Volume 6, Issue 9 THE LYFE ADVISOR September 2023

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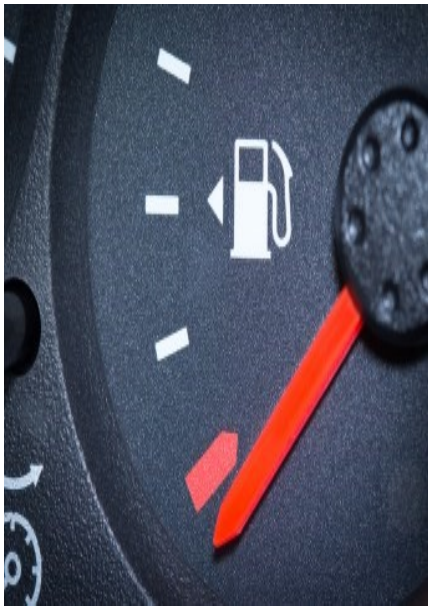

Has The Stock Market Finally Run Out of Steam?

By Thomas Shultz

The stock market's monthslong rally finally stumbled this month. The thrill of seeing investment gains, with regularity, is gone.

How quickly we miss that feeling: scanning our investments and knowing in advance that the numbers will be larger than they were the last time we looked. But, in an important way, the market's summer setbacks have been long awaited, and they come as something of a relief.

Don't misunderstand. It's not that I want to see the rising stock market stop in its tracks. I'd prefer an endless move upward, making me, and everyone else, richer.

But that's a fantasy. In the real world, upward stock market thrusts are always temporary. When stocks rise too quickly, they inevitably fall and sometimes crash. The stock market is essentially volatile, and for every big winner, dozens of casualties occur.

That's why, as a second-best alternative, we hope for something more modest: a choppy market that experiences periodic downturns, but one that trends upward for very long periods.

The Stock Market's Movements

That is, in fact, a rough description of what the stock market has been like for the past 25 years, according to statistics provided by Howard Silverblatt, senior index analyst for S&P Dow Jones Indices. In that period, the S&P 500 has returned 552.31 percent, or 7.8 percent annualized, but to garner those handsome returns, an investor would have had to sit tight through countless downturns.

While August was a negative month for the

Cont. next page

September

School Is In Session....

Inside This Issue

stock market, there have been no major downturns this year. Through July, the S&P 500 rose for five consecutive months. Just seven big tech stocks — Apple, Nvidia, Microsoft, Amazon, Meta (Facebook), Tesla and Alphabet (Google) — accounted for more than two-thirds of the S&P 500's gains.

This year, through July, the S&P 500 rose 19.5 percent, for a total return, including dividends, of 20.7 percent. Those were splendid numbers, but the market had been rising so rapidly on such a narrow base that it seemed to us that it was setting itself up for a fall.

What's more, from a market bottom on Oct. 11, 2022, through July, the S&P 500 gained 27.9 percent, for a total return of 29.6 percent including dividends. In June, when the market had gained 20 percent from its October low, many commentators declared that the bear market that started on Jan. 3, 2022, was over, and that a new bull market had begun.

Mr. Silverblatt did not agree because the market had not returned to its peak of Jan. 3, 2022, when the S&P 500 stood at 4,796.56, almost 9 percent above its current level. By his definition, it won't be clear that the S&P 500 is in a bull market until it climbs back to that level. Categorizing the market this way, as either bull or bear, is a straightforward retrospective judgment, not an assertion of the market's future direction, which no one can forecast accurately.

This cautious way of thinking about the market is one we favor.

We're not sure what the rally that started in October will amount to, but based on history, the summer swoon could be a good thing. The stock market's problems in August stem, at least partly, from shifts in the fixed-income markets: a sharp rise in short-term interest rates underway since the start of 2022, and a surge in long-term rates since June.

Fixed Income on the Rise

Thanks to the rise in short-term rates, it's possible to get a great return on cash. Money market funds provide yields well above 5 percent.

