OLLI Solo Aging: Finances

Richard Mundinger, CFA

Welcome to OLLI Solo Aging: Finances

Agenda

- Introduction to Richard Mundinger, CFA
- Build Your Team
- Staying Organized
- Your Financial Routine: Daily Expenses & Investments
- Fraud: Our Biggest Concern

A question to start with: What would you like to learn today?

Build Your Team

Build your professional support team:

- Financial Advisor
- Estate Attorney
- Tax Professional (CPA)

If you currently fulfill one or more of these roles yourself - do you have a contingency plan in place if you become unable (physically or cognitively) to do it yourself? Build a team that you trust while you still have full heath.

Questions to Ask

Finding a trusted professional can feel overwhelming, here are some starting questions to use when interviewing a potential professional:

- Are you a fiduciary?
- What's your fee / how are you compensated?
- Will I be working directly with you or another member of your staff?
- How regularly will we meet or be in contact?
- What is your succession plan if you leave/get promoted/etc.?
- Are you willing to communicate and collaborate with my CPA/estate attorney/investment advisor?

Financial Power of Attorney

- Always work with a legal professional when establishing your power of attorneys
- Inform your POA that you are naming them. Name a successor POA in case your primary agent passes away, becomes incapacitated, resigns, or declines the role
- Make sure you understand the powers you are granting that person
- “Can I name two people” – Yes, but unless you are confident in their ability to cooperate...this scenario can often cause conflict and delays.
- Power of Attorney ends immediately upon the death of the person who granted it
- Upon passing, authority to manage affairs transfers to the personal representative (executor). And for trust assets, the successor trustee.

Financial Power of Attorney

- Formalize the powers you are granting someone and make sure they use the proper channels to request/implement changes
  - Real example: We caution against giving your username and password for your investment or bank accounts to your trusted contact. That then gives them full access to log in as you and change just about anything regarding your financial picture (beneficiaries, make trades, transfer money, etc.).
  - Make sure everything is done via the proper channels with documentation and clearly communicate your wishes and plan.
- We like being introduced to our clients FPOAs even before they are acting in that capacity so that we can build a relationship with them and so that there aren't any surprises
- Same for beneficiaries, we welcome meeting them during our clients' lifetimes.

Staying Organized

- Make sure your beneficiaries do not have to go on a "treasure hunt"
- Keep a list of where you currently hold bank accounts, investment accoun insurance policies, loans, credit cards, etc
    - You do not need to include sensitive information, but it should include enough info that they know what institutions to contact
        - Also, a good clean-up exercise for yourself! You may realize there are dormant accounts or credit cards still lingering that you can close and consolidate
    - Other assets that may apply to your situation: Real estate, cars, art, jewelry, metals, or anything else of note

Staying Organized

Other miscellaneous organizational tips:

- If you have physical stock certificates with value, convert those to direct registration
- If you have any paper bonds with value, cash those in. Process/requirements vary by bond type - ask your bank.
- Do not hide large sums of cash or physical precious metals around your house or property - this can become very messy for your beneficiaries
  - Securely store physical assets and make sure they are included in your financial and estate plan

Daily Expenses

- Identify the day-to-day fund flows that “keep the lights on” for you
  - Is one spouse in charge of this process? Make sure both know how to manage the daily household expenses
  - If one spouse is suddenly solo, waiting on hold with the electric company to figure out which credit card is on file and if it is on autopay is the last thing they should be doing
- When does money come in monthly? (Social security, pension, investment account distribution, etc)
- Where does it go out monthly?
  - Utility bills, groceries, mortgage/rent, car and gas payments, discretionary expenses, etc. You don’t need to be totally granular, but get a general feel for amounts, timing, and destinations of your payments
  - How are the payments made (credit card, ACH) and are they automatic?

Investments

The most successful investment plans start with the person, not the portfolio

Your plan should incorporate your:

- Time horizon
- Risk tolerance
- Standard of living & spending goals
- Education on your investments

Risk Tolerance

Risk tolerance is more than a questionnaire. It is shaped by:

