



DIRECTION for LIFE

CRYSTAL FINANCIAL OF RAYMOND JAMES

Newsletter for Friends & Clients

FIRST QUARTER 2020

Our vision...

To be a financial services firm as unique as the people we serve, transforming lives, businesses and communities through the power of personal relationships and professional advice.

Your team...



Tracy Vaughn, CFP®
Branch Manager
tracy.vaughn@raymondjames.com



Jim McLaughlin, WMS
Senior Vice President, Investments
jim.mclaughlin@raymondjames.com



Amy Barbieri, CFP®, MBA
Financial Advisor
amy.barbieri@raymondjames.com



Nanci Roth
Senior Branch Operations Specialist
nanci.roth@raymondjames.com



Kris Flanders
Financial Paraplanner Qualified Professional™
kris.flanders@raymondjames.com

FROM JIM'S DESK: January 12, 2021

First of all, I want to wish everyone a Happy New Year. I feel confident that the coming new year will be much better than last year. That should be a relatively low bar to cross. I think the question I heard most often during 2020 regarding the markets was; "how can the market be doing so well with the pandemic going on with all its collateral damage"? This was accompanied with considerable anxiety about the election. Well it's certainly true the markets did better than okay. It was actually a very good year for the equity markets with many of the tech companies soaring. How could this be given the aforementioned environment?

I am relying on a number of sage economists, money managers and investment strategists, who have indeed addressed this phenomena. They all point to the large amount of stimulus infused into the economy to try and blunt the effects of the pandemic. Secondly, interest rates continue to be extremely low. Third, even though many, many people are hurting economically, in the aggregate, the US population saved a great deal of money as there was so much less we could do, and some of these savings found their way into the markets. Fourth, since the "market" is a forward looking mechanism for the most part, investors could see that there was light at the end of the tunnel, especially as the vaccines became more and more likely to help, in a game-changing way.

These are some of the reasons I saw most often. What happens now? This is understandably the most frequent question I'm being asked now. Here again, I have read as much as I can from investment forecasts from a wide variety of well-known strategists. As always, it's not unanimous, but of those I read, it's a healthy plurality. One that resonates strongly with me and appeals to common sense: there is huge pent-up demand! Nearly everyone had things

See **JIM'S DESK / Page 3**

FROM TRACY'S DESK: Happy New Year

Like many do in January, I have spent some time reflecting on the past year. Yes, a year that has been dominated by Covid, and a lot of hardship and stresses for all of us. But when I look beyond the obvious headlines, I enjoyed reflecting on some of the things we focused on in our newsletters in 2020. It was interesting to see Jim's February thoughts about what we then saw as a "potential" risk of a pandemic and the history that we know about global disruptions. I think Jim would agree that some of the best advice he has given throughout his long career was not to allow short-term fear to change our long-term term plan. Once again, his experience and advice has proved immensely valuable.

During 2020 we spent some time talking about estate planning and how important it is to dust off those plans and make sure you have things in order. I am pleased that many of you have reported back to me on your progress in this area- well done! We looked at ways to enjoy our time off during quarantine and how to travel safe and have some rest and relaxation. We know how important it is to take care of ourselves during difficult times.

Who knew how important our technology would be in 2020? Our focus on the Client Access system on our website www.raymondjames.com/citrus that allows clients to see their accounts online at home has never been more valuable. I'm thrilled to see how many have adopted the virtual meeting, allowing us to use Zoom for robust reviews and discussions. I know of more than one client who has moved to the virtual world to keep social connections alive by using the internet to play bridge with her partners.

Early in the year we also talked about the Secure Act which had been enacted, and the many changes that impacted investors. These changes may be reflected on their tax return as we prepare for them this year. One likely change will be that the required minimum distributions from IRAs will be re-instituted in 2021 for those over age 72.

As we roll into this New Year, I think all the old rules do still apply. Maintaining focus on your goals, paying attention to risks and not the momentum and excitement of the market day to day, being kinder than necessary, and working with people that you trust is never more important than now. I hope you all remain healthy and enjoy a prosperous 2021.

