



MILLER ADVISORS

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FIRST QUARTER | 2021



FROM KATHLEEN AND NICOLE

Last year at this time as we were preparing our Quarter 1 Newsletter, we wrote “Welcome to a New Century” and declared how excited we were for what the future would hold. Little did we know what was just around the corner. It has been almost a year since the start of this pandemic. In some ways it seems like just yesterday we were learning about what was taking place and in other ways it seems like this pandemic has been here forever and will never end.

Who knew the new norm would be wearing a face mask everywhere you went, that is if/when you were able to go outside. We understand how difficult this has been on everyone. Fortunately, with a vaccine becoming more available for everyone, we may see an end to this pandemic this year.

As we go forward this new year, we are looking at what we intentionally plan to do, rather than making New Year’s Resolution that may or may not last beyond January 31. Our article, starting on this page, has a good perspective on what to expect of ourselves as we go forward in these troubling times.

This last year has reinforced our gratitude for the relationships we have with each of you. We faced many challenges, and we were able to overcome them thanks to your cooperation and partnership.

Marcel, our greeter, had a very quiet 2020 and is looking forward to 2021 when we hope to start having meetings in person again.

Our “New Year’s Intention” for 2021 is to stay healthy and keep moving forward!

WHY CHOOSING A NEW YEAR’S INTENTION IS BETTER THAN A RESOLUTION FOR 2021

Dr. David Johnson says New Year’s resolutions are often aggressively ambitious and with all the upheaval of 2020, it’s better to set a positive intention for 2021.

Choosing an alternative approach to the traditional New Year’s resolution is the way to go this year, according to Behavioral Health Counselor Dr. David Johnson.

Dr. Johnson is the retired CEO of Navos, a nonprofit mental health organization in south King County. He said 2020 has been a year unlike any other and he has some ideas about how to ease into 2021 and create more positive moments for yourself and others.

Why that New Year’s resolution isn’t helpful in 2021

A New Year’s resolution isn’t helpful for 2021 because typically resolutions are aggressively ambitious and often made in judgement about what you’ve been doing wrong. Dr. Johnson said with all of the upheaval of 2020, it’s natural to be tired. The way to recover is to be gentle, even nurturing with yourself.

As an alternative to a New Year’s resolution, Dr. Johnson suggested choosing an intention or theme for the year. First, he recommended a few mental exercises to help set the tone. Then, choosing your intention and mindset can come more easily.

Use your senses to get to a more positive place

Revisiting your memories of a wonderful time and envisioning bright moments in the future are a good way to move your mind toward positive thinking. Dr. Johnson said use these two similar exercises to envision better times:

Remember the past

Dr. Johnson said to think of a really pleasant memory in your life. Go back in your mind to that time and think about all the details you can remember.

- What did you see and hear?
- Was there a scent in the air?
- Did you enjoy certain foods or have something to drink?

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- Who was there?
- What did you talk about?
- Why did it make you so happy?

Take time to relish your memory. Think about what made you so content about the experience. Name the things you most enjoyed. Take time to understand why you associate pleasure with these elements so much.

Envision the future

Think about the future and envision an experience you would like for yourself. Consider all of the details you want to have in place.

- Where are you?
- Who are you with?
- What's happening?
- Are there tastes and smells?
- What are you talking about?

Dr. Johnson said to allow yourself time to envision what you want for yourself and think about how this connects you to joy. Ponder whether there is a connection between your memory of a positive past experience and your vision for a joyful future experience. If there is a common thread or a few common threads -- make note.

Make a gratitude list

The next exercise Dr. Johnson recommended is the creation of a gratitude list. He said this is a way to recognize and appreciate the positive aspects in your life right now. He suggested you take time to create your list.

- Start by writing down things you are grateful for, like your home, family, food, etc.
- Invite loved ones to add to your list.
- Leave your list out for a couple of days. When thoughts of gratitude come to mind, add them to your list.

Choose your intention for 2021

Choosing your intention for 2021 means deciding what you want to invite into your life. The exercises above can help you gather some clarity about themes to choose from. Or, your intention for 2021 might just come to you.

Dr. Johnson said in 2021 his intention is "being open to possibilities." He chose this theme because it helps him remain positive and helps him really listen to other people. Being open to possibilities allows for new ideas and energy in his life.

You can choose any intention you like. Some people choose beauty, love, curiosity, or just plain fun. The point of choosing an intention is to bring more positivity into your life and help you share that positivity with others. This can help you form deeper connections and feel more satisfied in general.

Author: Roberta Romero
www.King5News.com

There are far, far better things ahead than any we leave behind.

- C.S. Lewis

2021 INVESTMENT OUTLOOK

2020 resulted in a volatile year in the market. The S&P 500 dropped over 30% in March before recovering fully and finishing positive for the year. The S&P 500 had a 18.40% total return in 2020, 31.49% in 2019, and -4.38% in 2018. We have seen a good run over the last 10 years, better than average with a 13.88% annualized return compared to 10.12% for the last 60 years. We continue to be concerned with how long the market can maintain these above-average returns and do not want to be complacent about longer-term risk.

