



Ropes Wealth Wishes You a Happy, Healthy, and Financially Fit 2023

We hope you are enjoying the holidays and looking forward to a wonderful New Year's celebration with your family and friends. It has been a year to remember in so many ways. For most of us, there was a much more pronounced return to normalcy in our daily lives marked by visiting family and friends more freely, returning to the office, traveling, eating out at restaurants, and thinking of life beyond COVID. It was also a year of heartbreaking tragedy, with Russia invading Ukraine, horrific mass shootings in Uvalde, Buffalo, Highland Park, and Colorado Springs, and natural disasters that spanned from flooding in Pakistan, droughts in Europe and China, Hurricane Ian on the coast, to the most recent Christmas blizzard and Arctic blast. 2022 was the year Roe vs. Wade was struck down, the January 6 riots were probed, Mar-a-Lago was raided, Queen Elizabeth II died, the U.S. mid-term elections surprised us, and Iran erupted in violent protests over women's rights. Inflation surged to its highest levels in 40 years, global interest rates spiked to their highest levels in 15 years, and the world population broke the 8 billion mark. And in the wide world of sports, Tom Brady retired then unretired, the Houston Astros, Golden State Warriors, Colorado Avalanche, and Los Angeles Rams came out on top in their championship games, legendary Brazilian soccer star Pele died, Serena Williams retired, and Lionel Messi and Argentina won the World Cup.

From an investment perspective, it was a year to forget as global markets almost universally faltered and floundered, erasing gains made since the outbreak of the pandemic in 2020. Most asset classes will end 2022 with double-digit declines, and market volatility remains high as recession looms. The worst may be behind us from a market perspective, but we have a serious slog still ahead to recoup what we have lost.

In a bit of a change, and because it is that time of year for cleaning out closets, making doctor appointments, and formulating new year's resolutions, I have decided to dedicate this week's newsletter to offering five financial housekeeping suggestions for you to consider for 2023:

- 1. Share your total financial picture with your trusted advisors.** It is incredibly important in volatile times like these to have a handle on your liquidity, asset allocation, and investment strategy that reaches across all aspects of your financial life. While you may often focus on one or two critical financial accounts, do not make the mistake of neglecting others. For example, we at Ropes Wealth will happily give our perspective on how all of your accounts fit into your full picture, including how an active 401(k) from your employer should be allocated, ways to maximize yield on cash holdings that ensure safety and liquidity, and a goals based review matching accounts dedicated to education and philanthropy with the appropriate investment selection.
- 2. Get financially organized.** While diversification (owning distinctive types of assets that may respond differently in various market conditions) is good practice in investing, diversification is not best achieved by having a proliferation of accounts at a slew of financial institutions. In fact, it often leads to duplication, inconsistency of strategy, more cumbersome tax reporting, and higher fees. As well, we often find clients will make investments in certificates of deposit (CDs) across a number of banks that get stuck in a cycle of reinvestment and are not optimized for return. If appropriate, we can provide support to you administratively to combine and consolidate these abandoned or neglected accounts so that all your assets are connected and optimized for your plan.
- 3. Dust off your estate plan.** Pull out your estate planning documents, read them over, and make sure they accomplish what you want today. We often hear from clients that their plans were drafted so many years ago

and things in their life have now changed. Or (gulp) that they have never found the time to make a plan. A good rule of thumb is that every 5-7 years or after a big life event (such as marriage, divorce, starting a family), you should talk with your estate planning attorney to determine whether an update is necessary to stay current with changes in the law and in your wishes. And if you do not have an estate plan, please do take the time to make one.

4. **Consider a financial planning exercise.** As we get another year older, and contemplate the potential for a recession, it is natural to ask those “what if” questions that are hard to face personally, let alone financially. Ask your Ropes Wealth team to help you manage the financial facts of those “what if” questions with a planning exercise that contemplates, for example, the unexpected death of a loved one, long-term at-home medical care, loss or changes to employment income, financial support for children or parents, etc.
5. **Talk to those you trust.** Of course, we always recommend regular check-ins with your financial, tax, and estate planning advisor teams to ensure an optimized strategy and planning for success. Please also consider sharing at least some components of that planning with those you love and trust so that they understand the careful planning you are doing with your financial life. Consider introducing them to your advisor teams and sharing the location of key documents and contact information. There is no time like the present to share your hard work and empower those you love with the knowledge you are financially fit for your future.

Thank you as always for your interest in our investment commentary. We are grateful for the trust and confidence you have placed in us to navigate through these challenging times and look forward to continuing our work together in 2023. Best wishes to you and your loved ones for health, happiness, and prosperity as we ring in the new year!

If you would like to speak personally with a member of our team at any time, please click [here](#).

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