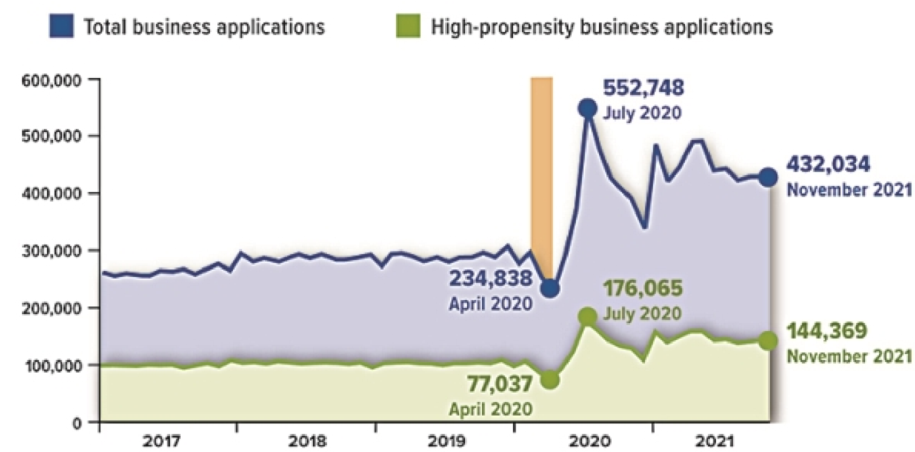
Paul B. Miller, CFP®
President
Indian River Financial Group, Inc.
Registered Investment Advisor
7805 NW Beacon Square Blvd.
Suite 102
Boca Raton, FL 33487-1396
Voice: 561-362-0331
Fax: 561-362-4003
Paul@PaulMillerAdvisor.com
www.PaulMillerAdvisor.com

PAUL B. MILLER, CFP®
Proactive Financial Planning
INDIAN RIVER FINANCIAL GROUP, INC.

Hello Everyone, The markets have been off to a rocky start this year. Higher volatility can be a source of uncertainty for even the most seasoned investors. It is good to have a historical perspective on the anatomy of the markets and the impact of moving out of markets during periods of turbulence. History tells us that market volatility is a feature of how the market functions. Research by Ned Davis on the anatomy of the market highlights the frequency of market declines since 1900. this research found that on average every year the market suffers three 5% corrections, one 10% correction, and a decline of 20% every three years or more. History also suggest that most dips (5% declines) in the Dow don't turn into anything serious. To sum up the research (and there's a lot), attempts to avoid pullbacks often lead to missing out on significant advances. The reason is how volatility and big moves are often clustered together. Basically, **stay invested to avoid missing the upward moves** .

New Businesses May Be Good News for the Economy

After taking a nosedive at the start of the pandemic recession (gold shaded area), business applications rose sharply, peaking in July 2020. Applications have fallen somewhat since then but are still up approximately 84% from their April 2020 low. Businesses that are likely to hire employees — called high-propensity businesses — make up approximately one-third of total applications. Businesses with payroll are considered more likely to power job growth and economic recovery.



Source: U.S. Census Bureau, 2021 (data for the period January 2017 to November 2021)

Smoothing Market Ups and Downs

After the wild ride of 2020, the U.S. stock market was relatively calm in 2021, but there was still plenty of volatility. There were 55 days when the S&P 500 index — generally considered representative of U.S. stocks — closed with a rise or fall of 1% or more from the previous day's closing price. And there were seven days with a change of more than 2%.[1]

The good news for investors is that the trend was generally upward, and the S&P 500 ended the year up almost 27%.[2] But no matter which way the market is moving, trying to choose the "right" time to buy or sell can be stressful and counterproductive.

An investor who waits to buy may be frustrated as prices rise and then decide to stop waiting and purchase securities just before prices drop. On the other hand, an investor who sells when prices are dropping may lock in losses and miss out on gains when the market turns upward again. That's why one of the most fundamental maxims of investing is "you can't time the market."

One approach that might help steady your blood pressure and build your portfolio over time is *dollar-cost averaging.*

A Consistent Strategy

Dollar-cost averaging involves investing a fixed amount on a regular basis, regardless of share prices and market conditions. Theoretically, when the share price falls, you would purchase more shares for the same fixed investment. This may provide a greater opportunity to benefit when share prices rise and could result in a lower average cost per share over time.

