



DST FINANCIAL SERVICES

WWW.DSTFINANCIALSERVICES.COM

617-290-5965



SUMMER 2021 NEWSLETTER

THE PATRIOT ACT AND YOU

full story on page 1

PERKS OF GREAT CREDIT

see more on page 3

TEACH KIDS ABOUT MONEY

read more on page 4

5

SUMMER 2021 IS LOOKING UP

Since the COVID-19 vaccine has been distributed to many Americans, more places are opening back up and people are starting to feel less anxious about being in crowds.

6

LEMON CAPER CAPELLINI SALAD

A nice dinner idea for summer days. It's very good served cold too!

7

STOP THE "I'M BORED" THIS SUMMER

While good times and fun in the sun are surely on the agenda, there comes a time when that dreaded statement will be uttered... "I'm bored" or "There is nothing to do".

AN UPDATE FROM DST FINANCIAL SERVICES



As America continued to recover from the COVID-19 pandemic in the first half of 2021, the economy and the equity markets made significant progress.

My midyear report to you is divided into two parts. First is a brief recap of our shared investment philosophy; second is my perspective on the current situation. As always, I welcome your questions/comments.

GENERAL PRINCIPLES

- You and I are long-term, goal-focused, planning-driven equity investors. We've found that the best course for us is to formulate a financial plan—and to build portfolios—based not on a view of the economy or the markets, but on our most important lifetime financial goals.

- Since 1960, the Standard & Poor's 500-Stock Index has appreciated approximately 70 times; the cash dividend of the Index has gone up about 30 times. Over the same period, the Consumer Price Index has increased by a factor of nine. At least historically, then, mainstream equities have functioned as an extremely efficient hedge against long-term inflation and a generator of real wealth over time.

- We believe that acting continuously on a rational plan—as distinctly op-

posed to reacting to current events—offers us the best chance for long-term investment success. Simply stated: unless our goals change, we see little reason to alter our financial plan. And if our portfolio is well-suited to that plan, we don't often make significant changes to that, either.

- We do not believe the economy can be consistently forecast, nor the markets consistently timed. We're therefore convinced that the most reliable way to capture the long-term return of equities is to ride out their frequent but ultimately temporary declines.

- The performance of our portfolios relative to their benchmark(s) is irrelevant to investment success as we define it. (It is also a variable over which we ultimately have no control.) The only benchmark we care about is the one that indicates whether you are on track to achieve your financial goals.

CURRENT OBSERVATIONS

- The American economy continued its dramatic recovery in the first half of 2021, spurred by (a) the proliferation of effective vaccines against COVID-19 and the retreat of the pandemic, (b) massive monetary and fiscal accommodation, and (c) its own deep fundamental resilience, which ought never to be underestimated.

- The economy continues to struggle with supply chain imbalances, as well as with a historic mismatch between the number of job openings available and continued high (though rapidly declining) unemployment. The chattering class of pundits and financial journalists continues to speculate on when these blockages will clear; to long-term investors like us, the key is our belief that they will, in the fullness of time.

- We are still in the midst of an unprecedented experiment in both fiscal and monetary policy; the outcome remains impossible to forecast. The possibility that we've overstimulated the economy was highlighted this spring by a significant resurgence in inflation. But as the first half ended, statements by Fed Chair Powell and Governor Bullard indicated a keen awareness of this risk, and a readiness to act against it. The markets evidently took these gentlemen at their word, as inflation hedges like gold and oil sold off, the equity market pulled back modestly, and the yield on the bellwether 10-year U.S. Treasury note retreated to the area of 1.5%. One does not want to read too much into short-term phenomena like these; suffice to say that the Fed appears acutely cognizant that its credibility is almost existentially on the line here.

- Nonetheless, for investors like us, I think the most important economic report of this whole six-month period came just a few days ago. It was that household net worth in this country spiked 3.8% in the first quarter of 2021—to \$136.9 trillion—propelled by broad gains in the equity market and in home prices. Even more important, perhaps, is the fact that the ratio of household debt to assets continued to fall, and is now back down to about where it was 50 years ago.

- The consumer powers this economy, and the consumer has rarely carried

more manageable debt levels relative to disposable income—and has simply never been holding more cash—than he/she does today. In June, the National Retail Foundation raised its outlook yet again; it now expects retail sales to grow 10.5% to 13.5% (that is, \$4.44 trillion to \$4.56 trillion) year over year.

On February 19, 2020—the market's peak just before the pandemic took hold—the S&P 500 closed at 3,386. It then proceeded to decline 34% in 33 days, amid the worst global health crisis in a century. But if you bought the Index at that epic top, and were still

holding it on June 30 of this year, your total return with reinvested dividends has been close to 28%. I've never seen—and don't expect to ever see again—a more vivid demonstration of Peter Lynch's dictum that "The real key to making money in stocks is not to get scared out of them."

