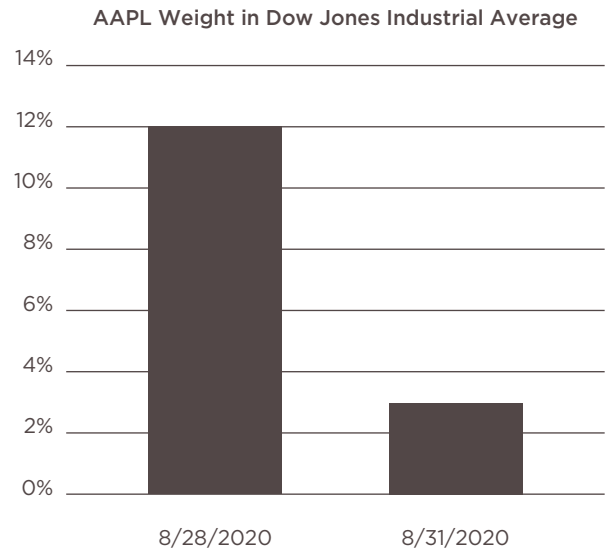




Chart of the Month →

On August 31, Apple performed a stock split, essentially turning each existing share into 4 shares at 1/4 the price. While stock splits are not unusual, this one had an outsized impact on the commonly quoted Dow Jones Industrial Average. The value of a company does not change through a stock split (though Apple's price did rise after the split). However, unlike more representative indexes such as the S&P 500, which weight companies by total market value, the Dow is price-weighted. As a result, Apple's weight in the Dow dropped from nearly 12% to just 3% based on the new share price, even though the value of the company had not changed. In response to this shift, the index providers made several other changes to its constituents. Salesforce was added to bring back some of the weight to the tech sector that Apple had provided. Amgen replaced Pfizer and Honeywell replaced Raytheon Technologies. Exxon Mobil, which had been in the Dow since 1928 when it was added as Standard Oil, was dropped from the index. While these changes are meant to bring the index more in line with the current makeup of the US stock market, the Dow's price weighting mechanism and limited number of constituents make that goal difficult to achieve.



Source: Bloomberg

Retirement Plan Options for Small Businesses

The SECURE Act and CARES Act may complicate the decision

As a small-business owner, figuring out retirement choices can be a little intimidating. How do you pick the most appropriate retirement plan for your business as well as your employees? There are three main types of retirement plans for small businesses: SIMPLE-IRAs, SEP-IRAs, and 401(k)s. Also, keep in mind that recent legislative changes that occurred with the passing of the SECURE Act and CARES Act may complicate the decision.

SIMPLE-IRAs - Distributions from SIMPLE-IRAs are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty. However, during the 2020 calendar year, the CARES Act allows eligible participants to take an early distribution of up to \$100,000 without paying the 10% penalty. Generally, once you reach age 72, you must begin taking required minimum distributions.

SEP-IRAs - Much like SIMPLE-IRAs, SEP-IRAs are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty. The CARES Act applies to SEP-IRAs too. Generally, once you reach age 72, you must begin taking required minimum distributions.

401(k)s - In most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 72. Withdrawals are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty. As of right now, the CARES Act exemptions apply only in the 2020 calendar year.* Because of the recent legislative changes resulting from the passage of the SECURE Act and the CARES Act, let's talk further about which of these plans may work best for you and your business.* *Read more about these options at 6meridian.com/resources or contact your financial advisor.*

Source: Bloomberg 2020

	August	YTD	2019	Benchmark	
Stocks	United States	7.2%	9.7%	31.5%	S&P 500
	Intl Developed	5.1%	-4.6%	22.0%	MSCI EAFE
	Emerging Markets	2.2%	0.4%	18.4%	MSCI Emerging Markets
Bonds	US Investment Grade	-0.8%	6.9%	8.7%	Barclays US Aggregate
	US Municipals	-0.7%	3.7%	8.9%	Barclays Municipal Bond 15y
	Intl Investment Grade	0.3%	5.4%	5.1%	Barclays Global Aggregate xUSD
	Global High Yield	1.6%	1.3%	12.6%	Barclays Global High Yield
	Emerging Markets \$	0.5%	3.2%	13.1%	Barclays Emerging Markets USD Aggregate
Other	Commodities	6.8%	-9.0%	7.7%	Bloomberg Commodity
	Gold	-0.4%	29.7%	18.3%	Gold New York Spot (\$/oz)
	Oil	5.8%	-30.2%	34.5%	Crude Oil WTI/Global Spot NYMEX

E / contact@6meridian.com • P / 316.776.4601 / 855.334.2110 • F / 316.776.4620

WWW.6MERIDIAN.COM • 8301 E. 21st, St. N. #150, Wichita, KS 67206

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