GATEWAY
INVESTMENT MANAGEMENT
OF
RAYMOND JAMES®

THE COMMUNIQUE

December 2021

MAJOR INDICIES	LAST	MTD	QTD	YTD
S&P 500	4591.67	0.54%	6.60%	22.25%
Dow Jones Industrials	35227.03	2.16%	4.09%	15.01%
NASDAQ Composite	15225.15	-2.01%	5.38%	18.13%

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.21%
10-yr Treasury Bond	1.44%
30-yr Treasury Bond	1.77%

Information as of December 6, 2021 Source: Thomson Reuter's Thomson One

MARKET COMMENT

2022

As we near the close of 2021, markets seem to be a bit tenuous. Most stocks are trading on a downward bias, having already booked substantial returns for the year. Barring any major pull backs, they should be able to ink those positive returns into history. But what does January, and the up-coming year, hold in store for us? Let's peer into the (misty) future to discern some possibilities.

First, there is definitely an increased level of risk flagging across the broader market. Between high price-to-earnings ratios among companies and serious inflationary shocks in the form of rising commodity prices (energy), steadily increasing wages, bottlenecks in the supply chain, and a Federal Reserve that is turning the page to a new chapter of moderating monetary policy, the risks to the market are evident. Oh, did we forget that there are still COVID uncertainties. Even with these risks, the market's horizon into 2022 does seem to be more optimistic than pessimistic. This is due to a strong economy, healthy consumer demand, a normalizing of the supply chain throughout the year (even if slowly), and relatively low interest rates for economic growth. However, longer-term we are seeing some substantial, albeit anecdotal, evidence of a topping of this bull market. Like all previous bull markets, there are signs of what I call "silliness" in the types of available investment, and investors' willingness to tolerate their outrageous valuations.

As an example, 2021 is on track to claim a record for the most of Initial Public Offerings (IPO's) in a single year. Included in this figure are Special Purpose Acquisition Companies (SPAC's), which are companies that have no commercial operations, but simply raise capital to acquire, or merge with, an existing company. These SPACs are also known as "Blank Check Companies" because of their mission. Whether 2022 continues this speculative path certainly bears watching.

Next, margin levels recorded a new high in October of 2021, so speculation of buying stocks on borrowed money is clearly in vogue. If the stock market continues its rally, we could see new records set in short order and investors extended like other tops in history. This also bears watching.

The final item that caught my attention is a November 30th, 2021, Wall Street Journal article titled, "Metaverse Real Estate Piles Up Records Sales in Sandbox and Other Virtual Realms." I'll be the first to admit that I am not an expert in the Metaverse, so like many, I leveraged the internet for a brief description. Wikipedia had the following definition: "the metaverse is a hypothesized iteration of the Internet, supporting persistent online 3-D virtual environments through conventional personal computing, as well as virtual and augmented reality headsets. Metaverses, in some limited form, have already been implemented in video games." The article went on to point out that many investment firms are acquiring "digital lands" in this virtual world. In fact, one company recently paid $4.3 million for a plot of virtual land. So, if understand that correctly, someone paid real, tangible, legal tender for digital fantasy land? Is that even called *real* estate? I couldn't rationalize it, so I did further research to test the claims veracity, and, yes, it's true – real money for cyber land.

It would appear to me that this type of "investment" must be viewed as either a form of entertainment, at best, or a terrifying example of the amount of excess in our system. Assuming the former, this concept will certainly be constrained by the limited amount of entertainment dollars available in the economy. If it's the latter, then substantial amounts of capital may be allocated to these virtual "assets" based upon the assumption another investor will be willing to buy them at a higher price – even though nothing is tangibly owned. Does anyone remember Tulip Mania from the 1600's, the South Sea bubble from the 1700's, and, of course, the Tech Bubble in 2000? As Mark Twain sagely said, "history doesn't repeat itself, but it often rhymes." This definitely bears watching!

We wish you all a most healthy, and blessed New Year! Thank you for your continued trust, and confidence.

PLANNING STRATEGY

Raymond James "Point of View" article. M21-3866859

Social Security Increases Benefits by 5.9% for 2022

The Social Security Administration has announced a cost-of-living adjustment (COLA) to recipients' monthly Social Security and Supplemental Security Income (SSI) benefits. More than 64 million Americans will see the 5.9% increase in their payments beginning in January of 2022.

The increase – significantly higher than last year's 1.3% adjustment – is tied to the Consumer Price Index for Urban Wage Earners and Clerical Workers and was put in place to ensure the purchasing power of these benefits isn't eroded by inflation.

According to the Social Security Administration, on average, retired workers currently collect $1,565 per month in Social Security payments, or roughly $18,780 per year. The 5.9% COLA will add about $92 per month to those payments, or $1,104 for the year.

Keep in mind, all federal benefits must be direct deposited. So if you haven't already started receiving benefits, you need to establish electronic transfers to your bank or financial institution. Contact your financial advisor for more information.

Source: Social Security Administration

LIFE & LEISURE

Raymond James "Point of View" article. M20-3303213

The Psychological Side of Spending Your Retirement Savings

For years, you've been saving and investing for retirement.

But what happens when you finally retire and it's time to switch gears from saving to spending?

It turns out, many people are so focused on accumulating assets that they never really think about actually withdrawing the money. In fact, recent studies show that many retirees aren't drawing down their retirement portfolios, opting instead to live on Social Security and the minimum required distributions (aka RMDs) so their portfolios can continue to grow. This may lead to unnecessary sacrifices in a retiree's standard of living. After almost two decades in retirement, most current retirees still have 80% of their pre-retirement savings, according to research from BlackRock.