Bond yields have risen this summer, too, and are now high enough to make bonds once again an attractive alternative to stocks. Many factors driving up yields are negative for stocks, too.

Briefly put, short-term rates — those embodied in money market funds as well as credit cards — are a direct consequence of the Federal Reserve's campaign to reduce inflation. The Fed has been tightening monetary policy, mainly by raising the short-term rates it controls, the best known being the federal funds rate.

Longer-term interest rates — those for bonds and mortgages — have been rising, too. But these rates are complicated. They are set in the vast bond market.

By bidding down bond prices and raising yields (prices and yields move in opposite directions, as a matter of basic bond-market math), traders have indicated that they consider the economy to be stronger and inflation to be more persistent than had been expected a few months ago. The downgrade of U.S. Treasury debt by the Fitch Ratings agency also contributed to the run-up in rates on Treasury securities. Because Treasuries serve as benchmarks for virtually every other bond and, indeed, for every other investment in the global economy, higher rates have made stocks less appealing in comparison.

In addition, the balance of supply and demand in the bond market has been tilting in a way that is contributing to higher rates. The Treasury has been auctioning an unusually large amount of debt, bulking up its resources after the near disaster of the debt ceiling crisis this past spring. That increase in the supply of Treasuries coincides with a reduction in demand from several important sources:

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the Fed is no longer purchasing bonds, while the appetite for Treasuries from Japan and China has begun to wane, too.

All these factors have contributed to the run-up in yields, and they are weighing on stocks.

Reading the Economy

Furthermore, one core issue assessed by bond buyers — the prospects for economic growth or recession in the United States and elsewhere around the world — has obsessed stock traders, too. But, at the moment, the U.S. economy is extraordinarily difficult to decipher.

Higher interest rates might have been expected to slow down the economy by now, or throw it into recession. A waning of economic growth in China might also be expected to be a drag on the U.S. economy.

But the U.S. economy and the job market, in particular, have been remarkably resilient, and consumer spending remains strong. As a consequence, corporate earnings in many sectors have exceeded Wall Street's muted expectations. If a recession were to develop, however, the outlook would be much worse.

In short, uncertainty about inflation and the Fed's response to it are well-founded. The paths of the markets and the economy may meander inconclusively for a while, thwarting anyone who wants to place a decisive bet one way or another.

But it's a complicated world. Binary distinctions like bull market and bear market reduce complexity to simple notions that investors can grab onto. But I think these, in particular, are the wrong notions.

The bull and bear market labels imply future action.

In a bull market, stocks, for the most part, rise. In a bear market, more often than not, they fall. You might assume that you should avoid bear markets and welcome bull markets. But that's not a wise course for long-term investors who are better off buying when prices are low and selling only at moments of their own choosing.

So, which direction the market goes heading into the end of 2023 is anyone's guess, but a smart investor would be wise to lean towards safety until we can see more clearly if this is the beginning of a bull or continuing of a bear market.

If you'd like a second opinion on your current portfolio or are getting ready to retire and would like to see what retirement could look like for you, we would love the chance to show you our skills!

Thomas Shultz

Volume 6, Issue 9 THE LYFE ADVISOR September 2023

Coralyn's Corner

Every month, my corner is to keep you updated on changes in our world, AZMedicare101.org, LyfeAdvisors and our family.

Another month has come and gone, and I think we are finally getting more comfortable with the transition to Coastal. The one thing that has been a thorn in our side is that we are having to get all the products that we offer re-approved on the Axos platform under Coastal. You would think that if it was approved at Axos under Titan Securities then it should be automatically approved under Coastal, but clearing firms have some strange rules and will do anything in their power to charge fees.

Because of this, some of our client investments are taking a little longer than normal to finalize. So, if you are waiting on paperwork from us or Thomas said he was going to finalize something and you still haven't seen anything, this is the reason why. The good news is that once we get the products approved, we don't have to do it again so at least there is a bright side!

Also, as the Annual Election Period for Medicare is fast approaching, we have added another new member to our servicing team. Please all welcome Kristi Broumley to our office and if you get the chance to speak with her in the coming weeks we hope she makes you feel like family.