I believe an important part of my job to help you not get scared out of them. Thank you for being my clients. It is a privilege to work with you.

- *Dan*



THE PATRIOT ACT: HOW IT WORKS AND WHY IT IMPACTS YOU

Anyone who has set up a new bank and/or investment account in the last 20 years has been required to provide personal information, such as birthdates, social security numbers, and other intimate data as a prerequisite to opening an account. With all the security concerns surrounding identity theft and cyber hacking, it can be a bit unnerving to be asked to provide this information. Clients often ask why this information is required. The answer is due to the federally mandated Patriot Act.

The Patriot Act was signed into law in October of 2001 after the September 11 terrorist attacks against the United States. The purpose of the Patriot Act is to prevent international and

domestic terrorism through various criminal activity. In relation to the financial services industry, the Patriot Act has specific requirements that aim to prevent money laundering.

Money laundering is the process of disguising money acquired through criminal activity to appear as legitimate funds. The financial systems in the United States - and the rest of the world - are often used to make illegal proceeds appear legally obtained. These seemingly authentic funds are then used to fund criminal and terrorist activities.

A common example of money laundering is using a largely cash-based business, such as a restaurant or a laundromat, as a means of mingling the cash received in legitimate

business pursuits with cash received from criminal pursuits. The criminally acquired funds are consequently disguised as being legally obtained. Coincidentally, the origin of the term "money laundering" comes from notorious mobster Al Capone using laundromats he purchased to make his "dirty" money appear "clean".

The objective of the Patriot Act is to discourage and prevent criminals from setting up accounts for money laundering purposes. It also helps to track the source of illegal funds and prevent criminal activity and/or a terrorist event from being carried out. It also potentially assists in the capture and prosecution of the persons or organizations participating in criminal and/or terrorist activities.

Financial institutions are required to ensure they are not opening accounts, investing or otherwise transacting business for known offenders identified by the U.S. Government. This further requires financial institutions to run clients, at account opening and on a periodic basis, against the Office of Foreign Assets Controls Sanctions List and the Financial Crimes FinCEN reports. Many times, a client may have similar information to that of a person on one of the above lists. By collecting a client's personal information, it allows

the firm to further verify that the client is not the same as the person identified on the OFAC or FinCEN reports.

There is much controversy surrounding the Patriot Act. Some feel it is intrusive and breaches personal privacy. Others feel the Patriot Act has not prevented criminality and terrorism substantially enough to make the added intrusion into a citizen's privacy worthwhile.

Whatever your personal views on the Patriot Act itself, it is the current law of the land. While the collection of

personal data can be unnerving, your financial professional is required to abide by the law and must continue to do so until a change to the law is enacted. Financial institutions are required to follow strict rules to guard your private data. Many firms are required to publish their privacy policy and/or be able to provide it when a client requests it. If you would like a copy of the privacy policy for your firm, feel free to reach out to your financial professional.

PREPARING FOR THE CERTAINTY OF UNCERTAINTY: A SMART MONEY PHILOSOPHY

The phrase "Smart Money Philosophy" was coined by Doug Lennick, author of the book Financial Intelligence. The essence of the book is that there are way too many possible life (and death) scenarios to plan for when it comes to your finances. Instead, you should have a plan in place for the unexpected. Think about all the financial scenarios you could experience throughout life: you could lose your job or decide to change careers altogether; you or a family member could experience a serious illness or disability that requires

extra care; you or a family member could pass away unexpectedly. How can you plan financially for any or all of these scenarios? You cannot. You have to plan and be prepared for anything the future holds.

How do you plan financially for the unforeseen? There are several ways to prepare. Life insurance will protect your family if you should pass away. Health insurance will cover the costs of emergency health issues or longer-term illnesses. Disability insurance will provide financial help if needed. Besides insurance, saving

money and having funds available for unexpected occurrences is the best way to be ready for whatever life throws at you.

Being prepared can truly provide peace of mind and help reduce the stress that comes with the unexpected. Some things in life are certain, but others cannot be predicted. Don't be caught in a situation that puts the financial well-being of yourself and your family in jeopardy.

If you feel you could be better prepared for some of these unforeseen scenarios, it is never too

late to start planning. Talk to your financial professional about ways you can work toward attaining a "Smart

Money Philosophy". He or she can provide you with ideas and help you plan for whatever life throws at you.



