



Our vision...

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

Your team...



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FROM JIM’S DESK: *Managed Money*

I came across this *Financial Advisor Magazine* article which captures why we are such proponents of managed assets. The fact that we can do this for small, medium and large clients is one of the most important advances to occur in my 40 years in this business. Would love feedback or questions regarding “managed money” and how it may fit in your financial planning:

I stay out of making day-to-day investment decisions. I leave that to the pros. When you went into management at my former firm, you give up all your accounts. The logic was simple: You need to concentrate on your new role and the advisors. I chose our advisor. Twenty-six years later we are still together. Almost all our assets are in managed money. From my point of view as a client, here’s why I (we) like it.

1. **Day-to-day market movement? Not my problem.** There’s a team of money managers behind each separately managed account. They are style and size specific. They do what they do best—manage impartially according to a strategy.
2. **Getting buy confirmations on down days.** Confirms used to come by mail. Now I get an e-mail alerting me they did something. On down days they are often buying. On days when we set new highs, they are sometimes selling.
3. **The trendy stuff is there.** The pandemic put plenty of stocks in favor. I didn’t need to try thinking ahead, wondering what those stocks might be. When I review our consolidated account

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FROM TRACY’S DESK: *Blind Spots*

Recently I have been reading some articles describing financial bias or blind spots. It resonated with me because we spend a fair amount of time helping clients find clarity in these areas. Sometimes financial blind spots can mean weaknesses in financial literacy or planning for the future, and often bias exists that can impact our investment performance.

We know not everyone has all of their arrangements made or plans complete when it comes to the future. Plain old procrastination is a common culprit because we believe we will get to it at a more convenient time, or the situation will settle down and decisions will become easier. Unfortunately, rarely does the “perfect time” come around for planning your final wishes. It’s best to take care of these issues with competent legal advice rather than leaving your loved ones to figure it out.

Sometimes we see that the blind spots exist in an investment portfolio. Commonly we see clients with large positions in stocks where they have an overconfidence in a company’s ability to perform. Often supported by what is referred to as confirmation bias. This is a tendency for an investor to seek out information and opinions that agree with their own views. Be careful here. Even very good companies with long track records can see their stock fall dramatically. Sometimes paying some taxes and reducing risks through diversification is better in the long run.

A common tendency is for investors to ignore statistical probability and instead believe one event or a piece of information is representative of future outcomes. This was especially evident when the stock market saw high levels of volatility during the early days of the pandemic in 2020. This is a common reaction when investors experience fear. We know that allowing emotions to drive investing decisions rarely works in the client’s favor.

When emotions turn to greed, we sometimes see herd mentality. This occurs when investors hear that their peers are making money in a particular area and therefore they decide to purchase the same investments in their own portfolio regardless of whether this is an appropriate investment or not. There are many examples in the daily news today. This is where it is important to be certain you know what you own, and the risk associated with it. We have many resources that can help break it down for you.

Another weakness or blind spot in planning that is lesser known deals with charitable giving. We know that some investors have accumulated a significant amount of highly appreciated stock and intend to give it to charity when they die. A lack of planning in this area can be a big weakness. There are strategies used today such as Donor Advised Funds that benefit the donor through tax deductions now, while allowing gifts to be given to charity later. Another benefit is that your family can have a giving legacy with these assets in the future.

Often we don’t realize that we have these weaknesses or blind spots until something happens. Do you recognize yourself or someone you know in these examples? If any of these areas strike a chord for you, give us a call and we may be able to provide some clarity for you and your family.

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COMMUNITY SPOTLIGHT: Q&A with Meredith Linley



Position: Executive Director, Crystal River Main Street, Inc.

What do you hope to accomplish in the next two to five years? In the next two to five years it is my hope that Main Street can be a voice for historical preservation in our community. This is so important because we must maintain the integrity of our downtown and preserve the investments local business owners have made with our current historic buildings. Main Street is also eager to assist the City in any way with the completion of the Kings Bay Riverwalk, that could be adding artwork, beautification projects and branding signage and maps.

What is the reason you are a part of Main Street? I'm a part of Main Street because I'm in love with our little community. There's something really special here and people from all over the world come to see what we have to offer. From our picturesque sunrises and sunsets, a growing downtown business community, the southern hospitality greets you and lures you in.

What is Main Street's big ask? Main Street's biggest ask is two-fold. Being a non profit of course financial support is critical to help us continue our program of work but equally as important is raising awareness to our residents that downtown is here, open and ready to welcome you. Financial contributions will always be welcomed but seeing locals make a commitment to shop, play and eat in our downtown businesses is also critical to the survival of our downtown.



Tracy & Meredith, along with fellow Crystal River Mainstreet & community members, at a mural dedication in the Town Square, Crystal River, FL. Crystal River Main Street, Inc. is a 501(c)(3) organization to preserve, maintain and improve the historic downtown district of Crystal River, Florida, and to educate the general public about the historic significance of the District's architecture, history and culture. Photo Credit: Matthew Beck, Citrus County Chronicle.