2021 sees the inauguration of a new president in January, as well as the start of new sessions for the Senate and House of Representatives. New policies, vaccine availability, and geopolitical clarity should set the foundation for an economic recovery later in the year. We expect that the first half of the year

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will still have stress on smaller businesses and consumers. As more and more people are vaccinated, economic activity will likely increase. The US Government may do more to stimulate the economy during the first half of the year. While Joe Biden talked about raising taxes for households with higher incomes, we don't expect anything to occur while the economy is recovering.

David Simpson, CFA; Miller Advisors Portfolio Manager

For Rate of Return numbers, see Financial Update on page 6

BEST NOT BUDGET TOO FAR AHEAD IN 2021

An unpredictable year calls for examination of spending habits on a daily or weekly basis

The year 2020 taught us to expect the unexpected. For the year ahead, consider making a budget with that in mind.

"There's no reason to set a budget for the whole year," said Abigail Sussman, associate professor of marketing at the University of Chicago. "A year from now is really like 20 years from now. Time isn't normal right now."

Enter the micro budget

Instead of setting a budget for the year, or even for the season, try structuring your spending and saving plan on a much smaller scale.

This approach has several key advantages: You're able to better monitor your cash flow, pivot plans with greater ease and reclaim some of the "fresh start" energy as the new year arrives.

Here's how it works.

The small budget

Choosing a time frame that works for your budget—say, a month, a pay period or even a handful of weeks leading up to a big event or purchase—is key to your success.

Try a paycheck-to-paycheck budget, said Alise Kraus, president of the Financial Planning Association of the East Bay. Refresh your plan with every new pay period to set constraints while you have money coming in at the start of each cycle.

"We tend to think on a monthly level, but budgeting by paycheck can be really helpful," she said. "It allows you to see what's left over and what you have to save in advance, for the next time your tires blow out."

Budgeting on a smaller scale also means you are paying closer attention to each individual transaction, some of which get lost in the broader strokes of a yearly budget template.

"A lot of people overspend in a cumulative effect: lots of tiny choices," Mrs. Kraus said.

With this frequent-check-in system, the cumulative effect of those tiny choices is easier to spot

"It's harder to sweep things under the rug," she said.

Go smaller

If you already budget by pay period, experiment with budgeting by week, or even on a daily basis in the days leading up to a big purchase.

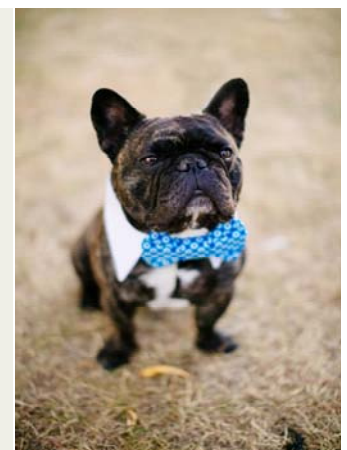
"This smaller-scale lets you see 'I've already spent this much

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MARCEL'S MASTERMIND

"After looking at the numbers, there is no way we can afford a cat."

-Marcel





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this week' and it allows you to course-correct in real-time," Mrs. Kraus said.

If you find yourself frequently wondering, "Where does all my money go before the weekend?" or "Why can't I stick to my budget?" taking this smaller approach can illuminate some problem areas.

Budgeting by day may help temper some impulse shopping; budgeting by week could show you just how little you use those recurring subscriptions you shell out for at the end of every month.

Zoom out

Once your micro budget is set up, you have a scheduled place to adjust your plan. You can audit your spending as you go but also pinpoint changes you want to make immediately.

"Just don't miss out on those bigger-picture items," said John Beshears, a behavioral economist and associate professor of business administration at Harvard University. "If you're too narrow, you're going to miss important events. If you're too broad, it's going to feel too daunting."

Regularly setting aside the money you need for emergency expenses, tax season and other longer-term financial events—like saving for a house or paying down debt— can ensure you will have the funds when you need them. Automatic deductions can do a lot of the heavy lifting here.

The wins

Noticing when the little things sting is helpful, but be sure to also notice when the tiny wins feel really good. These small moments of pride will keep your engine running.

"When you're looking on a monthly level, saving \$10 doesn't seem like a lot," Mrs. Kraus said. "But when you're thinking on a daily basis, you see your daily habits and where your money goes."

The fresh-start energy

The psychological torpor of 2020 has also deprived us of the "fresh-start effect," which typically infuses milestone birthdays and the start of a new year with a little extra specialness. Usually, this feeling empowers our intention-setting and helps us stick to our goals.

"This year is hard because of the lack of fresh starts," said Katy Milkman, a professor at the University of Pennsylvania's Wharton School and author of the coming book, "How to Change: The Science of Getting From Where You Are to Where You Want to Be." "Every day is the same as the day before it. We've missed out on the fresh starts that normally rejuvenate us."