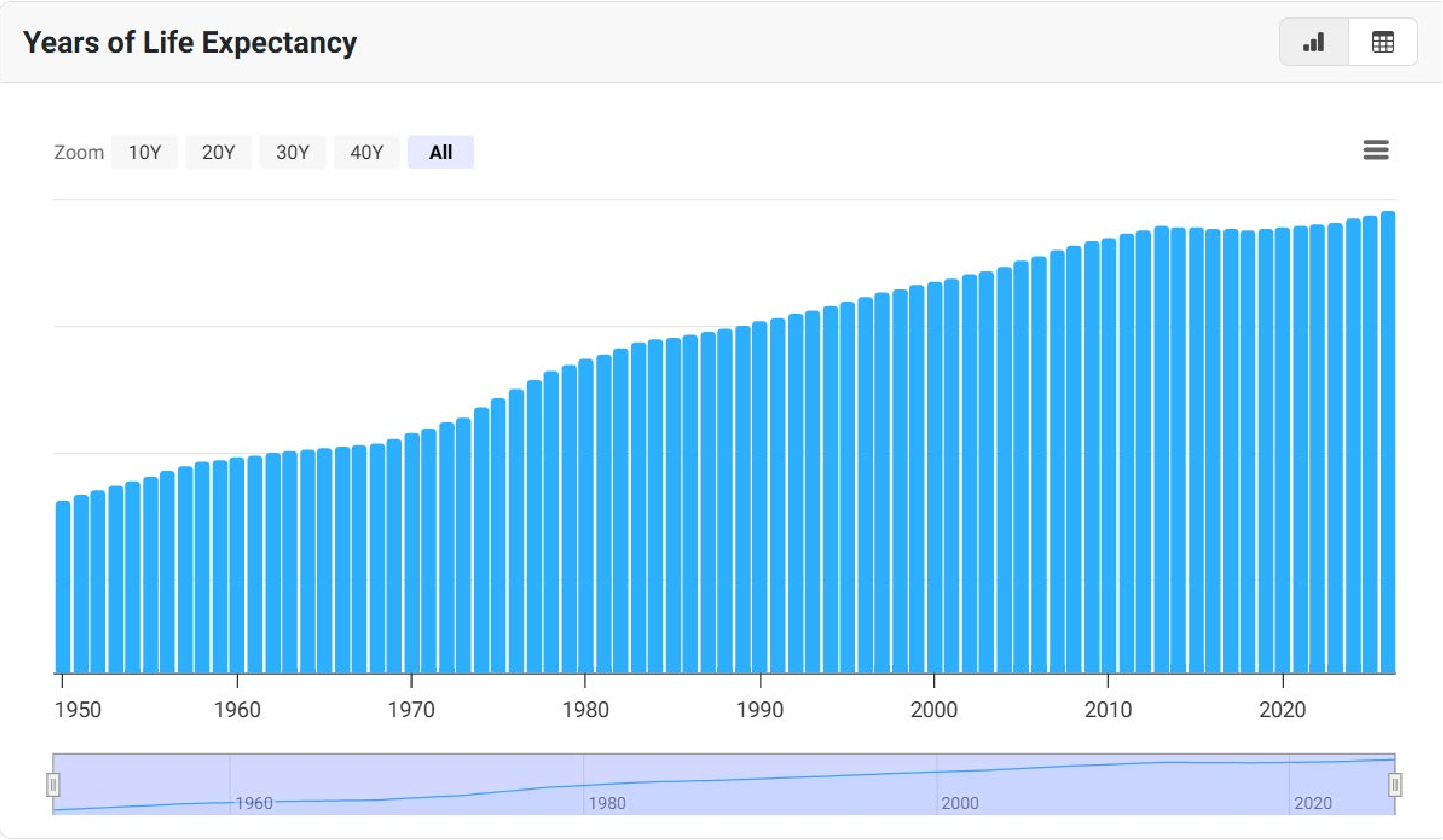
- Your upbringing
- Your relationships
- Your lifestyle

We believe individual portfolios should be managed for risk, not just for return.

- What's your time horizon?
- What are your goals in 1 year, 3 years, 5 years, and beyond?
- What legacy do you wish to leave?
- Are there any key personal financial events (positive or negative) from your past?
- Loss vs down

Longevity

2026 U.S Life Expectancy: 79.54 years. As people live longer in retirement, their investment plan needs to evolve to match their time horizon. Retirees need enough growth to obtain a positive return AFTER taxes and inflation.



Inflation & Real Return

Let’s say your return is 5% (.05)

Assume 2% inflation and a 22% tax rate

That 5% return is a real return of 1.86%

At 2.5% inflation it goes down to 1.37%

At 3% inflation it is 0.87%

Supporting math: Return = 5% (.05)

After-tax return (using 22% tax rate) = .05 x (1-.22) = .039

Adjust for inflation:

(1 + nominal rate) / (1 + inflation rate) - 1

2% inflation-> (1 + .039) / (1 + .02) - 1 = 1.86%

What is a "good" portfolio?

Inputs into a good portfolio:

- Diversification: Between asset classes and within asset classes
- Equities
- Fixed Income
- Alternatives*(*if appropriate for the investor)*
- Cash
- Yields (dividends, interest)
- Tax loss harvesting

Results of a good portfolio:

- Total return: income and price return
- A risk level that the client feels good about
- A portfolio that the client understands at a high level and feels confident in
- Growth that will support a client's retirement goals

Beneficiaries

- It is imperative that your estate planner work with you and your financial advisor to discuss the title/structure of your accounts and the beneficiary designations
- Beneficiaries on your accounts should distribute the assets that you have in a fashion that is consistent with your estate plans.
- Assets with a beneficiary designation pass directly to that beneficiary, even if your will says something different.
- Beneficiary designations should be reviewed annually and more often after major life changes like marriage, divorce, birth of a child, or spousal death

Beneficiaries

- Primary and Contingent Beneficiaries
  - We like the practice of naming both primary and contingent
  - Example: Spouse is named as primary beneficiary, no contingent beneficiaries are named. Spouse passes and the grieving spouse is unable to bring themselves to remove the deceased spouse's name as beneficiary. Having contingents already in place helps "buy us time" in this scenario. We can gradually introduce IN PROGRESS

Human emotions are complicated. We have seen highly intelligent and organized clients leave deceased or even divorced spouses named as beneficiaries for longer than you would expect.

