

Dechert-Hampe & Company Employees' Savings and Profit Sharing Plan
Compensation & Capital's Financial Planning Commentary as of June 30, 2021
"Making Friends With Fear"

Is there anyone in your life that's struck you as fearless? No, not Indiana Jones fearless, but relatively fearless across our own real-life experiences? With our modern world growing ever more complex and dynamic every day, we'd be hard-pressed to imagine a rational human being who's fearless across the entire bandwidth of a normal life. [Whatever *normal* is!] It's said of pilots: "There are bold pilots and there are old pilots. But there are few old, bold pilots." So probably best that we qualify our opening question to: "Do you know anyone *alive today* that you'd consider fearless?" But lest we allow this intriguing intro to divert us from the heart of our *Commentary*, let's focus this discussion of fear upon our world of retirement saving and investing.

Acknowledge the fear. Even Indiana Jones had his fears. And saving and investing can be charged with significant emotions. There's fear of missing out – "FOMO" in today's meme-speak. Fear of losses, both monetary and self-confidence. Fear of not getting the timing right. Fear of another market crash. And the larger our savings grows, the more scary the fears can become. But fear can be good. There's a range in which fear puts us on our toes and brings out our best. Too little and we become complacent, bored, lazy. Too much: We become paralyzed. So the right approach is: Learn how to dance with fear. Invest using fear to our advantage. *How so?*

"Snakes?! Why'd it have to be snakes?"
Indiana Jones - Raiders of the Lost Ark

charged with significant emotions. There's fear of missing out – "FOMO" in today's meme-speak. Fear of losses, both monetary and self-confidence.

Know and maintain realistic expectations. Wisdom isn't a product of time alone. It's the combination of acquiring knowledge, applying that knowledge to real life trials, adjusting expectations based on real life results, then approaching the next iteration of that trial more emotionally reinforced with wisdom. Not just for failures but for successes too. Expanding your understanding of the range and probability of short, medium and long range investment returns appropriate to our investments' risk profile (that is, its proportion of stocks to bonds to cash) is instrumental to managing our expectations. Honest, humble pros will admit that they're good at this even though only two of any three of their decisions turn out right! If we know the probable range of the water temperature, it's easier to feel good about deciding to dive into the pool. Just as a reasonable expectation is NOT for a market crash to be imminent, it's also not for stock gains over a lifetime of saving and investing to be more than 8% annually. *OK. Got it. What else?*

"It's not the years, Honey. It's the Mileage."
Indiana Jones - Raiders of the Lost Ark

combination of acquiring knowledge, applying that knowledge to real life trials, adjusting expectations based on real life results, then

Start small. Start early. Use a bucket approach to make risk your dance partner. We've long recommended this path to successful retirement saving and investing. It's literally never too early to start saving for your financial independence in your senior years. Big short-term market losses or gains on savings earmarked for spending upwards of 40-70 years in the future are irrelevant to your ultimate success. In fact, you're actually best off if the markets frequently "sell-off" as you incrementally invest your savings, thereby allowing you to buy those investments "on sale" during the years before, say, 10 years from retirement.

"We are simply passing through history. This is history."
Indiana Jones - Raiders of the Lost Ark

recommended this path to successful retirement saving and investing. It's literally never too

Our Page 2 gets to the "Action Points" of these facets of learning to dance with risk. Read on...

Dechert-Hampe & Company Employees' Savings and Profit Sharing Plan

Compensation & Capital's June 30, 2021

Retirement Saving and Investing "Action Points"

Developing and Maintaining YOUR Perfect Portfolio:

Our recurring readers are well aware that the topic of determining and executing appropriate strategic asset allocation (your "SAA" for short) is our most frequent choice for our "Action Points" segment. That's by design, not random selection. It's based upon the fact that an impressive array of studies sponsored by esteemed and objective academic institutions worldwide over the past four or five decades have decisively concluded that the most important determinant of retirement investing success is the investor's selection of an SAA that's appropriate to their emotional and financial ability to withstand downside risk. Hands down. Not market timing. Not hiring the right broker. Not buying the top-rated mutual fund each year.