Luckily, a shorter-term budget automatically gives you several smaller opportunities to reclaim that fresh-start effect.

Starting anew allows you to feel more freedom and reclaim some of the excitement we've associated with big events in the past.

"I hope New Year's will still feel momentous—it's the one that's a biggest part of our culture," Prof. Milkman said. "I'm excited we have it."

By Julia Carpenter
The Wall Street Journal, 12/30/2020

***A budget is telling your money where to go
instead of wondering where it went.***

- Dave Ramsey

MARK YOUR CALENDAR



January

- ◆ **January 31**—Deadline for employers to send W-2's and 1099s to individuals.

February

- ◆ **February 2**—Groundhog Day.
- ◆ **February 14**—Valentine's Day. Be sure to spoil your loved ones!
- ◆ **February 15**—Deadline for financial institutions to send 1099s to individuals. Also, President's Day—**We are closed**
- ◆ **February 28**—Begin mailing delayed and amended form 1099s.

March

- ◆ **March 14**—Daylight Savings Time begins. Don't forget to spring forward!
- ◆ **March 15**—Final mailing of any remaining delayed original Form 1099s.

April

- ◆ **April 4**—Easter Sunday.
- ◆ **April 15**—Deadline to submit individual tax returns for the year 2019. File your taxes by this date!
- ◆ **April 30**—Arbor Day. Let's all plant a tree!

SHREDDING PARTY

Miller Advisors is hosting a Shredding Party

Friday, April 16th from 9 am to 12 pm.

Jump-start your spring cleaning by clearing out those old statements. Bring them to our office to be securely destroyed by our shredding company.

What to Keep

- Year-end statements for all accounts including Raymond James Financial Services.
- Reports for income tax reporting such as 1099s.

What to Shred

- Monthly Statements after you receive the corresponding year-end statement for each account.
- Shred your Buy and Sell confirmations after you read them.

STAFF NEWS

Here is a new take on our staff news. We want to share what our individual "New Year's Intentions" are for 2021. We hope you have thought about what is on your "intention" list this year and that this is a great year for everyone.

- Nicole - Family trip to Hawaii and healthy habits
- Kathleen – Fine dining and international travel
- David—Over the coming year compared to the end of 2020, reduce my average golf score by five strokes
- Jane – Healthy habits and trip to Italy to meet new family
- Carrie—Read more and run more.
- Sharon— Go to California to greet my son-in-law returning from his year long military deployment on the USS Nimitz. I am grateful for his service!

Today I will not stress over the things I cannot control

- Gwen Serrotti



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FINANCIAL UPDATE

Here are selected rate of return numbers for the last two years and year to date as of 12/31/2020*

	2020 Annual Return	2019 Annual Return	2018 Annual Return
Dow Jones Industrials	9.72	25.34	3.48
NASDAQ Composite	44.92	36.69	-2.84
S&P 500 Index	18.40	31.49	-4.38
Russell Midcap - US Mid Cap	17.10	30.54	-9.06
Russell 2000 - US Small Cap	19.96	25.52	-11.01
MSCI EAFE - International Large Cap	7.82	22.01	-13.79
MSCI Emerging Markets	18.31	18.42	-14.57
BBgBarc US Aggregate Bond	7.51	8.72	0.01
FTSE Treasury Bill 3 Month - Cash Alternative	0.58	2.25	1.86

(Source: Morningstar) *Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results may vary. Past performance does not guarantee future results.

ANNUAL OFFERING OF FORM ADV-PART II

As a Registered Investment Advisor, Miller Advisors is required to offer our form ADV-Part II annually to our investment advisory clients. This document contains information about our fees and services, education and business backgrounds of the officers and investment managers, investment or brokerage affiliates, our code of ethics, and privacy policy. You will receive a copy of the material changes to our ADV-Part II form by the end of April.

MAP HIGHLIGHTS

To create the most personal, clearly stated financial plan for your retirement and beyond, Miller Advisors looks at the whole picture of a client's financial situation.

A financial plan is all about organization, clarity, and peace-of-mind. Miller Advisors Portal (MAP) is that platform designed to provide you a place, where, when you link all of your bank, credit card and investment accounts, you have ease of access to see every part of your financial picture, updated daily, and customizable to your needs.

If you don't yet have your accounts linked or you don't even have a MAP Login, give us a call! Carrie is happy to walk you through the process.

CONTACT INFORMATION & DISCLOSURES

We would like to remind you that in the event you are unable to speak with someone at our office, you can contact Raymond James Client Services directly for assistance with your accounts at (800) 647-7378. We would like to thank those of you who have referred your associates, clients, family members and friends to us. Your referrals are personally and professionally the most satisfying way for our practice to grow. If you have any questions or feedback regarding the newsletter, please contact the office and let us know how we can improve our communication with you.

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Please email more than one of us to ensure a prompt response.

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