If you are investing in a workplace retirement plan through regular payroll deductions, you are already practicing dollar-cost averaging. If you want to follow this strategy outside of the workplace, you may be able to set up automatic contributions to an IRA or other investment account. Or you could make manual investments on a regular basis, perhaps choosing a specific day of the month.

You might also use a similar approach when shifting funds among investments. For example, let's say you want to shift a certain percentage of your stock investments to more conservative fixed-income investments as you approach retirement. You could execute this in a series of regular transactions over a period of months or years, regardless of market movements.

Steady Investments

If Tina invested $6,000 in a security with a $50 share price in month one, she could purchase 120 shares. If instead she invested $1,000 each month over a six-month period, she might be able to accumulate more shares for the same dollar investment, which could result in a lower average cost per share.

Month	Amount invested	Share price	Shares acquired
1	$1,000	$50	20.00
2	$1,000	$55	18.18
3	$1,000	$45	22.22
4	$1,000	$40	25.00
5	$1,000	$50	20.00
6	$1,000	$55	18.18
TOTAL	$6,000	[$295 ÷ 6]	123.58

Average price per share: $49.16 ($295 ÷ 6)

Average cost per share: $48.55 ($6,000 ÷ 123.58)

This hypothetical example is based on mathematical principles and used for illustrative purposes only; it does not represent the performance of any specific investment. Actual results will vary.

Dollar-cost averaging does not ensure a profit or prevent a loss, and it involves continuous investments in securities regardless of fluctuating prices. You should consider your financial ability to continue making purchases during periods of low and high price levels. However, dollar-cost averaging can be an effective way to accumulate shares to help meet long-term goals.

Asset allocation is a method used to help manage investment risk; it does not guarantee a profit or protect against investment loss. All investments are subject to market fluctuation, risk, and loss of principal. When sold, they may be worth more or less than their original cost.

1–2) S&P Dow Jones Indices, S&P 500 index for the period 12/31/2020 to 12/31/2021. Retrieved from FRED, Federal Reserve Bank of St. Louis. The S&P 500 is an unmanaged group of securities that is considered to be representative of the U.S. stock market in general. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index. Past performance is not a guarantee of future results. Actual results will vary.

Going Public: How Are Direct Listings Different from IPOs?

An initial public offering (IPO) is the first public sale of stock shares by a private company. IPOs are important to the financial markets because they help fuel the growth of innovative young companies and add new stocks to the pool of potential investment opportunities.

When a company files for an IPO, new shares are created, underwritten by a bank, and sold to the public. But that's not the only way for a company's stock to become publicly traded. When a company uses a direct listing, typically only existing shares are sold to the public on a stock exchange — no new shares are issued, and no underwriters are involved.

There were more U.S. IPOs in the first half of 2021 than there were in all of 2020, which was also a record year.[1] The number of direct listings has ticked up, too, but there were just three in 2020 and six in 2021.[2]

Going public is a fraught process that few companies dare to navigate on their own. Even so, several well-known companies have sparked media coverage and investor curiosity when they chose to bypass the traditional IPO process.

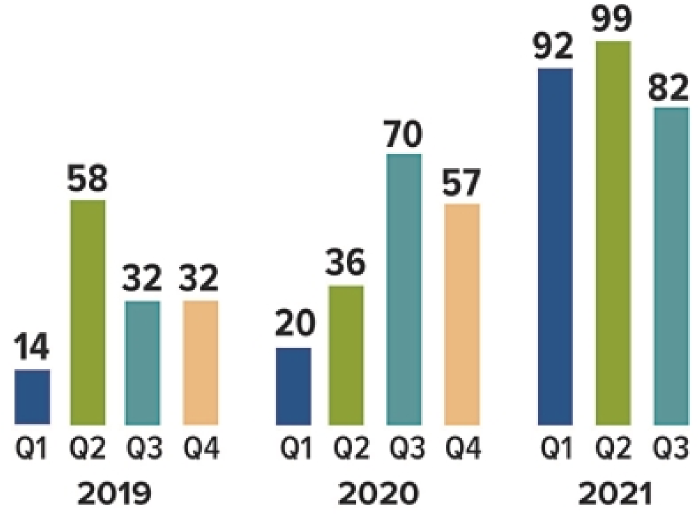
Two Roads, One Less Traveled

The path a company takes to the stock market generally depends on its business goals. Companies that pursue a traditional IPO often want to raise as much money as possible for expansion purposes. Direct listings, on the other hand, give company founders, employees, and early investors a way to cash out some of their equity without diluting the value of the company's stock.