FROM NANCI & KRIS: *Secrets of Successful Centenarians*

People are growing older – and bolder – in “Blue Zones” where residents disproportionately live beyond 100, at rates up to 10 times higher than other places. Blue Zone residents from various cultures offer the rest of us insight into living longer, better lives. And it's a good bet that we will live longer than the generation before us. Recent data from the U.S. Census Bureau shows that the life expectancies of both males and females are projected to increase over the next few decades. Here's what researcher Dan Buettner learned from Blue Zone residents. Chances are we can learn something, too.

◆ **Hold loved ones in esteem:** Family comes first, which means keeping aging parents and grandparents nearby or in their home, committing to a life partner and investing in children with time and love.

◆ **Have a sense of purpose:** It's worth up to seven years of extra life expectancy, according to Buettner.

◆ **Find your tribe:** The world's longest-lived

people are born into, or choose, social circles that support healthy behaviors.

◆ **Move naturally:** Each Blue Zone culture has low-intensity physical activity built into their everyday lives. Okinawans socialize and dine while seated on the floor, getting up and down dozens of times a day. Sardinians walk up and down cobbled streets to visit neighbors.

◆ **Shed stress:** It's vital to decompress the body and mind with downtime (even for just 15 minutes) to help ward off nearly every major age-related disease including Alzheimer's and cardiovascular disease.

◆ **Eat just enough:** People in these zones eat their smallest meal in the late afternoon or early evening and don't eat any more for the rest of the day.

◆ **Choose a diet with a “plant slant”:** Centenarians embrace a plant-based diet with plenty of vegetables and beans, including fava, black, soy and lentils. Meat – mostly pork – is eaten on average five times each month, with servings about the size of a deck of cards.

◆ **Sip some wine:** People in all Blue Zones (except Adventists) drink alcohol moderately and regularly, enjoying one to two glasses each day with friends and/or food.

◆ **Belong, and stay connected:** Most of the centenarians interviewed by Buettner belonged to a faith-based community. Attending faith-based services four times a month can add four to 14 years of life expectancy.

Many of us want to live as long as possible. Consider how you want to live as you age, discussing – openly and honestly – what your wishes are with your family, realistically planning for your long-term care needs, and thinking of novel ways to stay connected to the important people in your life

Sources: New York Times Magazine; bluezones.com; nytimes.com; shiftyourfamilybusiness.com; girlboss.com; MIT AgeLab; cdc.gov; cnn.com; Cardinal & Gray Society; Hartford Funds, “The Quality of Life”; census.gov

BLUE ZONES

SARDINIA, ITALY: The Nuoro province of this Mediterranean island has the world's greatest concentration of male centenarians per capita, according to a study by the University of Sassari.

LOMA LINDA, CALIFORNIA: East of Los Angeles, a population of conservative Methodists lives, on average, 10 years longer than the rest of North Americans.

IKARIA, GREECE: This Aegean island has one of the world's lowest rates of middle-age mortality and dementia.

NICOYA, COSTA RICA: On this Pacific coast peninsula with colorful houses and exotic fruits, residents are twice as likely as Americans to reach a healthy age 90.

OKINAWA, JAPAN: Women in the northern part of the main island enjoy the longest disability-free life expectancy in the world.

FROM AMY'S DESK: *Don't hold your breath for the return of double-digit rates*

Today's extraordinarily low interest rates have created a window of opportunity, as consumers and companies take advantage of cheap borrowing costs and homeowners rush to shave money off their mortgage by refinancing. But there are two sides to every coin: This trend makes it that much tougher for savers looking to earn enough interest on their cash reserves to stay ahead of inflation. Right now, spending is the priority for pandemic crisis recovery, and so the Federal Reserve has announced it plans to keep interest rates near zero until at least 2023. With Americans' personal savings rates at historic highs, there comes an urge to "do something" with idle money – or to reconsider the ratio of stocks to bonds in a portfolio, given the muted prospects for fixed income. Here we offer a dose of perspective on navigating this environment.

The echo of "lower for longer": In the U.S., the central bankers at the Federal Reserve have control over what's called short-term interest rates, the rate banks charge one another to borrow money for a day. In general, every other interest rate is affected by what the fed funds rate is, from the return on your savings account to the rates charged on a mortgage. Cut that rate and it's less expensive to borrow money. Raise the rate, it becomes more costly to borrow, and people will tend to save more. It's one tool the Fed uses to pursue its goals.

"The Fed has two goals, maximum employment and stable prices – and by stable prices we mean inflation around 2%," said Scott Brown, Raymond James chief economist. After a series of listening sessions across the U.S., the Fed announced in August that it would now try to achieve inflation that averages 2% – meaning that if there is a period well below the target 2%, you need to run above 2% to balance that. "This suggests a somewhat higher tolerance for inflation, somewhat higher tolerance for low unemployment as well," said Brown. "Putting it in the statement was sort of banging the gong." All of that points to low interest rates sticking around. In fact, interest rates have been trending downward for decades.