On a personal note, August is my birthday month and I am officially another year closer to Medicare! This year we celebrated 2 ways. First, I got 3 separate cakes ***(1 at work/2 at home)*** which, of course, Thomas and Jackson ate the majority of. I did get to taste all three so that did make me feel somewhat special.

Second, we celebrated birthdays with a couple of my closest friends ***(we are all born in the month of August)*** and were able to get 13 of us together ***(including spouses)*** to go out to a great dinner and a night of dancing. Thomas wanted to go to a country music bar but we couldn't find any good ones close so he and the rest of the spouses sat in the corner while us ladies danced the night away!

As I get older, it gets harder and harder to go out and have a good time like I used to years ago, so to get the opportunity to re-create a little of that magic felt really good. Hoping next year we can maybe get our husbands to participate in the fun!

Also, Jackson went to his first real concert at the beginning of September with his dad and he was so excited. He is very blessed to do a lot of things that Thomas and I always wished we could do as a child and this was right on top of his wish list. It was an artist that he loves ***(Drake)*** and the smile on his made me feel warm and fuzzy inside.

Coralyn Shultz

Volume 6, Issue 9 **THE LYFE ADVISOR** September 2023

Rita's Reviews

Every month, my husband and I enjoy trying out places to eat. This month we finally decided to try "Paul Martin's" on Scottsdale Road….

Paul Martin's AMERICAN GRILL

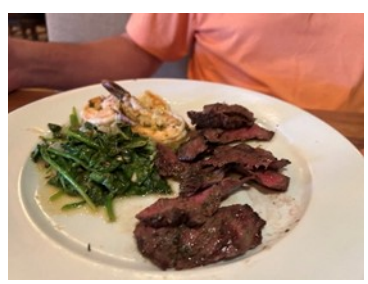
Once again, my husband and I found ourselves eating out as a couple and we have always wanted to try out this restaurant that is close to our home. It is next door to one of our favorite Mexican restaurants, Blancos, on Scottsdale Road but we have never gone in for one reason or another. I believe this is the only location in Arizona.

This restaurant chain was developed by Paul Martin Fleming who is known for other chains such as P. F. Chang's, Fleming's Steakhouse, Pei Wei Asian Diner, and Z'Tejas Grill.

When Paul moved to Napa Valley and began tasting fresh food straight from the farm and sea, he was determined to create a restaurant to reflect that freshness of ingredients. Along with Chef Brian Bennett, this new restaurant concept was born in Roseville, CA in 2007. There are now 6 locations in California and one in Austin, Texas. This location in Scottsdale is open Monday through Thursday 11:30 am to 9:00 pm; Friday and Saturday from 11:30 am to 10:00 pm; and Sunday 11:00 am to 9:00 pm. Happy Hour is every day from 3-6:00 pm Sunday through Thursday and 2-5:00 pm on Friday and Saturday. And they have started serving Brunch on Sundays from 11-2:00 pm with a variety of breakfast goodies and drinks. Their regular menu consists of appetizers, burgers, sandwiches, entrée salads, house specialties and desserts. They also offer a family meal deal that serves four adults for takeout only. The BBQ rib family meal looks great to me and I may have to try that, too.

We went on a Saturday afternoon for the all-day menu. The atmosphere of the restaurant was very relaxed and calming. We saw that they offered rustic cheddar biscuits on the appetizer list so we ordered those thinking they would taste much like the ones served at Red Lobster. They were good but not as tasty as Red Lobster's. I ordered the Asian Chicken Noodle Salad and my husband ordered the Skirt Steak & Shrimp Scampi.

The food was wonderful. My salad was a very large portion and my husband's steak was cooked to perfection. His only complaint was that he wished they had served more shrimp.



In fact, we had never tried sauteed spinach even though both of us love spinach salads. We learned that we have been missing out on a great side dish our entire lives. We had great service and will definitely go again. The place definitely wasn't cheap, so be ready to spend some $$$.