The underwriters that facilitate the IPO process typically organize a "roadshow" to market the stock and gauge the interest of institutional investors. They also guide the company through regulatory requirements, help set the initial offer price, and may guarantee the sale of a specified number of shares at the offering price. IPOs usually have a three- to six-month lockup period, which is an agreement with underwriters that prevents employees and other early investors from immediately selling their shares. Keeping insider shares off the market can help quell market volatility in the early days of trading.

A company may be able to make its stock market debut faster and at a much lower cost with a direct listing, and there is no lockup period. But going public without underwriting support can also be risky. The supply of shares becoming available for sale is undefined, and the demand for those shares can be difficult to predict, which could result in insufficient liquidity.

Number of Traditional U.S. IPOs



Source: PwC, 2021

Investor Access

One catch associated with IPOs is that many investors who want to buy shares at the offering price don't have the opportunity to do so. Moreover, those who buy the stock on the first day of trading often miss out on much of the sought-after "pop," because a large part of the appreciation can take place between its pricing and the first stock trade. With a direct listing, everyone has access to the stock at the same time, but this also means share prices can be more volatile after trading begins.

In fact, some investors who rush to buy highly anticipated IPOs or directly listed stocks on the first day might pay inflated prices, because that's when media coverage, public interest, and demand may be greatest. Share prices could drop in the weeks following a large first-day gain as the excitement dies down and fundamental performance measures such as revenues and profits take center stage.

The return and principal value of all stocks fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. Investments offering the potential for higher rates of return also involve a higher degree of risk.

1) Reuters, June 15, 2021

2) Warrington College of Business, University of Florida, 2022

Plan Ahead to Help Ease the Burden of Tax Season

Most U.S. taxpayers "completely agree" (68%) or "mostly agree" (26%) that paying their fair share of taxes is a civic duty.[1] However, no one wants to pay more than his or her fair share. To help avoid doing so, consider addressing some important priorities before you begin filling out your tax forms.

Here are some steps that might help reduce stress when preparing your return.

Create an online account with the IRS. In addition to making it easier to review important tax information from previous years, an online IRS account provides a secure platform for reviewing the total amount you owe, making payments, responding to third-party tax information authorization requests, and more. Your balance is typically updated each night, and the service is available seven days a week, which makes it a good resource if you don't have easy access to hard copies of previous returns. Visit [irs.gov](irs.gov) for more information.

The IRS issued more than 125 million individual income tax refunds in 2020; the average amount was nearly $2,600.

Source: Internal Revenue Service, 2021

Organize paperwork for all sources of income. Completing a tax return can be stressful enough without having to search for supporting documents, so at the outset gather records of all taxable income you earned during the year. If you are unsure whether income is taxable, review IRS Publication 525, *Taxable and Nontaxable Income.* For example, if you received income in the form of a valid check during 2021 but did not cash the check until 2022, you must still include it on your 2021 return. Other forms of taxable income include workplace bonuses and awards (e.g., goods, services, and vacation trips) and winnings from lotteries and raffles. The fair market value of any "found property" you acquired is also taxable. Found property includes anything you found and kept that did not belong to you but is now in your "undisputed possession."

Determine whether you qualify for disaster relief. If your home or business is in an area that was affected by a natural disaster, the IRS may extend deadlines for filing returns and paying taxes. To determine whether you qualify, consult the Tax Relief in Disaster Situations page on the IRS website.

Filing your taxes doesn't need to be an annual exercise in frustration. This year, consider simplifying your financial life by doing some basic pre-planning. Before you take any specific action, be sure to consult with your tax professional.

1) Internal Revenue Service, 2021

IMPORTANT DISCLOSURES

Indian River Financial Group, Inc. is a registered investment advisor. The term "registered investment advisor" is not intended to imply that Indian River Financial Group, Inc. has attained a certain level of skill or training. It is used strictly to reference the fact that we are "registered" as a licensed "investment advisor" with the Florida Office of Financial Regulation - and with such other State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.

Investments in securities involve investment risk, including possible loss of principal amount invested. Investment return and principal value will fluctuate so that the investment, when redeemed, may be worth more or less than the original investment. Additional disclosure is available in our Disclosure Brochure (Form ADV Part 2A), which can be accessed on the firm's website www.paulmilleradvisor.com .

7805 NW Beacon Square Blvd., Ste. 102
Boca Raton Florida 33487
561.362.0331