IN THIS ISSUE

From Jim's Desk.....	Cover
From Tracy's Desk.....	Cover
Community Spotlight.....	Page 2
From Nanci & Kris.....	Page 2
From Amy's Desk.....	Page 3
SAVE the DATE.....	Back

COMMUNITY SPOTLIGHT: Q&A with County Commissioner Ruthie Davis Schlabach



Family: Jarey - Husband. Twin daughters - Julia & Catherine Schlabach.

How long have you lived in Citrus County? What do you like most about the area? Twenty-five years. I like the residents of Citrus County. We have some of the nicest people in the state.

Hobbies/Interests: Genealogy. I am a Mayflower Descendant and a Jamestown Society member.

Causes You Are Passionate About?: I am deeply concerned about our Seniors, Veterans, our youth & our animals.

Favorite place you've travelled to? Place you'd still like to visit? Ireland.

Career that interests you besides your own? Aviation.

Accomplishment most proud of? Being a mother.

How old were you when you became interested in your profession? Ten years old.

What do you enjoy most about your profession? Being able to make a positive change in Citrus County.

Biggest challenge in your profession? Campaigning. Putting your life and your family out there to be analyzed by strangers, strangers who would never run for office themselves.

What do you want to learn more about? I learn something new everyday. I am a voracious reader.

If you had complete financial security, how would you spend your time? Serving and trying to make a difference in Citrus County.

What do you strive for most in life? What do you try to avoid? Peace. Negativity.

How would you like to be remembered? That I motivated others to give back to their community and neighbors. A faithful daughter, wife, mother, aunt, and friend. Also, that I showed my daughters to love themselves and be strong in their convictions.

What values or philosophies would you like to pass on? To be thankful, work hard, show kindness and love your neighbor. Be nice to people on the way up because you will meet them on the way down.

Information about your profession community members may not be aware? Co-own an alarm and fire installation company with my husband Jarey. We also install audio and video systems.

What on the horizon are you excited about? I am excited to be the next county commissioner for District 3. Looking forward to helping the citizens of Citrus County.

FROM NANCI & KRIS: Important information for tax season 2020

As you prepare for tax season, here is some information that you may find beneficial.

2020 Form 1099 mailing schedule

- ◆ January 31 – Mailing of Form 1099-Q and Retirement Tax Packages
- ◆ February 15 – Mailing of original Form 1099s
- ◆ February 28 – Begin mailing delayed and amended Form 1099s
- ◆ March 15 – Final mailing of any remaining delayed original Form 1099s

Delayed Form 1099s: In an effort to capture delayed data on original Form 1099s, the IRS allows us to extend the mailing date until March 15, 2021 for clients who hold particular investments or who have had specific taxable events occur. Examples of delayed information include:

- ◆ Income reallocation related to mutual funds, real estate investment, unit investment, grantor and royalty trusts, as well as holding company depository receipts
- ◆ Processing of original issue discount and mortgage-backed bonds
- ◆ Expected cost basis adjustments including, but not limited to, accounts holding certain types of fixed income securities and options

If you do have a delayed Form 1099, a preliminary statement will be generated and can be viewed in Client Access for informational purposes only, as the form is subject to change.

Amended Form 1099s: Even after delaying your Form 1099, please be aware that adjustments to your Form 1099 are still possible. Raymond James is required by the IRS to produce an amended Form 1099 if notice of such an adjustment is received after the original Form 1099 has been produced. There is no cutoff or deadline for amended Form 1099 statements. The following are some examples of reasons for amended Form 1099s:

- ◆ Income reallocation
- ◆ Adjustments to cost basis (due to the Economic Stabilization Act of 2008)
- ◆ Changes made by mutual fund companies related to foreign withholding
- ◆ Tax-exempt payments subject to alternative minimum tax
- ◆ Any portion of distributions derived from U.S. Treasury obligations

Delays Expected for Tax Season 2020: In an effort to control amended 1099s, we currently expect to delay the mailing of 1099s that meet the following criteria:

- ◆ 1099s for accounts which hold securities that have not 100% reallocated or could potentially have income reallocation (such as mutual funds, real estate investment trusts, unit investment trusts, exchange traded funds and holding company depository receipts and select equity securities)
- ◆ 1099s for accounts which hold Original Issue Discount (OID) bonds, including select municipal bonds
- ◆ 1099s for accounts with hold specific 45 day delay Mortgage Backed Securities which are reportable based on record date (i.e. Record on 12/31, payable on 2/15)
- ◆ Specific expected cost basis adjustments

What can you do? You should consider talking to your tax professional about whether it makes sense to file an extension with the IRS to give you additional time to file your tax return, particularly if you held any of the aforementioned securities during 2020. If you receive an amended Form 1099 after you have already filed your tax return, you should consult with your tax professional about the requirements to re-file based on your individual tax circumstances. As always, please call us if you have any questions or concerns about the upcoming tax season, your accounts, or financial planning in general.



FROM AMY'S DESK: *10 Themes That Will Affect Your 2021 Investing*

What can investors expect this year? Positive (but unsteady) economic growth, a powerful boost in earnings and continued success for information technology stocks, says Raymond James Chief Investment Officer Larry Adam.

The first-ever postponement of the Summer Olympics exemplifies the depths of disruption the pandemic has caused. However, the concept of the torch is associated with hope, light and strength, an excellent metaphor for the rescheduled start date – July 23, 2021 – likely coinciding with the sustainable reopening of many parts of the world. As a salute to everyone that has done their part to make this happen – from scientists to frontline workers to the athletes themselves – and to set our sights on a more uplifting time period, we've chosen the Summer Games as the backdrop for our ten themes for 2021.

1. Global synchronized economic recovery - Rowing in the same direction: Nineteen of the twenty largest economies in the world experienced a contraction in growth in 2020, but we expect the entire crew to see positive growth in 2021. The coxswain of the recovery will be global central banks, led by the Federal Reserve (Fed), as its decisions to keep interest rates low and liquidity robust will ultimately dictate the power and pace of the global economic recovery.

2. U.S. economic recovery will take on a triathlon: The recovery will be defined by transitional periods with varying paces throughout the year. At the onset, worsening COVID trends and paused reopening processes will prove to be a challenge. Analogous to swimming, the first leg of the triathlon, the pace will be slower and the waters may be choppy. However, by the spring, economic growth will accelerate as the dissemination of vaccines push the pedal for more businesses to safely reopen. Toward the end of the year, we expect to reach a steadier stride, finishing at a slower but more sustainable pace.

3. Keeping portfolios en garde despite low yields: Fencing requires agility, coordination, balance, and timing – the same skill set global central banks displayed when adjusting interest rates in light of the COVID-19 pandemic. This year, acceleration in economic growth should thrust the yield back to the 1.50% level by year end, but low inflation, central bank buying, strong foreign demand and the growing economic sensitivity to higher yields will parry yields from returning to levels near 2% on a sustainable basis.

4. Earnings will do the heavy lifting: We remain positive on equities over the next 12 months, but it will be a powerful earnings rebound (20%+ earnings per share growth in 2021) that will raise the bar. Earnings are often revised higher in the period following a recession, so when combined with tailwinds such as multiple vaccines and additional fiscal stimulus, the S&P 500 will likely reach 4,025 by year end.

5. Info tech - Hitting the bullseye of our sector target: Archery incorporates both accuracy and precision, the same qualities we aim to possess as we determine our preferred sectors. Information technology has been the top-performing sector for three of the last four years, and we believe the rollout of 5G and the manner in which the pandemic altered the way companies conduct business will be additional arrows in the sector's quiver. Given the tech-based adaptations in other industries, we believe investors can still score points with healthcare, consumer discretionary, communication services and industrials sectors.

6. Wave of socially responsible investment not about to break: The sport of surfing began prior to 1770, but it will make its Olympic debut this year. Similarly, the principals of environmental, social, and corporate governance (ESG) investing have been practiced for decades, but between the Biden administration and the lingering impacts of the COVID-19 pandemic, the ESG wave is expected to grow.