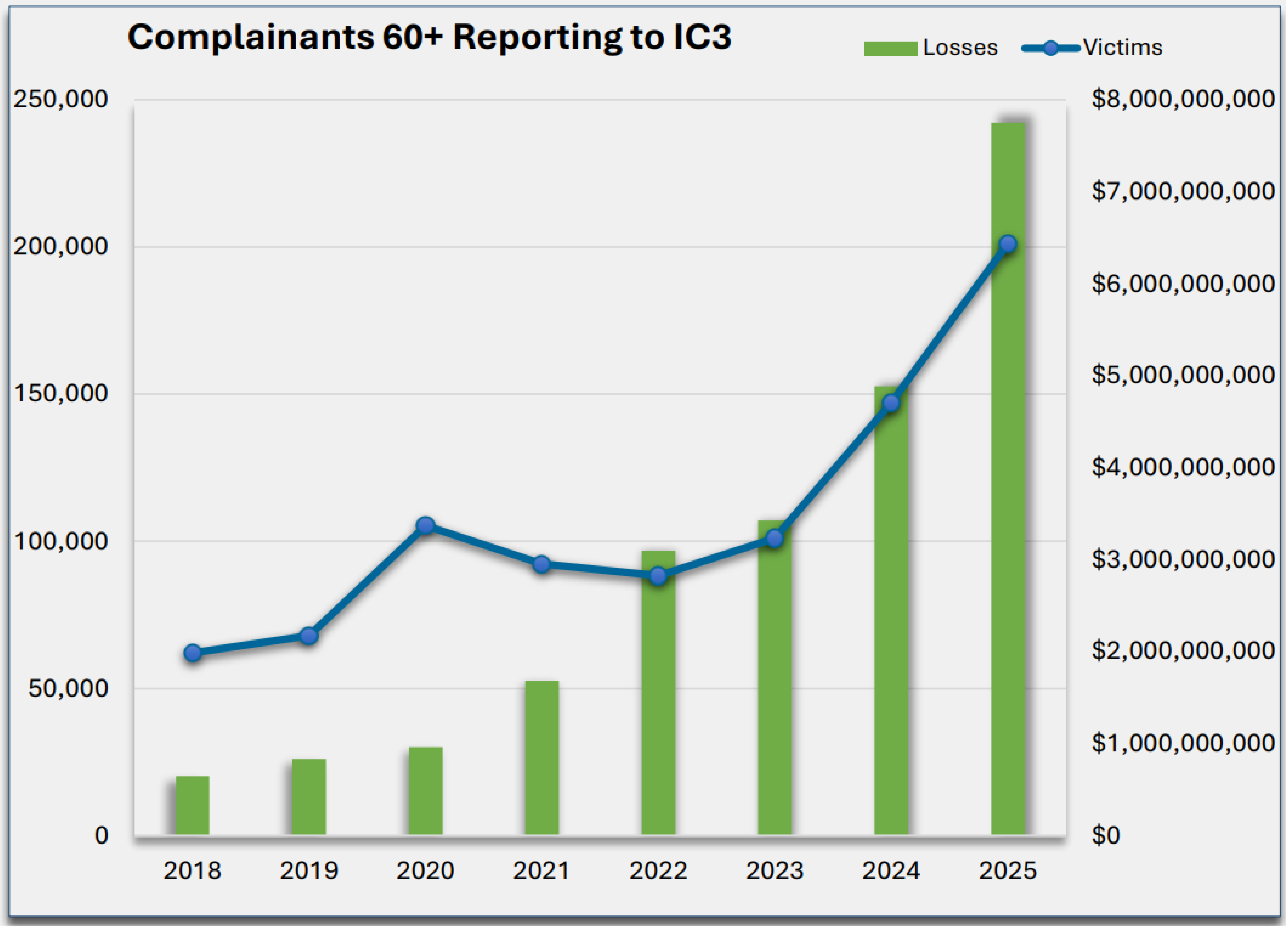
Should I Have My Accounts at Multiple Places?

- Simplicity: As you age, it is easier to consolidate and manage less accounts. It is al easier for your beneficiaries and FPOA to manage less accounts.
- Less efficient tax loss harvesting: One advisor may not know that you are sitting on loss that can be used to offset a gain you have with them.
- Less diversification from advisors unknowingly holding duplicate positions: Some people believe you can get more diversification from using multiple advisors. In our experience, you are more likely to end up holding duplicate or very similar positions and be less diversified.
- Possibly higher fees: Many advisors have fee scales or household accounts in a wa that can save clients money with a lower average fee when they hold more assets a one institution.

Fraud

- Fraud: One of our biggest concerns – for ALL age demographics
- Financial scams are becoming more sophisticated and can affect anyone.
- Older adults are often targeted because of accumulated assets and retirement savings.
- Be cautious of unsolicited phone calls, emails, text messages, and social media messages.

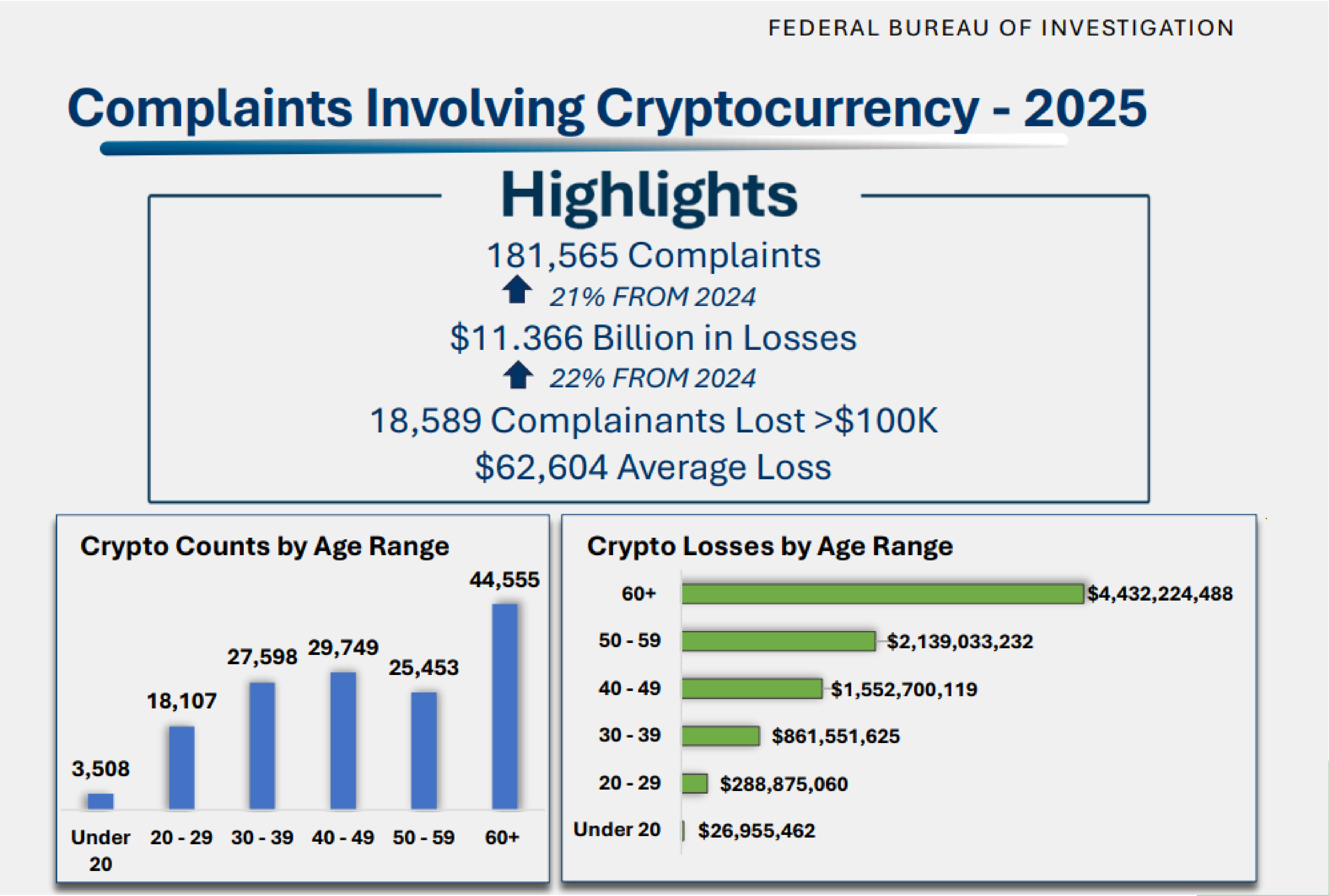
Trend in losses over time, from the FBI Internet Crimes Complaint Center (IC3)