Rita Henderson

Volume 6, Issue 9 THE LYFE ADVISOR September 2023

Medicare Hack #48

How Soon Will Drug Prices Go Down Due To The New Medicare Policy?

As part of the Inflation Reduction Act, Medicare can now negotiate drug prices with the pharmaceutical companies that produce them. In late August, during a White House press conference, the Centers for Medicare and Medicaid Services unveiled its list of the first 10 drugs for which it will negotiate drug prices in coming months.

“Now is the start of a new deal for patients where Big Pharma doesn’t just get a blank check at your expense and at the expense of the American people,” President Joe Biden said. “Big Pharma is charging Americans more than three times what they charge other countries simply because they could.”

The negotiated prices will be effective in 2026. According to a U.S. Department of Health and Human Services announcement, the savings are expected to be substantial, as “Medicare enrollees taking the 10 drugs covered under Part D selected for negotiation paid a total of $3.4 billion in out-of-pocket costs in 2022 for these drugs.”

Health and Human Services Secretary Xavier Becerra said the move is part of the Biden administration’s effort to increase availability and reduce prescription drug costs “for all Americans.”

Reuters quoted Biden: “Once implemented, the prices on negotiated drugs will decrease for up to 9 million seniors who currently pay as much as $6,497 in out-of-pocket costs per year for these prescriptions.”

The Congressional Budget Office has estimated that the price negotiations could save Medicare $98.5 billion over 10 years.

List of drugs

The drugs subject to price negotiation first are:

- Eliquis; for prevention and treatment of blood clots.
- Jardiance; to treat diabetes and heart failure.
- Xarelto; for prevention and treatment of blood clots and risk reduction related to coronary or peripheral artery disease.
- Januvia; for diabetes.
- Farxiga; for diabetes, heart failure and chronic kidney disease.
- Entresto; for heart failure.
- Enbrel; to treat rheumatoid arthritis, psoriasis and psoriatic arthritis.
- Imbruvica; for blood cancers.
- Stelara; for psoriasis, psoriatic arthritis, Crohn’s disease and ulcerative colitis.
- Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill for diabetes.

The department said that, in total, those drugs cost the Medicare Part D program $50.5 billion or 20% of total Part D prescription costs between June 1, 2022, and May 31, 2023. That time period was used to determine which high-volume/cost drugs were

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Volume 6, Issue 9 THE LYFE ADVISOR September 2023

eligible for the first round of negotiations.

Of the drugs on the list, Eliquis is used by the most Medicare Part D drug benefit enrollees: 3.7 million; 1.6 million are prescribed Jardiance and 1.4 million Xarelto. Even Imbruvica, which is prescribed for the fewest enrollees of the drugs listed, has been used by 20,000, according to a department fact sheet.

For 2027, future negotiations will include 15 more drugs covered under Part D and up to 15 more for 2028. That year will include drugs covered under both Part D drug coverage and Part B, which covers outpatient hospital services, doctor office visits and more. After that, up to 20 drugs can be negotiated each year.

Drug Companies Will Fight Back

According to CNN, "The drug industry and their supporters, however, are determined to quash the effort, filing at least eight lawsuits in recent weeks declaring it unconstitutional."

Adds the article, "Undaunted, the Centers for Medicare and Medicaid Services forged ahead with its historic new power, which Democrats have long argued is a way to lower drug prices."

CNBC reported that "Merck, Johnson & Johnson, Bristol-Myers Squibb and Astellas Pharma are among the companies suing to halt the negotiation process. The industry's biggest lobbying group, PhRMA, and the U.S. Chamber of Commerce have filed their own lawsuits. "

The suits make "similar and overlapping claims that Medicare negotiations are unconstitutional," including saying it violates the 5th Amendment, which says government must pay "reasonable compensation for private property taken for public use," CNBC said.

CNN reported that the U.S. Chamber of Commerce called the White House's celebration "premature."