SAA's represent how much of a portfolio is in each of the major "asset classes." Those classes are generally considered to be stocks, bonds, and money markets – also referred to as "cash." (As an aside, asset classes can be further divided into "categories" such as government bonds or large company U.S. value stocks. Fine tuning of asset classes both complicates and customizes portfolios. That said, executing a complicated SAA doesn't necessarily improve its chances of reaching its goal).

So increasing your stocks portion increases the risk of a severe loss. Bonds/cash reduce that risk. But what SAA is right for you? And how (or whether) to modify it over time? Two approaches follow:

Target Date Funds: In an effort to simplify the SAA decision (and to market mutual funds) the financial services industry created "Target Date Funds." These funds start young investors with approx. 90/10 stock/bond mixes, stay at that SAA until about 20 years from normal (assumed age 65) retirement when they automatically "glideslope" the SAA down (and remain close) to around 50/50 at age 65, then continue to reduce risk to ultimately about 30/70 around age 75. The concept works best the closer you are to a "typical" career / retirement / investment portfolio investor. To determine your fit, read the funds' literature at www.planspecs.com/dhc > *Plan Investing* carefully before you invest.

Select Funds Guideline Portfolios: When DHC/MWC initiated your Select Funds Venue over 13 years ago, we developed four Sample Guideline Portfolios using a continually monitored, and replaced as warranted, set of 13 cost-effective, high-quality mutual funds. We constructed each of these four portfolios using mixes of these funds to result in static SAA's ranging from 80/20 (stock/bond) to 30/70 as suitable for very long (over 15 years) to very short (less than 3 years) investing horizons.

Understandably, the majority of retirement plan participants tend to stay in the "very long term" investing phase the longest. Therefore, most participants employ the 80/20 SAA's Guideline Portfolio, making adjustments only as fine-tuning "rebalancing" each year or two to bring their fund mix back into line with the Guideline Portfolio's. So, compared with Target Date Funds, this approach is not dynamic and automatic like the Target Date Funds and therefore requires a bit more effort.

That said, our Guideline Portfolios using the Plans' Select Funds allow you to personalize (as compared with Target Date Funds) your SAA to your actual (and sometimes changing) time horizon for employing your investments for retirement income. Decide to work a few more years? No problem: Just maintain your current SAA a bit longer. Feeling uncomfortable with risk in general or as you get closer to retirement? Dial your SAA down as you see fit.

In summary, your perfect portfolio is always a work in process throughout your accumulation, then into your withdrawal stages of retirement investing. You are always best served by choosing an SAA that combines a balance of risk of loss you can tolerate (both emotionally and financially), with a program that suits your motivations to be actively or passively involved at each phase of your investing "career".

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

(All for periods ended June 30, 2021)

(1) A fund with a 2nd Ranking outperformed 98% of its peers.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