Source- FBI IC3 2025 Report: "201,266 complaints (37% increase from 2024); $7,748 billion losses (59% increase from 2024); $38,500 average loss; 12,444 complainants lost more than $100K. Chart describes counts and losses for those reporting as 60+ from 2018 to 2025."

Cryptocurrency Crimes

Fraudsters lure people into crypto schemes with the promise of high returns and access to exclusive investment opportunities.



Source- FBI IC3 2025 Report

Best Practices:

- Use complex, unique passwords for your logins. Store passwords securely, such as by using password managers
- Use two-factor authentication
- Don’t share your log ins with others
- If you receive urgent messaging asking your for money or your personal information – stop, slow down, and verify legitimacy

About Us

RMH Investment Management, LLC is a fiduciary, fee-based firm. We were founded in 2003 when Richard Mundinger, CFA, transitioned from institutional investment management to establishing his own firm to serve private clients.

Richard Mundinger, CFA – Richard brings four decades of investment management experience to serving clients for their planning and investing needs. Mr. Mundinger has earned the right to use the Chartered Financial Analyst® (CFA®) designation. Richard is an active member of the Tucson community. He previously served on the Community Foundation of Southern Arizona Board of Trustees' finance, investment, and building committees, as well as being an active member of Rotary International.

Ashlyn Tucker, CFA, CDFA, M. Fin. – Ashlyn attended the University of Arizona's Eller College of Management and Honors College on a full tuition academic merit scholarship. She graduated in three years with her Bachel of Science in Finance in 2022. Ashlyn went on to graduate from Eller's Master of Science in Finance program 2023, and from there she joined RMH Investment Management, LLC. Ashlyn is Chartered Financial Analyst® and Certified Divorce Financial Analyst®.

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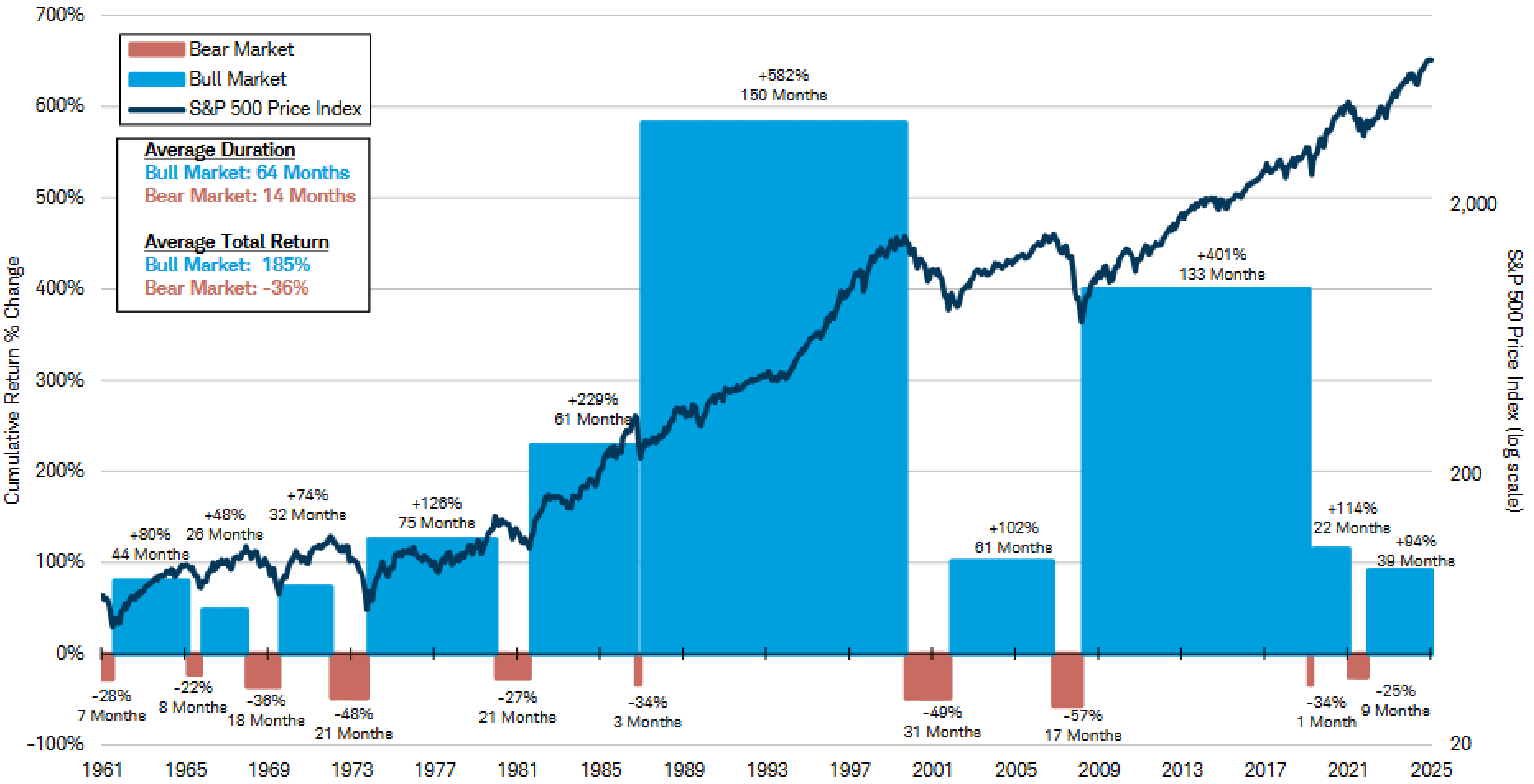
Thank You

