of 485. This flagship of the fleet was lost with most hands to missile fire.
2. The Ivan Kurs a Yuriy Ivanov signals intelligence ship of 4,000 tons displacement with a crew of 120.
3. The Admiral Makarov (799) an Admiral Grigorovich frigate of 3620 tons displacement and with a crew of 200. It was heavily damaged and has been withdrawn for repairs. Its sister ships the Admiral Essen and the Admiral Grigorovich were withdrawn to rear operating bases after being attacked in their home port of Sevastopol
3. The Saratov (150) an Alligator class landing ship of 3,400 tons and a crew of 55. It was hit by missile fire while docked, caught fire and blew up with heavy loss of life.
4. The Minsk (127) a Ropucha class landing ship of 2769 tons displacement with a crew of 98. Three other ships of the same class have either been sunk or heavily damaged – Olenogorsky Gornyyak, Novocherkassk, and Tsezar Kunikov.
5. The Rostov-na-Donu (B-237) a Kilo class diesel submarine of 2300 tons displacement with a crew of 55. It was destroyed in dry dock.

6. Veliky Ustug (651) a Buyan class corvette of 938 tons displacement with a crew of 52.

7. Askold a Krakurt class guided missile corvette of 800 tons displacement with a crew of 50. We could not find a photo of the ship itself so we show its sister ship the Burya (578).

Other losses not shown include 2 corvettes, a patrol ship, 7 patrol boats, a minesweeper, a landing craft, an assault boat and a rescue tug. The combined total displacement is 4995 tons with total crews of 382.

Reported damaged but apparently still in service is the Kommuna a 3100 ton displacement catamaran employed as a submarine rescue ship. It was launched in 1911 and is apparently the last remnant of the Tsar's navy.

Photos are copyright under creative commons license v2, 3 or 4. Total losses amount to 24 vessels of 39,571 tons combined displacement with a combined crew of 1,736. Actual crew losses could be substantially less – this figure should be taken as a measure of fleet impact rather than casualties.

At the end of the Soviet Union the Black Sea fleet numbered 645 ships with staff of 72,000 personnel. It dominated the Black Sea and was a potent force for power projection into the Mediterranean. Arguments between Russia and Ukraine over division of the fleet assets and basing of the Russian fleet were ongoing for years and ultimately erupted in the Russian seizure of the Crimean peninsula in 2014. The two countries have been at war ever since. When the current phase of that war began in 2022 the Black Sea fleet numbered about 20 major warships, 7 diesel submarines, 50 other ships of various types and 24 boats for a total of 101 vessels. The Black Sea fleet is based at ports around the Black Sea and the Sea of Azov. It maintains a limited capacity port in Syria.

Appendix: Annual Checklist

A. Planning

A.1. Life Plans

Are there important changes to the family as an economic unit? Are there plans to have or adopt a child? Have new responsibilities for seniors been picked up? Have children become self supporting? Are grandchildren expected and will they become objects of support?

Are there major changes in the lives of the principals expected? Changes to employment, health and residence should be considered. If life is basically stable, have changes in hobbies and recreation created new patterns of expenditure?

A.2. Goals

Have goals changed – new goals added, old goals dropped, or priorities changed? Are major capital spending goals coming due – especially new car purchase, home improvements or maintenance, or kids heading off to college? If so are plans for generating needed cash in place?

A.3. Estate Plan

Is an estate plan in place (at a minimum a will and durable powers of attorney for medical and financial affairs.) Parents should add guardianship arrangements for minor children. Persons with a net worth above 500,000 should consider a revocable trust. If there is a plan in place does it need any updating? Is information for your executor up-to-date (e. g. locations of safe deposit boxes, financial accounts, computer passwords.)

A.4 Retirement Plans

If retirement is in sight have plans for what it looks like been made? Issues to consider are change of residence, use of time and the post retirement budget.