THE PERKS OF HAVING GREAT CREDIT

Your credit score is your track record of financial responsibility and creditworthiness. A great credit score can mean huge financial savings for you. Maintaining excellent credit comes with several perks. A few of those perks are:

- **Easier to buy a home** – Mortgage lenders are more willing to lend you money when your credit is strong, which increases your purchasing power in the market.
- **Lower interest rates on loans** – Having a good or excellent credit score usually earns you a lower interest rate on most types of loans. It can also give you the power to negotiate a better repayment plan or higher principal on loans.
- **Possible discounts on car insurance** – Insurance companies will not turn potential insurers away for bad credit, but they may increase your rates. If you maintain good credit, it could lower your monthly premium.
- **Helps in acquiring a better phone plan** – Excellent credit can help determine if your wireless carrier will consider you for a contract with potential discounts or other perks.
- **Helps secure better credit cards** – Having good credit can help you qualify for credit cards with lower interest rates, excellent incentives and better benefits. Good credit can also help you land a card with a higher credit limit if you pay your bills on time.
- **Provides more options to renters** – If you have good credit, this shows landlords you are a financially responsible person. Being financially responsible can possibly lower your security deposit and any other fees required up front.

Wondering what your credit score is? You can periodically check your credit score throughout the year by visiting one of these sites: Credit Karma, Credit Sesame, or Credit.com, just to name a few.

TEACHING KIDS ABOUT MONEY

Talking to your kids about money can be tricky. You might find it difficult to determine when you should start, what you should say, and how you should say it. The important thing is that you start early and continue the conversation as they grow older and more knowledgeable over time. If you're looking for some guidance, the following suggestions can help direct you in your financial discussions with your kids and any other young people in your life!

THINK FIRST

It's important that you think about what wealth means to you prior to discussing it with your kids. Before you sit down with them, consider asking yourself the following questions:

Why do I value money? What does it take to accumulate and maintain wealth, and what do we want to achieve with it? And perhaps most importantly, do my own financial attitudes and behaviors reflect the values I want to teach my children?

PRACTICE WHAT YOU PREACH

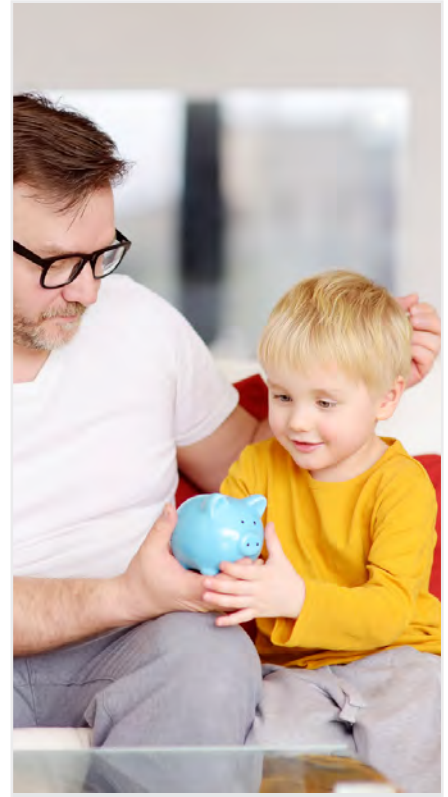
Remember, actions speak louder than words and children are masters of observation. If you preach that family is more important than money but you're constantly putting work over family time, then your kids will likely grow skeptical of your sincerity - even if all your hard work is meant

to give them a better life. Leading by example goes a long way!

DON'T LECTURE

Rather than just lecturing at them, consider different ways to engage your kids in the conversation. Try asking them questions to test their current knowledge and to see what they're curious about when it comes to money. Come up with games or scenarios that might stick in their minds more effectively than rattling off old clichés and rules of thumb. Think back to the advice your parents gave you when you were young: what stuck with you and what didn't? What sort of financial knowledge do you wish you had learned from an earlier age?

Also, don't be afraid to incorporate your own personal financial mistakes from which you learned something the hard way. For instance, a friend once used half the money he received from his high school graduation party to buy his girlfriend a very expensive ring, only to have the ring smashed and mailed back to him when they broke up the very next year in college. That experience taught him a powerful lesson on financial decision-making and long-term commitment that he would never forget! Stories like these can be stimulating and memorable for children, while making your advice feel more relatable and less preachy.



It's important
that you think
about what
wealth means
to you prior to
talking with
your kids.

OTHER QUICK TIPS:

1. Discuss the difference between wants and needs.
2. Provide them with a place to save on their own; a piggy bank works for younger children, but kid-friendly savings or checking accounts can be a great way for older children to

- start learning about banking.
3. Have them earn an allowance and manage their spending. Help them establish their own budget and incentivize saving.
4. Rather than buy them things they want, offer to pay half and have them work to pay for the rest.