Appendix: Charts

U.S. bull and bear markets

With the S&P 500 still up considerably over the past year, it is notable that bull markets have generally been longer in duration and greater in magnitude than bear markets, resulting in gains over time.

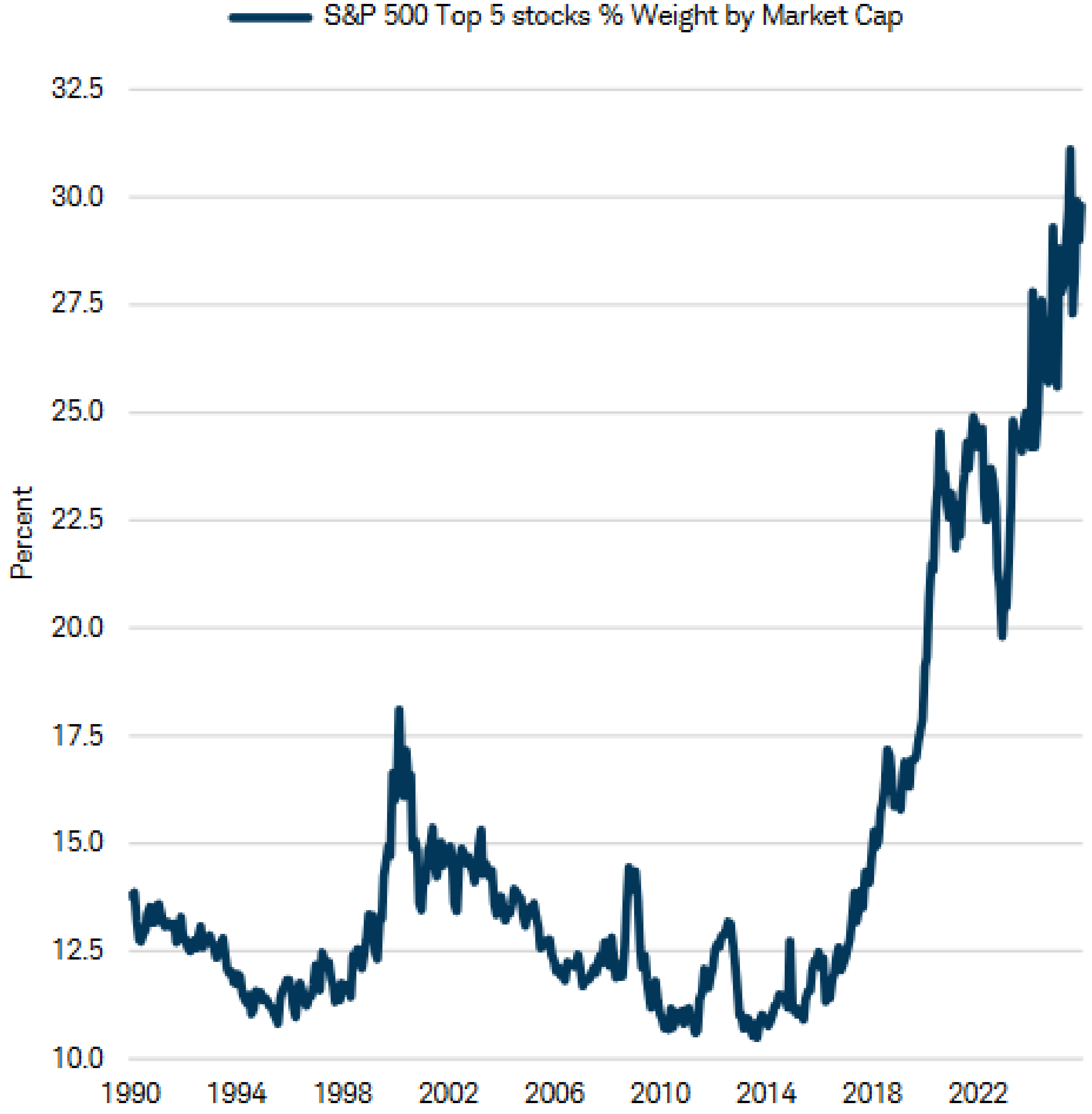


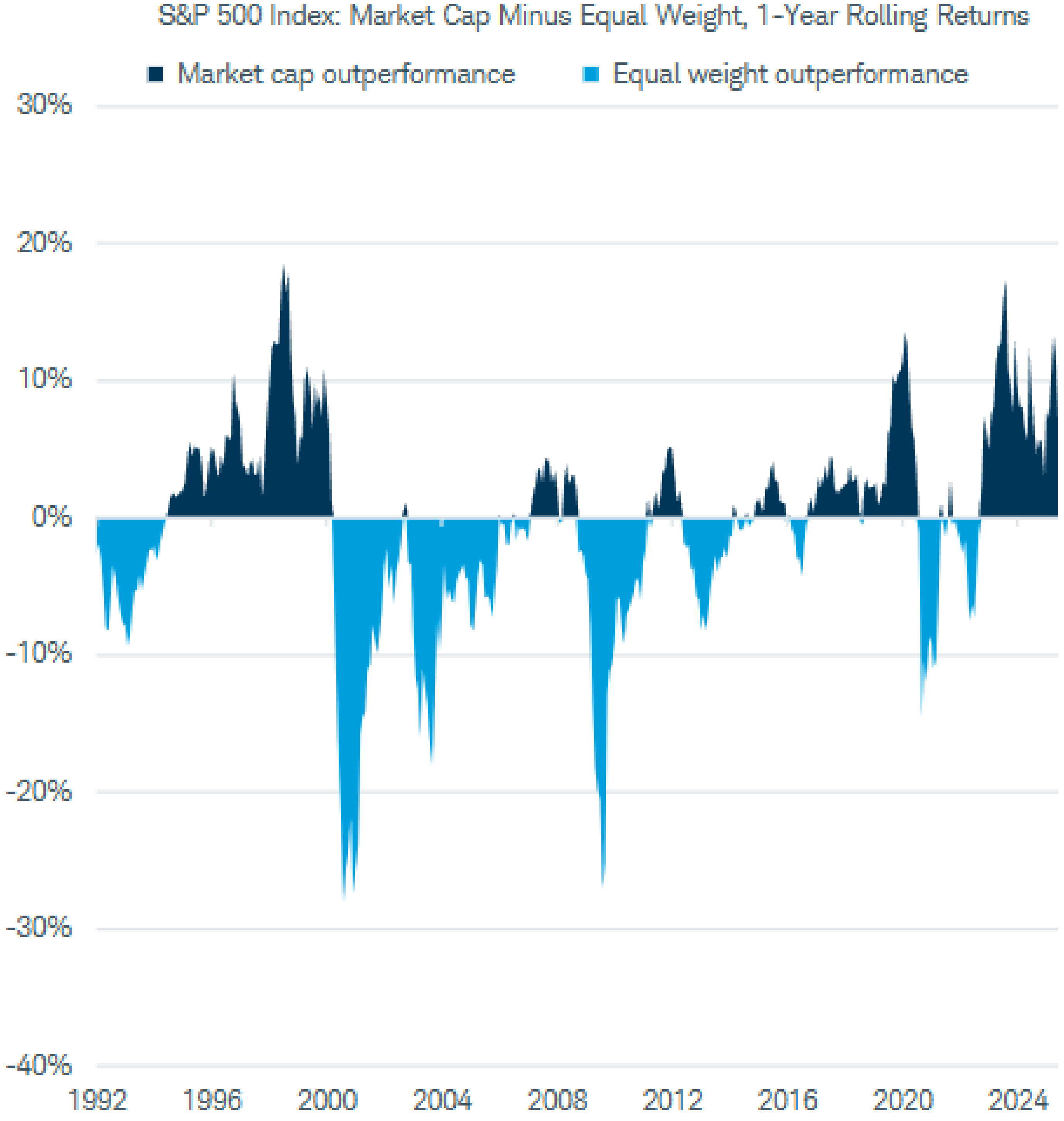
Source: Bloomberg as of 12/31/2025. Current bull market peak as of 12/24/2025. Bull and bear markets as defined by Yardeni Research. Cumulative return is the total change in the investment over a set period of time. Logarithmic (log) scale is a way of displaying a wide range of data in a compact way by increasing the numbers exponentially. Indexes are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly. For illustrative purposes only. Investing involves risk, including loss of principal. **Past performance is no guarantee of future results.**

Source: Charles Schwab's Quarterly Chartbook

Market concentration

Just five companies account for 29.8% of the S&P 500's market cap. Concentration increased throughout the quarter given the mega-caps' outperformance relative to the index.