7. Exposure abroad will be a balancing act: The uneven bars are one of the four events for female gymnasts, but they are also prevalent in our equity allocation preferences, as our bias toward U.S. equities remains intact. The broad-based global economic recovery would typically lead us to be more flexible with international exposure, but the sector allocation in Europe has garnered the region a few deductions. However, our preferred sectors, along with expectations for a weakening dollar and attractive valuations, present a favorable outlook for emerging market equities.

8. U.S. dollar will not have the inside track: The global economy's recovery, ongoing aggressive fiscal and monetary policy action, a growing budget deficit, and – more likely than not – easing trading restrictions with China and our allies will all serve as hurdles in the dollar's path, preventing it from moving higher. Ultimately, the weakening of the dollar may pass the baton to emerging market (EM) equities, EM bonds, commodities and U.S. multinational companies.

9. Oil demand to catch the crosswind of economic activity: 2020 was anything but smooth sailing for the oil industry, as the Saudi-Russia oil price war and virus-induced lockdowns weighed heavily on oil prices. In 2021, a sustainable return to normality is expected to cause the best rebound in global oil demand since 1973. The gradual rise in oil prices (WTI Crude \$60 per barrel year-end target) should put wind in the sails of the industry's lagging recovery, but with the environment a top campaign issue for president-elect Biden, a renewable energy storm is on the horizon.

10. Keeping asset allocation parameters on the fairway: We expect overall market volatility to be more palatable in the year ahead, driven by the gradual reopening of the economy, more stable monetary policy and less political risk. But just because volatility won't be on par with that of 2020 does not make adherence to asset allocation parameters any less important. With pullbacks still a natural occurrence for the equity market, it is critical that investors have a strategy in place for when the times get rough so that emotionally-driven investment decisions don't lead portfolios into hazards.

All expressions of opinion reflect the judgment of the author and are subject to change. Past performance may not be indicative of future results. There is no assurance any of the trends mentioned will continue or forecasts will occur.



JIM'S DESK: *continued*

they want to do, things they want to buy. Because there's been buildup of savings I mentioned, there is a great deal of cash at the ready. Secondly, it is almost a certainty that there will be more stimulus coming. Third, equities continue to be about the only place where there is potential as interest rates do not favor cash or bonds (doesn't mean you shouldn't own some). Yes, real estate is an option that has potential but this segment is not as readily available to the average investor. So the plurality I spoke to favors another year or two of equity market gains. Many of you remember Jeff Saut, who is still very much in the investment community, maintains we are in that secular bull market he has opined for the last 9 years (he starts this secular bull market as beginning in 2011). He reminds us that the average secular bull market lasts 15-20 years. If this comes to pass, that would mean we would have some years to run.

Readers of my notes will no doubt detect a possible contradiction. Here I am talking about relatively short time frames, when I'm always emphasizing thinking and investing more toward the longer term. Yes, I still emphasize the longer term thinking, but we don't have the luxury of ignoring the short and intermediate term. The discussion about attempts to say that from all that we and others can see, we would continue to commit dollars to the equity markets in the here and now as long as you have goals that span 2-5 years or more. We look forward to start meeting with clients and friends this year. Until



Crystal Financial of RAYMOND JAMES

Direction for Life

2101 SE US Hwy 19
Crystal River, FL 34429
352.795.6155 or 800.443.4368 *tf*

*We changed our name to **Crystal Financial of Raymond James** to better reflect who we are and how we do business. But that's all that has changed. We still have the same great team and are just as dedicated to offering sound financial guidance to you and yours. You'll also continue to have access to the resources of one of the largest independent firms and award-winning research through our partnership with Raymond James. For more news and information, please visit our website and Facebook page:*

www.raymondjames.com/citrus | facebook.com/rjcitrus

SERVICES INCLUDE:

Alternative Investments
Business Planning
Education Planning
Financial Planning
Institutional Consulting
Investment Solutions
Monetization Services
Prime Brokerage & Custody Services