5. Have them try mock investing with free paper trading simulators as a way to help them begin to understand the stock market.
6. Let them make mistakes. It's one of the best ways to learn!
7. Be honest, open and keep the conversation going.

SUMMER 2021 IS LOOKING UP

Since the COVID-19 vaccine has been distributed to many Americans, more places are opening back up and people are starting to feel less anxious about being in crowds. This is the perfect time to turn the corner as

summer approaches. There really is joy to be had as we reconnect with loved ones, and we need that connection. Some of our fun can return: we can connect with family and friends, get outside to enjoy nature,

play silly games, and find ways to do good and express gratitude for others. Here are some ideas for a summer bucket list that can make up for missing out on some fun last year!

- **HAVE A BARBECUE**

A fun summer tradition, especially around Independence Day, is a barbecue. This didn't happen as often last year because of quarantine, but now that some rules are being lifted, one should start mastering their grill skills. This would be an outdoor activity and a great way to physically reunite with friends. One can even add a bonfire to the itinerary and have a s'mores session as well.

- **VISIT A LOCAL FARMERS MARKET AND HELP SMALL BUSINESSES**

When summer comes around, most small suburban towns and cities host weekly farmers markets. Because it's outdoors, it's not as condensed, which helps with social distancing. This is also a way to help small businesses in their time of need. The pandemic has made it hard for small businesses to make a profit and even to stay open. Going to one's local market and purchasing from the small businesses' booths can make a positive impact on the owner and their store's income.

- **SEE A FIREWORK SHOW**

Although there were some shows that occurred in 2020, there weren't many opportunities to watch fireworks. Last year, some areas had fireworks shows where people had to stay in their cars as the show proceeded. Hopefully, there'll be more opportunities to see some fireworks displays this summer.



- **SEE AN OUTDOOR PERFORMANCE**

A lot of towns offer shows and concerts from local bands or performing groups that have free admission. Although not many towns had these types of events last year, people might start scheduling outdoor shows for the general public. Listening to live music is something many people might miss, so sitting outside on a blanket six feet away from others would make a fun summer evening plan.

The summer of 2021 should be a lot better than last year. Stay safe, have fun and enjoy!

LEMON CAPER CAPELLINI SALAD*

A nice dinner idea for summer days. It's very good served cold too!

- 1 lb. angel hair pasta
 - Juice and zest of 2 large lemons
 - ½ cup olive oil
 - 3 tbsp rinsed and chopped capers
 - 5 garlic cloves, minced
 - ½ cup chopped parsley
 - Salt and pepper to taste
 - ¼ cup parmesan cheese
 - ½ tsp. crushed red pepper
 - As many chopped cherry tomatoes as you'd like
1. Warm up the oil and cook the garlic until nicely blonde (do not overcook) Let it cool.
 2. In the meantime, cook the pasta al dente (do not overcook, it doesn't take long) Drain, but reserve some of the pasta water.
 3. In a large salad bowl, add the lemon juice, zest, oil and garlic, chopped capers, chopped parsley, parmesan, red pepper flakes and a handful of chopped cherry tomatoes.
 4. Add the pasta to the bowl and toss until it's nicely coated. You can add some pasta water if you need to loosen it up a bit. Add more chopped tomatoes, salt and pepper to taste.

This is also good if you'd like to add some shrimp, grilled chicken or poached salmon for protein. Enjoy!



*Lemon Caper Capellini Salad
from FoodyAndy.com June 28, 2015

STOP THE “I’M BORED” THIS SUMMER



By now, you and your children (regardless of whether you are a parent, grandparent or caregiver) are well on your way settling into the summer. While good times and fun in the sun are surely on the agenda, there comes a time when that dreaded statement will be uttered... “I’m bored” or “There is nothing to do”.

You can think about putting a movie on for them or giving them a video game, but both are a short-term fix. What do you do? You need ideas.... multiple ideas. Don’t you? I know I did. You need ideas that aren’t costly, don’t take a ton of effort and provide some type of value. Below are a number of ideas that are cost-efficient, easy to implement and provide multiple benefits for all.

FIELD TRIPS

Field trips are a great way to deepen your children’s engagement with individuals, animals or in a particular subject. They also provide real-world experiences and enhance critical thinking. Below is a list of places that are often free of charge, provide hands-on engagement and may just peak your little one’s interest in a new hobby or career.