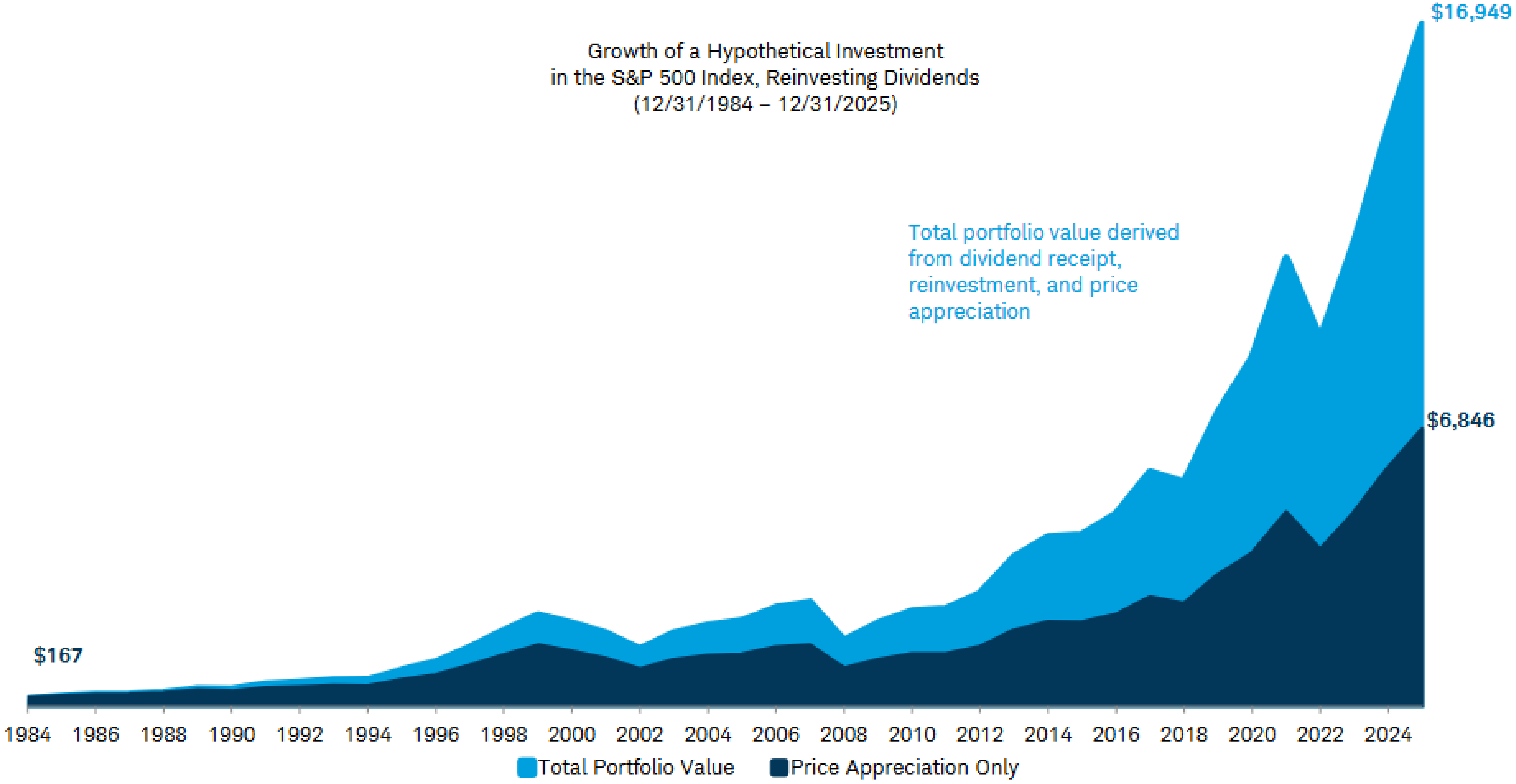


Source: Charles Schwab, Bloomberg, Macrobond as of 12/31/2025. Top 5 stocks in the S&P 500 Index are NVIDIA, Apple, Microsoft, Amazon, and Alphabet. Performance does not include the effects of taxes, commissions, or fees. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly. Investing involves risk, including loss of principal. All corporate names and market data shown are for illustrative purposes only and are not a recommendation, offer to sell, or a solicitation of an offer to buy any security. Schwab does not recommend the use of technical analysis as a sole means of investment research. For illustrative purposes only. **Past performance is no guarantee of future results.**

Source: Charles Schwab's Quarterly Chartbook

Impact of dividends on total return

Dividend-paying stocks can be an income-generating security.