We would particularly highlight use of time as an important issue to consider. Once the discipline of a daily job is removed, many people fail to deeply re-engage with new sources of meaning and purpose in their lives. At best this can cause a waste of opportunity and at worst it can lead to loss of self worth, depression and personal neglect.

B. Health and Safety

B.1 Personal Health

Are health maintenance programs in place? Is the family eating a good diet, getting regular exercise, carrying proper health insurance and getting regular check ups, screening and other medical care as is appropriate? Are there bad practices which need attention – e. g. inadequate or disturbed sleep, frequent driving in a sleepy or impaired state, or indulgence in food, alcohol or recreational drugs to the detriment of health?

B.2 Personal Safety

What about personal safety? Do living or commuting arrangements build unnecessary risk into your life? Does a recent cluster of minor accidents or incidents indicate a matter requiring attention (perhaps an eye exam, better sleep or refresher training.)

If you voluntarily engage in potentially risky hobbies or activities is training up to date and equipment in good order?

B.3 Property Safety

What about property safety? Are residential doors, locks and alarms in proper order? Are cars securely garaged? Has anything recently changed about your personal profile that could attract the attention of criminals?

B.4 Special Issues

If you own guns are they properly licensed and secured with ammunition stored so as to not create a fire hazard? Are other weapons also secured from home invaders, children or other persons who might misuse them?

If you receive significant financial or other sensitive mail is it directed to a post office box or an office separate from your residence?

If you maintain a business office is it secure? If you have a home office are its records and computers secure? Are computer backups being made regularly and stored offsite?

C. Financial Management

C.1 Debt Management

Is there a pending need to take out new loans or to refinance/pay-off old loans? If there are no major loan issues, do the minor issues require housekeeping? For instance paying off any debts in collection, getting rid of no longer used credit facilities or paying down existing credit cards or installment debt. Have you pulled a recent credit report and checked it for evidence of identity theft? A favorite activity of identity thieves is opening credit accounts in the name of the stolen identity.

C.2 Life Insurance

Are life insurance coverages in place and of adequate size? Workers usually need to consider term and disability insurance. Seniors may consider long term care insurance. Current interest rates are relatively favorable for life annuities and retired persons with limited savings should consider such policies. Finally if there are explicit bequest objectives or other end of life payouts funded policies such as whole life or variable life bear consideration.

C.3 Banking

Are banking arrangements in good order? Are balances either under the FDIC limit or kept in top tier institutions? Do you have the types of accounts you need? Were excessive fees generated over the past year? Are paying accounts backed by credit protection as appropriate? Are you at banks well located for your current life? Is service adequate when you need it?

C.4 Cash Management

Do you have uncashed checks hanging around? Have you checked your state's lost property register for escheated property? Do you have jars of loose coinage stashed about the house? Are you hoarding cash under your mattress where it attracts thieves rather than getting it into a bank?

D. Savings and Investments

D.1 Savings

Are saving plans on track or should catch up contributions be made to get plans back on track? If plans are seriously behind can current spending be reduced to support catch up

contributions or do long term objectives need to be reprioritized?

D.2 Investments

Is the investment program in place and in balance with life objectives? Is the purpose of each account clear, are investments being harmonized across accounts, is idle cash being invested, are excessively large positions being reduced, have tax losses been harvested, is the risk level being monitored and kept at the right level, was performance over the past year in line with portfolio composition?

E. Record Keeping

Is record keeping up to date and well organized. Are your record keeping practices adequate judged by results – i. e. you can file taxes, make warranty claims and process other routine record dependent tasks without the need to engage in long hunts for records. Does someone else (spouse or adult child) know where your records are in case you should be suddenly incapacitated?

F. Property Insurance and Security

Are needed property insurance policies in place? Are coverages adequate? Has necessary or recommended abatement of natural disaster risk been done? Are there other miscellaneous insurances that need attention (e. g. pet health insurance, insurances for hobby activities, directors insurance for board service.)

G. The Bottom Line

Are you happy with your life and satisfied with the direction it is headed in? Are your financial arrangements full focused on sustaining and building that happiness?