NAME OF VANGUARD SELECT VENUE FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		3 Years	15 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TREASURY MONEY MARKET - VUSXX	Money Market	2nd	15th	0.09%	0.0%	0.0%	1.2%	1.1%	0.6%	1.0%
<i>Money Market Funds >></i>		<i>Category Average >></i>		0.35%	0.0%	0.0%	1.1%	0.9%	0.5%	1.0%
TOTAL BOND MARKET INDEX ADMIRAL - VBTIX	Bonds	43rd	51st	0.05%	2.0%	-0.4%	5.4%	3.0%	3.4%	4.4%
<i>Intermediate-Term Core Bond Funds >></i>		<i>Category Average >></i>		0.63%	1.8%	0.8%	5.3%	3.0%	3.3%	4.3%
INFLATION PROTECTED SECURITIES ADM - VAIPX	Bonds	32nd	23rd	0.10%	3.1%	6.5%	6.4%	4.0%	3.3%	4.4%
<i>Inflation-Protected Bond Funds >></i>		<i>Category Average >></i>		0.66%	2.9%	7.0%	5.9%	3.9%	2.9%	4.1%
WELLINGTON ADMIRAL - VWENX	Bonds & Stocks	16th	7th	0.16%	6.3%	26.2%	13.5%	11.9%	10.5%	8.9%
<i>US Allocation – 50% to 70% Equity Funds >></i>		<i>Category Average >></i>		1.07%	5.2%	27.1%	11.0%	10.3%	8.3%	7.0%
WINDSOR II ADMIRAL - VWNAX	Stocks	4th	13th	0.26%	6.9%	51.3%	17.5%	15.7%	13.0%	9.2%
<i>Large-Cap U.S. Value Stock Funds >></i>		<i>Category Average >></i>		0.99%	5.5%	42.9%	11.9%	12.1%	11.0%	7.9%
500 INDEX ADMIRAL - VFIAX	Stocks	27th	20th	0.04%	8.5%	40.8%	18.6%	17.6%	14.8%	10.7%
<i>Large-Cap U.S. Blend Stock Funds >></i>		<i>Category Average >></i>		0.90%	7.6%	40.5%	16.8%	16.2%	13.2%	9.8%
SELECTED VALUE - VASVX	Stocks	45th	27th	0.31%	3.4%	62.6%	11.4%	12.6%	11.2%	9.2%
<i>Mid-Cap U.S. Value Stock Funds >></i>		<i>Category Average >></i>		1.08%	4.9%	55.8%	11.1%	11.9%	10.6%	8.4%
U.S GROWTH ADMIRAL – VWUAX	Stocks	7th	18th	0.28%	12.9%	48.0%	29.0%	26.3%	19.1%	13.8%
<i>Large-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.03%	10.3%	41.7%	22.6%	22.0%	16.0%	12.1%
MID-CAP GROWTH INVESTOR - VMGRX	Stocks	58th	54th	0.34%	8.2%	40.5%	19.4%	18.8%	13.5%	11.3%
<i>Mid-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.2%	7.0%	48.2%	21.3%	20.2%	14.1%	11.4%
EXPLORER ADMIRAL - VEXRX	Stocks	44th	47th	0.32%	6.0%	52.8%	19.5%	21.1%	14.7%	11.3%
<i>Small-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.27%	4.9%	55.7%	19.3%	20.7%	14.0%	11.2%
INTERNATIONAL GROWTH ADMIRAL - VWILX	Foreign Stocks	3rd	1st	0.33%	7.5%	51.2%	23.3%	23.7%	12.6%	9.9%
<i>Foreign Large Growth Stock Funds >></i>		<i>Category Average >></i>		1.09%	6.8%	34.5%	13.8%	13.8%	8.2%	6.2%
EMERGING MARKETS INDEX ADMIRAL - VEMAX	Foreign Stocks	39th	50th	0.14%	5.2%	38.7%	11.6%	11.9%	3.9%	6.3%
<i>Diversified Emerging Markets Stock Funds >></i>		<i>Category Average >></i>		1.29%	5.4%	41.8%	11.5%	12.2%	4.4%	6.4%
ENERGY ADMIRAL - VGELX	Energy Stocks	64th	36th	0.30%	5.7%	18.6%	-10.4%	-2.9%	-2.6%	0.4%
<i>Energy Sector Stock Funds >></i>		<i>Category Average >></i>		1.39%	13.1%	70.1%	-11.7%	-4.8%	-6.2%	-2.1%

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

(1) A fund with a 37th Ranking outperformed 63% of its peers.

(All for periods ended June 30, 2021)