Growth of the S&P 500 Total Return Index assumes reinvestment of dividends, includes capital gains, and does not reflect the effect of taxes and fees. The $167 is the S&P 500 Index price on 12/31/1984. This hypothetical example is only for illustrative purposes. Source: S&P Global Indices and Bloomberg as of 12/31/2025. Indexes are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly. Investing involves risk, including loss of principal. There are risks associated with investing in dividend paying stocks, including but not limited to the risk that stocks may reduce or stop paying dividends. **Past performance is no guarantee of future results.**

Source: Charles Schwab's Quarterly Chartbook

Time in the market is more important than timing the market

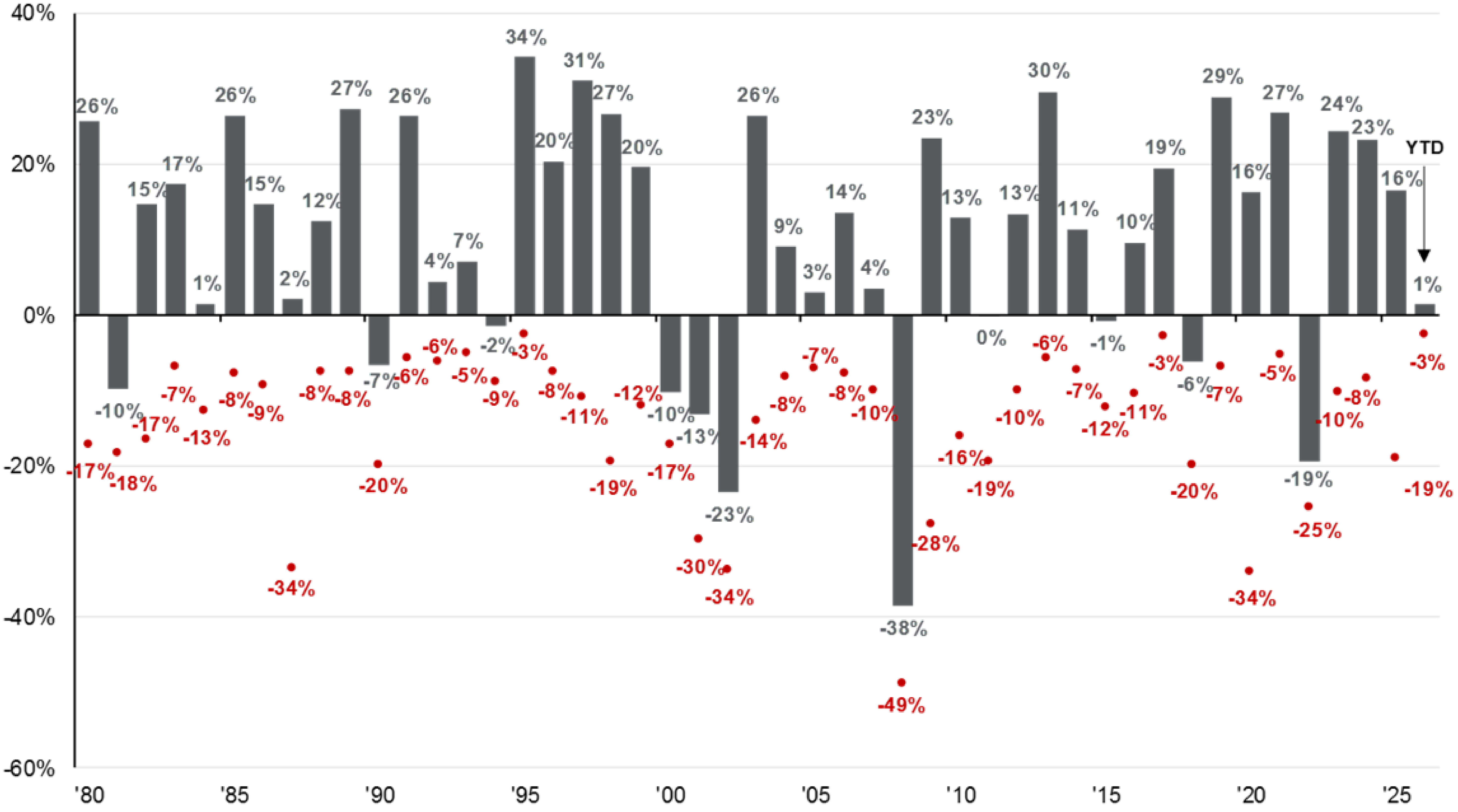
Missing the 10 best days of the market from 2006-2025 would have resulted in a significantly weaker annualized total return, compared to staying invested throughout the entire period.

