

# MARKET UPDATE



## THE "HOPE" TRADE IS COSTING YOU MONEY!

By: **Todd Carbone**

Well Ladies and Gentlemen-

Since my previous article, the market continues to move higher. In fact, the Nasdaq has hit all-time highs, while the Dow Jones and S&P 500 are still trying to play catch-up. Fund managers and Institutions are continuing to push their BUY buttons, which is the signal an individual investor wants to see when adding to their portfolios. If you are still waiting on the sidelines, now is the time to take advantage of down days in the market and add where appropriate.

With any market rally, this current market is due for some selling or sideways action, which is totally healthy for a normal market. Now that we are halfway through the year and summer is finally here, if you have any positions that have not been performing or are lagging, consider replacing them. The "hope" trade is costing you money!

If you are in a long-term portfolio with mutual funds or ETFs, it is time to review your positions and rebalance your current allocation. Taking time to rebalance your portfolio, will help you stay within your risk tolerance. Also, by selling your losers and buying your winners,

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it will keep you properly balanced and diversified. Lastly, if you are still using mutual funds, it is time to review the internal fee schedule and its performance category against its peers. The internal fees from mutual funds can easily be avoided and can save you a lot of money each year by switching into an ETF model. If you are ok paying mutual fund fees, make sure your mutual fund manager is in the top performance group.

If you have any questions, please contact our team. Stay safe out there and try to have some fun in the sun!

It is the Capital CS Group's mission to change the way wealth is viewed, not as an independent journey, but as a path guided by a team of professional financial advisors and a proven goal based financial planning approach.

The Capital CS Group has demonstrated successful navigation of all types of markets through our in-depth financial planning process developed over our 28 years of industry experience.

## RETIREMENT CONTRIBUTION REMINDER

The July 15, 2020 nationwide deadline for filing an individual federal income tax return for tax year 2019, or requesting an extension, is approaching. It is also the deadline for you to make certain contributions to your Individual Retirement Accounts (IRAs), Roth IRAs, and Coverdell Education Savings Accounts.

The IRS contribution limit to an IRA for tax year 2019 is \$6,000. However, anyone over age 50 and under age 70½\* who has a traditional IRA is entitled to make an additional "catch-up" contribution of up to \$1,000, for a total of \$7,000. Roth IRA participants may continue to make annual contributions up to that \$7,000 limit after age 70½.

Contact us today to coordinate your contribution or to establish and fund new retirement account before it's too late.

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