Banking & Lending Solutions
Corporate Retirement Plan Consulting
Estate, Charitable Giving & Trust
Fixed Income Services
Investment Banking
Longevity Planning
Portfolio Management
Retirement Planning

SAVE the DATE



NEW DAY: Wall Street Coffee Club meetings will be held first Wednesdays at the YMCA in Lecanto. Attendees enjoy roundtable discussions on the economy, investing & other financial planning topics. To comply with COVID guidelines, attendees are required to practice social distancing & wear a mask. You must RSVP to attend; we will only be accepting a limited number of guests. To accommodate more attendees, we will be hosting two sessions each first Wednesday— one from 10:00-11:00am & one from 11:30am-12:30pm. Attendees are asked to wait in their cars or outside until the start of their session. The room will be cleaned & disinfected before & after each session. We also cannot serve coffee & snacks at this time (you can bring your own if you like). A Dunnellon coffee club is not currently scheduled. For questions or to RSVP, call or e-mail Amy Barbieri. Ph: 352.795.6155 or 800.443.4368 toll free, e: amy.barbieri@raymondjames.com

February 3: *Wall Street Coffee Club*, 10:00-11:00am & 11:30am-12:30pm, Citrus County YMCA, Lecanto.

February 6 & 20: *Farmers Market*, 9:00am-1:00pm, Depot Pavilion, Inverness.

February 7: *Pro Football's Big Game*, 6:30pm, Raymond James Stadium, Tampa.

February 8: *Market Update Webinar*, 4:15pm ET. Join Chief Investment Officer Larry Adam & other Raymond James investment thought leaders for an in-depth look at underlying trends & factors driving market performance, as well as outlooks on major asset classes & portfolio positioning. Stream the webinar at 4:15pm or access a recording afterwards at: www.raymondjames.com/investment-strategy-client-call (phone dial-in option also available).

February 15: The office & markets will be closed in observance of *Washington's Birthday*.

February 20: *Friends of Citrus County Library System Book Sale*, 9:00am-2:00pm on 3rd Saturdays of the month, Village West Plaza, Lecanto.


March 3: *Wall Street Coffee Club*, 10:00-11:00am & 11:30am-12:30pm, Citrus County YMCA, Lecanto.

March 6 & 7: *Strawberry Festival*, 9:00am-5:00pm on 3/6, 9:00am-4:00pm on 3/7, Floral Park, Floral City.

March 27 & 28: *Manatee Festival*, 9:00am-5:00pm on 3/27, 9:00am-4:00pm on 3/28, Downtown Crystal River.

April 2: The office & markets will be closed in observance of *Good Friday*.

April 7: *Wall Street Coffee Club*, 10:00-11:00am & 11:30am-12:30pm, Citrus County YMCA, Lecanto.

Raymond James & Associates, Inc., Member New York Stock Exchange/SIPC. Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and  which it awards to individuals who successfully complete initial and ongoing certification requirements. Investing always involves risk and you may incur a profit or a loss. Past performance does not guarantee future results. Raymond James financial advisors do not render legal or tax advice. Please consult a qualified professional regarding legal or tax advice. The information in this newsletter has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any opinions are those of the author and are not necessarily those of Raymond James. Expressions of opinion are subject to change without notice. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The Dow Jones Industrial Average (DJIA), commonly known as "The Dow" is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. The NASDAQ composite is an unmanaged index of securities traded on the NASDAQ system. Raymond James is not affiliated with and does not endorse the entities mentioned above. 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. Links are being provided for information purposes only. Raymond James is not affiliated with and does not endorse, authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members. International investing involves special risks, including currency fluctuations, differing financial accounting standards, and possible political and economic volatility. CDs are insured by the FDIC and offer a fixed rate of return, whereas the return and principal value of investment securities fluctuate with changes in market conditions. Securities Based Line of Credit provided by Raymond James Bank, N.A. Raymond James & Associates, Inc. and Raymond James Financial Services, Inc. are affiliated with Raymond James Bank, N.A., a federally chartered national bank.