Source: Bloomberg as of 12/31/2025. Return data is annualized based on an average of 252 trading days within a calendar year. The year begins on the first trading day in January and ends on the last trading day of December, and daily total returns were used. Total returns assume reinvestment of dividends, interest, and other cash flows. When out of the market, cash is not invested. Market returns are represented by the S&P 500® Index which represents an index of widely traded stocks (dark blue bar). Top days are defined as the best performing days of the S&P 500 during the twenty-year period. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly. Schwab does not recommend the use of technical analysis as a sole means of investment research. Investing involves risk, including loss of principal. For illustrative purposes only. **Past performance is no guarantee of future results.**

Source: Charles Schwab's Quarterly Chartbook

S&P 500 intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.2%, annual returns were positive in 35 of 46 years

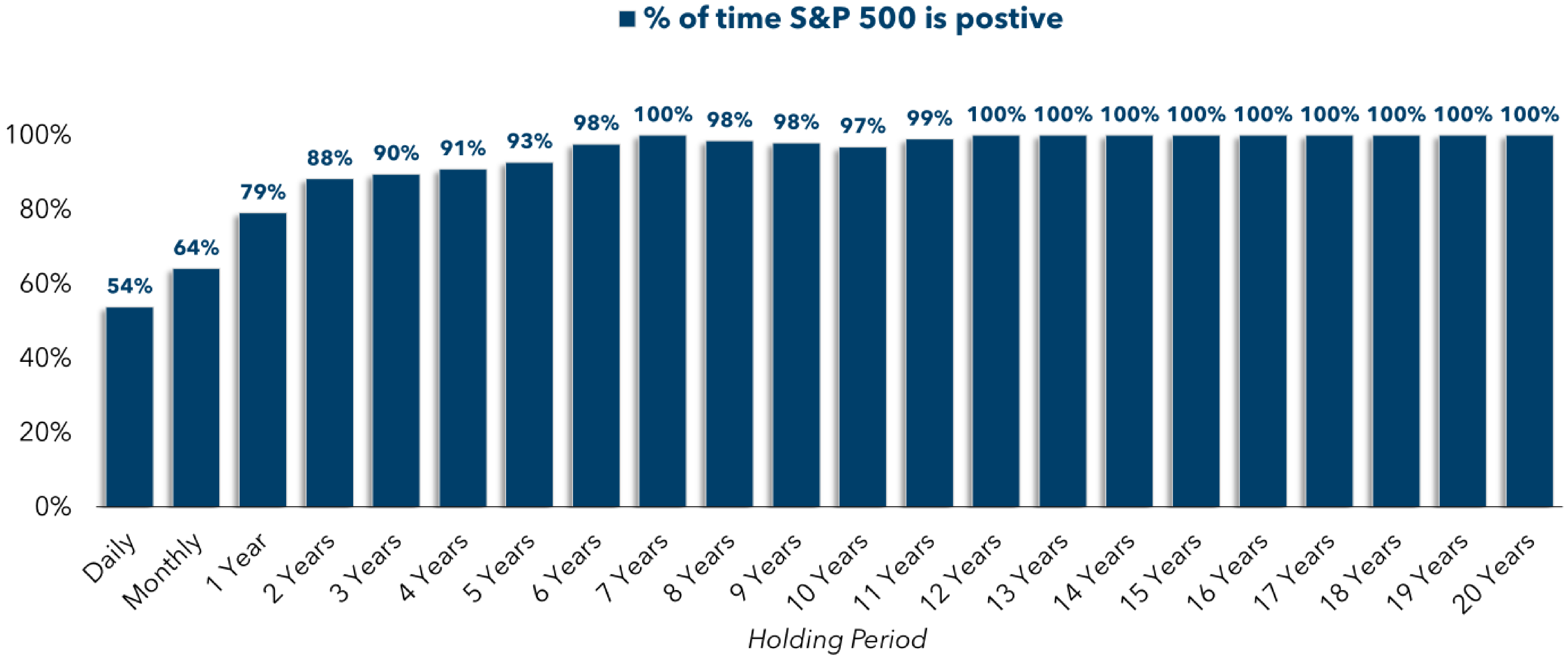


Source: JP Morgan "Guide to the Markets"

Win Rate by Holding Period

Daily, Monthly, and by # of years (Through 20 Years)

Since 1950.



Source: RWM, Returns 2.0, YCharts
Total Returns (With Dividends Reinvested)

RITHOLTZ wealth management

Source