Map to our NEW Scottsdale Office

7300 N Via Paseo Del Sur,
Suite 204
Scottsdale, AZ 85258

(480) 626-0296

We're on the corner of Hayden & McCormick Ranch Parkway right beside Luci's and right above Crumbl Cookies

Labor Day
word search

H	M	G	E	M	P	L	O	Y	M	E	N	T	V
J	K	T	S	W	Z	M	I	R	V	C	P	I	F
H	O	L	I	D	A	Y	S	Y	V	Z	R	N	M
B	Z	P	X	C	F	T	T	U	N	X	O	B	A
R	F	A	S	Z	C	I	C	A	E	K	F	K	P
E	Y	R	T	E	N	E	C	Y	E	P	E	M	X
A	L	T	P	U	P	I	L	C	I	V	S	O	Z
K	C	Y	M	T	R	T	I	Q	R	Q	S	N	W
Z	R	M	S	E	R	F	E	O	L	D	I	D	E
U	O	B	M	Y	F	A	B	M	X	A	O	A	E
C	Z	A	K	O	L	A	V	D	B	Y	N	Y	K
D	F	R	Z	M	L	J	U	E	F	E	A	G	E
E	O	V	N	O	X	Z	J	M	L	A	R	R	N
W	E	B	A	R	B	E	C	U	E	L	K	C	D

WEEKEND	LABOR	BARBECUE	EMPLOYMENT
COMMUNITY	SEPTEMBER	DAY	HOLIDAY
AMERICAN	TRAVEL	PROFESSION	BREAK
OFFICE	WORK	MONDAY	PARTY

September Quiz

Question 1:
Who had the hit song titled "September"?

A. Taylor Swift
B. The Rolling Stones
C. Earth, Wind, and Fire

Question 2:
Which famous U.S. TV show debuted on September 22, 1994?

A. Friends
B. The Simpsons
C. The Young and the Restless

Question 3: What was the first U.S. city to receive a subway in September 1897?

A. New York City
B. Los Angeles
C. Boston

Answers for August

Question 1: Who was the month of August named after?

B. A Roman Emperor

Question 2: Which famous painting was stolen from the Louvre on Aug 21, 1911?

A. Mona Lisa

Question 3: What is the name of the Music Channel that launched on Aug 01, 1981?

B. MTV

3 Questions About How Social Security Works That Most Americans Get Wrong

Social Security has been around for nearly 90 years. Roughly 66 million Americans receive Social Security benefits. Millions more will begin collecting benefits in the coming years.

With those numbers in mind, you might think that nearly every adult in the U.S. would have a solid understanding of Social Security. However, that's not the case, according to the Nationwide Retirement Institute 2023 Social Security Survey. Here are three key things about Social Security that most Americans get dead wrong.

1. Workers must pay Social Security taxes on all of their income (Not True)

A whopping 74% of survey respondents believed that workers must pay Social Security taxes on all of their income.

It is true that many workers do pay Social Security payroll taxes on all of their income. However, there is a taxable maximum *(sometimes referred to as the contribution and benefit base)*. This threshold is $160,200 for 2023 but has increased nearly every year. Social Security payroll taxes aren't applied to any income above this level.

2. You can't change your mind after claiming Social Security benefits (Not True)

Choosing when to claim Social Security benefits ranks as one of the most important decisions for individuals approaching retirement. The highest benefits are paid to those who wait until age 70. If you begin receiving Social Security benefits before your full retirement age, you'll be penalized.

Around 71% of Americans surveyed did not know this. The Social Security Administration allows individuals to cancel or withdraw their benefits applications up to 12 months after benefit approval. Any benefits received up to that point must be paid back.

This "do-over" is allowed only once. However, it could be quite helpful for anyone who began receiving Social Security benefits before their full retirement age and later changed their mind.

3. Social Security isn't protected against inflation (Not True)

Roughly 70% of the survey respondents didn't think that Social Security benefits are protected against inflation.

In reality, the annual cost-of-living adjustment **(COLA)** that Social Security recipients receive is specifically intended to provide inflation protection. For example, when inflation skyrocketed last year, beneficiaries received an unusually large COLA of 8.7% to help offset the negative impact of rising costs.