The problem with uncertainty

So why aren't these retirees spending their nest eggs? Some may be spending as little as possible to leave behind a larger sum for their loved ones or philanthropic pursuits. But in many cases, it's because they aren't sure how to determine a sustainable withdrawal rate that accounts for their total lifespan. They worry about the "what ifs" retirement may throw their way and want to be prepared. You may be able to relate.

This latter group understands that over the course of a long-term retirement, inflation can erode savings. Portfolio returns can vary, and healthcare costs can quickly escalate. And they may be concerned about outliving their savings – only 25% of baby boomers believe their savings will last throughout retirement, according to the Insured Retirement Institute. By spending less and allowing their savings to potentially grow in the early years of retirement, they hope to offset some of the uncertainty.

Collaborating with us can help increase your confidence about having enough money to live comfortably in retirement. Just like in your working years, you can establish a just-in-case cash cushion or line of credit that helps put you at ease. And having a sound distribution strategy in place – one that takes into account your income sources, lifestyle, asset locations and tax situation – can help you enjoy the retirement lifestyle you envisioned.

Withdrawing your money

When it comes to withdrawing your retirement savings, here are a few things to consider:

Organize your expenses: Three typical categories include essential expenses (think food, housing and insurance), lifestyle expenses (vacations, hobbies) and unexpected expenses (healthcare costs, auto repairs). Consider paying for your essential expenses with guaranteed income sources such as Social Security or annuities. Use growth or income investments to pay for lifestyle expenses, and maintain a cash reserve for any unexpected costs that might occur.

Be flexible. For instance, a downturn in the market is a good time to tighten the reins on your spending. But if you experience some unexpected investment gains, the timing might be right for that dream vacation.

There's little doubt your income needs will fluctuate during retirement. The early years may be filled with travel and other big-ticket items that require more substantial withdrawals. As time goes on, you'll likely travel less, but your healthcare expenses may increase. Studies show that spending tends to decline in the later years of retirement, most likely the result of less travel and similar pursuits. People ages 55 to 64 spend on average $60,076 per year, while people ages 65 and over spend $45,221, according to the Bureau of Labor Statistics.

Building in flexibility allows you to go with the flow. Just be sure to regularly touch base with your advisor so your budget can stay on track.

Review your plan. Work with your advisor to develop and review your retirement income and distribution strategies. You can run hypothetical simulations based on different withdrawal rates, how many years you will live in retirement or any other contingencies, which will allow you to develop a better idea of how much you can comfortably and confidently spend in retirement to help achieve your goals.

Everyone's retirement situation is different. You may have encountered some unexpected circumstances, such as a layoff or forced retirement that occurred earlier than you planned, and you weren't able to save as much as you hoped. On the other hand, leaving a legacy may be your primary goal. Whatever the case may be, establishing a withdrawal strategy that's right for you – while also keeping your emotions in check – is often a good plan of action.

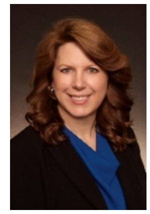
Sources: kitces.com; forbes.com; cnbc.com; ournextlife.com; smartaboutmoney.org; thestreet.com; kiplinger.com; myirionline.org
Raymond James and its advisors do not offer tax advice. You should discuss any tax matters with the appropriate professional.

Quote of the Month: "The only way to do great work is to love what you do."
— Steve Jobs

For questions or additional information please contact:
Raymond James & Associates
9900 Clayton Road, Saint Louis, Missouri 63124

Jim Pohlman, CFP®
Senior Vice President, Investments
James.Pohlman@raymondjames.com
T 314-214-2122

Hunter Martiniere, J.D
Financial Advisor
Hunter.Martiniere@raymondjames.com
T 314-214-2152



Vickie Bollinger
Senior Registered Sales Assistant
vickie.bollinger@raymondjames.com
T 314-214-2175

Planning - Social Security Increases Benefits by 5.9% for 2022 (raymondjames.com)
Life & Leisure - The Psychological Side of Spending Your Retirement Savings (raymondjames.com)

Disclaimers & Disclosures

Raymond James is not affiliated with and does not endorse the opinions or services of independent third parties named. The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation.

Views expressed in this newsletter are the current opinion of the author, but not necessarily those of Raymond James & Associates. The author's opinions are subject to change without notice. There is no assurance that the statements, opinions, or forecasts included in this material will prove to be correct. Information contained in this report was received from sources believed to be reliable, but accuracy is not guaranteed. Investing always involves risk and you may incur a profit or loss. No investment strategy can guarantee success. The S&P 500 is an unmanaged index of 500 widely held stocks. The Dow Jones Industrial Average is an unmanaged index of 30 widely held securities. The NASDAQ Composite Index is an unmanaged index of all stocks traded on the NASDAQ over-the-counter market. U.S. Treasury securities are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and guaranteed principal value.

Keep in mind that indexes are unmanaged and individuals cannot invest directly in any index. Index performance does not include transaction costs or other fees, which will affect the actual investment performance. Individual investor results will vary. Gross Domestic Product (GDP) is the annual market value of all goods and services produced domestically by the US. The Consumer Price Index (CPI) is a measure of the average change in consumer prices over time of goods and services purchased by households; it is determined monthly by the U.S. Bureau of Labor Statistics.

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANC IAL PLANNER™ and federally registered CFP (with flame logo) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

Changes in tax laws may occur at any time and could have a substantial impact upon each person's situation. While we are familiar with the tax provisions of the issues presented herein, as Financial Advisors of Raymond James & Associates we are not qualified to render advice on tax or legal matters.

Past performance may not be indicative of future results.

Some material was prepared by Raymond James for use by James Pohlman, Senior Vice President, Investments, of Raymond James & Associates, Member New York Stock Exchange/SIPC.

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.

Investing in commodities is generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.