A Journey is best measured in friends, rather than miles

-Tim Cahill

Year in Review

- Don't leave money on the table! Check your bank savings/money market rates. If they are under 3%, there are options available at Charles Schwab that carry a higher yield.
- Mutual Fund Distributions—each quarter mutual fund dividend/capital gain distributions are paid. This can suppress the price of a holding overnight until the dividends/capital gain distributions are paid into the account.
- Money needs—if you need funds from your account, its important to contact us early enough to get you the funds in the time you need them. For most requests, a trade is required to complete the request.
- Fraud alert—the IRS will never contact you by email. They will only contact you by USPS mail.

BENCHMARKS YTD THROUGH 6/30/2026

FTSE World Gov't Bond Index 3-7 Yr. Hedged	+1.21%
Russell 2000 (US Small Cap index)	+21.86%
S&P 500 (US Large Cap index)	+9.55%
Wilshire 5000 (US Total Market index)	+10.39%
MSCI EAFE (International Stock index)	+7.74%

RENTAL REAL ESTATE

We have clients who consider rental real estate as an investment option—here are a few challenges to consider.

Underestimating Expenses – Many new investors focus on the mortgage payment but overlook maintenance, repairs, vacancies, insurance, property taxes, and capital improvements. These costs can significantly reduce cash flow.

Poor Tenant Selection – Renting to unreliable tenants can lead to late payments, property damage, eviction costs, and lost income. Thorough screening, including credit, income, and reference checks, is essential.

Overpaying for the Property – Buying at too high a price or in a declining market limits returns and makes it harder to generate positive cash flow. Successful investors buy based on numbers, not emotion.

Ignoring Legal Responsibilities – Landlords must comply with federal, state, and local laws covering leases, fair housing, security deposits, habitability, and eviction procedures. Failing to understand these rules can result in costly lawsuits or fines.

Lack of Cash Reserves – Unexpected expenses such as a new roof, HVAC replacement, or extended vacancy can quickly strain finances. Maintaining an emergency reserve helps avoid taking on expensive debt or being forced to sell at an unfavorable time. In a world of constant uncertainty, successful investing is less about predicting crises and more about enduring them.

QUARTERLY CLIENT WEBINAR

Date: Thursday, July 23rd Starting time: 12:00 pm, Eastern Standard Time

Website link: https://events.teams.microsoft.com/event/7c910ee0-1939-4504-8e05-318537e1e322@6e7c39d0-19e0-457a-933e-eb95e31c0b35

If you cannot join us for this important webinar, we will post a recording of the entire presentation on our website at www.afadvisors.com.