Granted, there's a pretty good argument to be made that Social Security isn't *fully* protected against inflation. Some believe that the inflation metric used to calculate COLAs -- the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) -- doesn't accurately reflect cost increases that impact seniors.

Volume 6, Issue 9 THE LYFE ADVISOR September 2023

Medicare Supplement Rates

Lowest Medicare Supplement Rates For 85258 Maricopa County

Gender	Age	Plan	Carrier	Premium*
Female	65	G	Allstate	$115.39
Male	65	G	Allstate	$130.34
Female	65	GHD	New Era Life	$40.37
Male	65	GHD	Medico	$46.97
Female	65	N	Allstate	$88.89
Male	65	N	Cigna	$103.23
Female	66	G	Allstate	$115.39
Male	66	G	Allstate	$130.34
Female	66	GHD	New Era Life	$41.40
Male	66	GHD	Medico	$46.97
Female	66	N	Allstate	$88.89
Male	66	N	Cigna	$103.23

Rates are accurate at the time of production. Included in the list are fraternal organizations, service organizations, and carriers with ratings above B+.
**Source: CSG Actuarial effective dates 09/01/2023*

Interest Rates

Highest CDs and Share Rates Highest National Rates

Duration	Institution	Yield to Maturity*
1 year	ForBright Bank	5.65%
2 year	Merrick Bank	5.15%
3 year	Quorum FCU	4.85%
4 year	First Internet Bk	4.54%
5 year	Popular Direct	4.60%

Rates are accurate at the time of production. We include banks and federal credit unions in our national search. All have FDIC or NCUA Insurance. **Source: BankRate.com 09/01/2023*

Highest Fixed Annuity Rates

Highest Arizona Rates

Duration	Institution	Yield to Maturity*
3 year	CL Life	5.70%
4 year	National Security	5.60%
5 year	Upstream Life	5.65%
7 year	Nassau Life	5.70%
10 year	Equitrust	6.00%

Rates are accurate at the time of production. Excluded from the list are fraternal organizations, service organizations, and carriers with ratings below B **Source: AnnuityRateWatch 09/01/2023*

Medicare Workshops

1 Hour Presentation - Everything you need to know about Medicare. We explain how Medicare works and what you can expect before you choose!

THIS PRESENTATION HAS BEEN APPROVED BY MEDICARE

Online Workshop
Monday, September 18th
1:30pm to 2:30pm

Online Workshop
Tuesday, September 19th
5:30pm to 6:30pm

Online Workshop
Wednesday, September 20th
11:30am to 12:30pm

All Of Arizona in Blue

"As a fiduciary, it is our responsibility to make sure that both the Health and Wealth areas of your retirement have been planned for accordingly. You can't have a sound financial plan without addressing both and here at LyfeAdvisors we believe that it starts with Healthcare! For the last 13 years, we have been helping thousands of retirees all throughout Arizona and we'd love to help you as well." - **Thomas Shultz, Managing Partner**

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*****ANNUAL ELECTION PERIOD STARTS*****
NEXT MONTH
(OCTOBER 15TH —DECEMBER 7TH)
BE ON THE LOOKOUT FOR OUR VIDEO FROM AZMEDICARE101 AND OUR PRESCRIPTION DRUG UPDATE FORM IN THE COMING WEEKS

AZ MEDICARE 101 IS NOW LICENSED IN ALMOST EVERY STATE IN THE COUNTRY GIVING US THE ABILITY TO HELP FOLKS NAVIGATE THIS MEDICARE MAZE NATIONWIDE!

IF YOU KNOW SOMEONE THAT COULD USE OUR HELP GETTING READY FOR MEDICARE, WE WOULD GREATLY APPRECIATE THE BUSINESS!

We appreciate your referrals!

Your referrals are gifts to whomever you refer. By making a referral, you are giving them a chance to make a difference in their financial future.
Thank you for helping spread the LYFE Advisor's message.