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

VANGUARD INDEXED AUTO-BALANCED FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		3 Years	15 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TARGET RETIREMENT INCOME - VTINX	Target Date Retire Income	37th	20th	0.12%	3.2%	12.0%	8.1%	6.7%	5.8%	5.9%
<i>Retirement Income Funds >></i>		<i>Category Average >></i>		0.69%	3.3%	12.5%	7.6%	6.4%	5.1%	4.9%
TARGET RETIREMENT 2015 - VTXVX	Target Date 2015	79th	25th	0.12%	3.4%	13.6%	8.4%	7.8%	7.0%	6.3%
<i>Target Date 2015 Funds >></i>		<i>Category Average >></i>		0.61%	3.9%	17.1%	9.1%	8.3%	6.9%	6.4%
TARGET RETIREMENT 2020 - VTWNX	Target Date 2020	41st	16th	0.13%	4.2%	18.9%	10.0%	9.4%	8.0%	6.9%
<i>Target Date 2020 Funds >></i>		<i>Category Average >></i>		0.64%	4.2%	18.9%	9.5%	8.8%	7.4%	6.2%
TARGET RETIREMENT 2025 - VTTVX	Target Date 2025	32nd	15th	0.13%	4.8%	22.7%	11.1%	10.6%	8.7%	7.3%
<i>Target Date 2025 Funds >></i>		<i>Category Average >></i>		0.68%	4.7%	21.5%	10.2%	9.8%	7.8%	6.5%
TARGET RETIREMENT 2030 - VTHRX	Target Date 2030	36th	16th	0.14%	5.3%	26.0%	11.9%	11.5%	9.3%	7.6%
<i>Target Date 2030 Funds >></i>		<i>Category Average >></i>		0.70%	5.2%	25.5%	11.3%	11.0%	8.5%	6.8%
TARGET RETIREMENT 2035 - VTTHX	Target Date 2035	41st	15th	0.14%	5.7%	29.3%	12.6%	12.4%	9.9%	7.9%
<i>Target Date 2035 Funds >></i>		<i>Category Average >></i>		0.71%	5.7%	30.0%	12.3%	12.1%	9.2%	7.3%
TARGET RETIREMENT 2040 - VFORX	Target Date 2040	41st	17th	0.14%	6.1%	32.7%	13.3%	13.3%	10.4%	8.3%
<i>Target Date 2040 Funds >></i>		<i>Category Average >></i>		0.72%	6.1%	33.6%	13.0%	12.9%	9.7%	7.6%
TARGET RETIREMENT 2045 - VTIVX	Target Date 2045	33rd	17th	0.15%	6.6%	36.1%	14.1%	13.9%	10.7%	8.5%
<i>Target Date 2045 Funds >></i>		<i>Category Average >></i>		0.72%	6.4%	36.1%	13.5%	13.4%	10.0%	7.8%
TARGET RETIREMENT 2050 - VFIFX	Target Date 2050	38th	1st	0.15%	6.6%	36.4%	14.2%	14.0%	10.7%	8.5%
<i>Target Date 2050 Funds >></i>		<i>Category Average >></i>		0.73%	6.6%	37.1%	13.7%	13.6%	10.1%	7.6%
TARGET RETIREMENT 2055 - VFFVX	Target Date 2055	43rd	n/a	0.15%	6.6%	36.4%	14.1%	14.0%	10.7%	N/A
<i>Target Date 2055 Funds >></i>		<i>Category Average >></i>		0.72%	6.6%	37.6%	13.8%	13.8%	10.3%	N/A
TARGET RETIREMENT 2060 - VTTSX	Target Date 2060+	48th	n/a	0.15%	6.6%	36.4%	14.1%	14.0%	N/A	N/A
<i>Target Date 2060+ Funds >></i>		<i>Category Average >></i>		0.72%	6.6%	38.0%	13.9%	13.9%	N/A	N/A
LIFE STRATEGY CONSERVATIVE - VSCGX	Conservative Allocation	34th	35th	0.12%	3.8%	14.9%	9.2%	7.9%	6.7%	6.0%
<i>Allocation – 30% to 50% Equity Funds >></i>		<i>Category Average >></i>		1.01%	4.0%	18.6%	8.6%	7.4%	6.2%	5.7%
LIFE STRATEGY GROWTH - VASGX	Aggressive Allocation	23rd	35th	0.14%	6.0%	31.9%	13.2%	12.8%	9.9%	7.7%
<i>Allocation – 70% to 85% Equity Funds >></i>		<i>Category Average >></i>		1.07%	5.9%	32.8%	11.8%	11.5%	9.0%	7.3%