Forget the high rates of the '80s: Professionals say that means you shouldn't hold your breath waiting for the higher rates seen 40 years ago. Back then, the Fed pumped the brakes with double-digit interest rates to combat inflation that was smothering the economy. The 10-year Treasury yield, for example, peaked at 16% in 1981.

"I don't think it's very likely that investors are going to see double-digit interest rates again," Brown said. That's in part because the Fed learned to avoid the destabilizing "go-stop" monetary policy that convinced businesses to maintain high prices during that period. "The Fed has become a well-organized machine over the last several years, with a very solid underpinning in the terms of the economists working there. So as long as we see inflation expectations remaining low, those tend to be self-fulfilling."

Navigate the markets nimbly: This change in the landscape may require a shift in your strategy for emergency cash and investments. The traditional advice for investors is that as you get closer to a goal like retirement, you should trade stock holdings for lower risk investments such as bonds. "But no one's really earning a lot in fixed income, so that's a bit of an issue," Brown said. "That means you'll want to talk to your financial advisor because you can generate income aside from just buying a Treasury bond."

Investment professionals also say to focus on the role of fixed income as a shock absorber in your portfolio, which comes in handy in times of turbulence. "In the year ahead, we expect bonds to offset the potential for equity volatility rather than produce robust capital appreciation returns," said Raymond James Chief Investment Officer Larry Adam. There's something to be said for principal preservation – the return of your money rather than the return on your money. If you're worried that you're not doing enough with your nest egg with rates lower for longer, give us a call. We can help you explore strategies for your cash and investments that align with your risk tolerance and timeline.

Sources: Raymond James Chief Investment Office; The Associated Press; CNBC; The Federal Reserve. All expressions of opinion reflect the judgment of the Chief Investment Office and are subject to change. This information should not be construed as a recommendation. The foregoing content is subject to change at any time without notice. Content provided herein is for informational purposes only. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct.

JIM'S DESK: *continued*

statement, I often see we own the stocks people are talking about.

4. **100% of the money goes to work.** There are no upfront fees. You put money into a managed money program and every dollar is working on our behalf.
 5. **Transparency in pricing.** There's no surrender charges or fees hidden in the structure of a product. We know what we are paying. FYI: I've seen many people in the industry try to avoid all transaction costs when investing their own money. In my opinion, a good advisor deserves to be paid. They are giving you attention. Their time has value.
 6. **Pay as you go pricing.** Sometimes money gets taken from one manager and given to another. You stop paying when you sell and restart paying when you buy. It's the ultimate in pay as you go pricing.
 7. **We see stocks we might never have chosen.** Yes, they bought companies doing drug research during the pandemic. They bought a toolmaker while people locked down at home did home improvement projects. They bought the big brokerage firms. They bought luxury goods firms in Europe.
 8. **Size and style specific.** Each manager is selected because they are good at one thing. My former firm keeps watch for style drift or significant personnel changes that might impact their strategy.
 9. **Volume discounting.** We might utilize several money managers, yet we get the benefits of volume pricing. Pricing is determined by how much in assets we have under management overall.
 10. **We can withdraw money if necessary.** Although investing should be approached as a long-term commitment, we might need to move money for RMDs or because we want to make a large purchase. We call our advisor. Three days later the money is in the right account.
 11. **Continuity.** If one brilliant person made all the investment recommendations you would worry "What if something happened to them?" Who might you get next? The day-to-day investment decisions are made by the teams behind each investment manager. We know there's continuity.
 12. **We can add money.** There are events in the future that might send cash in our direction. Cash accumulates in other accounts. We know it can be redistributed to one or several of our money managers. Or maybe a different one.
- Our advisor works like the conductor of a symphony orchestra. She brings the separate sections together to deliver the performance. We are the audience reaping the benefits.

SOURCE: Sanders, Bryce. "12 Reasons Why Our Money Is In Managed Money Financial Advisor Magazine," Charter Financial Publishing Network, 12 April 2021, fa-mag.com/news/12-reasons-why-our-money-is-in-managed-money-61399.html. Opinions are those of the author and not necessarily those of Raymond James. Information may not be applicable to your Raymond James account. This is not an endorsement or recommendation.

The 40-year decline in federal funds rate with historical context



Sources: The Federal Reserve (daily rate), Raymond James research, Standard & Poor's



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SAVE the DATE



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

May 31: The office & markets will be closed in observance of *Memorial Day*.

June 2: *Wall Street Coffee Club*, 10:00-11:00am & 11:30am-12:30pm, Citrus County YMCA, Lecanto.

June 4 & July 2 *First Friday* by Crystal River Main Street featuring art, craft & produce vendors, along with live music & dancing, 4:00-8:00pm, Town Square, Crystal River (for more on Crystal River Main Street, see page 2).


June 7: *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).

June 19: *Friends of Citrus County Library System Book Sale*, 9:00am-2:00pm on 3rd Saturdays of the month, Village West Plaza, Lecanto.

July 5: The office & markets will be closed in observance of *Independence Day*.

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

July 31 *Stuff the Bus*, 10:00am-2:00pm, donate school supplies at county Walmart and Winn Dixie stores. Learn more at www.citruseducation.org

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