- **The fire station** – Learn what life is like for the local firemen/women, how they handle chores and some stories behind how and why they became firemen/women.
- **The local farm or community garden** – Learn what it takes to grow something from seed, how different bugs affect different plants, how the farmer uses the produce and/or animals on the farm and the benefits to the local community.
- **The Humane Society** – Learn important tips on what to do if you find an abandoned pet, how the animals are cared for and what it takes to get them adopted. If you are up for it, you may even get to walk the animals.

ARTS AND CRAFTS

Arts and crafts help children develop fine motor skills, enhance their hand-eye coordination and build manual dexterity. They’re also a great way for kids to use their imagination and creativity. The best thing is you don’t have to be an art teacher! Below are some great ideas:

- **Paper airplane contests** – Judge on décor, how far they fly, or which plane has the best aeronautics.

- **Chalk drawings** – You can find colored chalk at most grocery or convenient stores. For an added activity, make your own with our homemade chalk (recipe right).
- **Make cards for local nursing homes** – Have your children make flower gardens out of construction paper, magazines or even dried flowers. You can then present these to a local nursing home who will post them in common areas to share. What a great way to teach your children about being compassionate and caring for others.

EXERCISE

The many benefits of exercise pretty much speak for themselves!

- **Dance party** – This one is very easy. Turn up the tunes on your favorite radio station or streaming service... and then just let it flow: jump, shake, and rock-n-roll!
- **Obstacle course** – Let the children design the obstacles. They can be as difficult as their imagination can create with household items. Maybe they run around the house, then hop on one leg to get to a hopscotch chalk painting (made from the homemade chalk). If you have a stop watch you can even turn it into a competition.

COOKING

The ideas here are endless. Simple recipes that your kids can help prepare are all over the internet.

- **Make lemonade** – Don't forget the refreshments! Real lemonade making seems to be a lost art. Instead of using the standard powder mix, get creative. To help with ideas, visit www.redtri.com and check out the article 10 Modern Twists on the Traditional Lemonade ([redtri.com](http://www.redtri.com)).

The most important ingredient in any activity you plan with your kids is FUN!

HOMEMADE CHALK

Ingredients

- 1 cup Cornstarch
- 1 cup Water
- Food Coloring
- One jar for each color

Instructions

1. Mix 1 cup cornstarch and 1 cup of water together in a medium size bowl to make the sidewalk chalk paint base.
2. Divide sidewalk chalk paint base evenly between the jars.
3. Now add the color! The number of drops will depend on how bright and vibrant you want your paint to be. Eyeball it based on preference.





ON THIS DAY

HEADLINES THROUGHOUT HISTORY

July 1, 1867 - Canadian Independence Day

The autonomous Dominion of Canada, a confederation of Nova Scotia, New Brunswick, and the future provinces of Ontario and Quebec, is officially recognized by Great Britain with the passage of the British North America Act. July 1 will later become known as Canada Day.

July 17, 1955 - Disneyland Opens

Disneyland, Walt Disney's metropolis of nostalgia, fantasy and futurism, opens on July 17, 1955. The \$17 million theme park was built on 160 acres of former orange groves in Anaheim, California, and soon brought in staggering profits. Today, Disneyland hosts more than 18 million visitors a year, who spend close to \$3 billion.

August 19, 1909 - First race is held at the Indianapolis Motor Speedway

On August 19, 1909, the first race is held at the Indianapolis Motor Speedway, now the home of the world's most famous motor racing competition, the Indianapolis 500.

Built on 328 acres of farmland five miles northwest of Indianapolis, Indiana, the speedway was started by local businessmen as a testing facility for Indiana's growing automobile industry.

Since 1911, the Indianapolis 500 has been held every year, with the exception of 1917-18 and 1942-45, when the United States was involved in the two world wars. With an average crowd of 400,000, the Indy 500 is the best-attended event in U.S. sports.

September 10, 1897 - First drunk driving arrest

On September 10, 1897, a 25-year-old London taxi driver named George Smith becomes the first person ever arrested for drunk driving after slamming his cab into a building. Smith later pleaded guilty and was fined 25 shillings.

In the United States, the first laws against operating a motor vehicle while under the influence of alcohol went into effect in New York in 1910. In 1936, Dr. Rolla Harger, a professor of biochemistry and toxicology, patented the Drunkometer, a balloon-like device into which people would breathe to determine whether they were inebriated.

Source: [history.com](https://www.history.com)



We are on our own,
but not alone.



DST FINANCIAL SERVICES

Registered Representative, Securities offered through Cambridge Investment Research, Inc., A Broker/Dealer, Member FINRA/SIPC and Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Cambridge and DST Financial Services are not affiliated.

All content is Copyright © 2021 Premier Wealth Management®
This publication, including all articles and layout design, are the property of Premier Wealth Management®
All rights reserved.