GATEWAY
INVESTMENT MANAGEMENT
OF
RAYMOND JAMES®

THE COMMUNIQUE

October 2024

MAJOR INDICIES	LAST	MTD	QTD	YTD
S&P 500	5751.13	-0.20%	-0.20%	20.57%
Dow Jones Industrials	42080.37	-0.59%	-0.59%	11.65%
NASDAQ Composite	18182.92	-0.03%	-0.03%	21.13%
New York Stock Exchange	19445.53	-0.36%	-0.36%	15.38%

U.S. TREASURIES	YIELD
2-yr Treasury Note	3.97%
10-yr Treasury Bond	4.02%
30-yr Treasury Bond	4.31%

Information as of October 8, 2024 Source: FactSet

MARKET COMMENT

Transition

October is high on my list of favorite months. With cooler temperatures, changing leaves and the doorway to autumn, it is truly a time of transition. Financial markets are very familiar with transitions, but this month instead of discussing the markets, we will map a different course towards life's transition as we grow older. It's no secret that my odometer just turned over 70. It should be a well-known fact due to my wife, Judy, having frequent friendly conversations with everyone that we meet that I've reached the "golden" age! I prefer a quieter approach. Maybe if I ignore my age it will disappear? (wishful thinking!) As I transition into this stage of life there has been much reflection, pondering, and planning – as many of you, our clients, are doing or have done with our assistance. I thought in the coming months that sharing some of my personal experiences from time to time may help others in their own planning process and help us wrap our minds around growing older. We will look at areas of retiring, career changes, leisure (one of my favorites), volunteering, managing time, health, avocations, budgeting, estate planning and maybe a few areas not yet discovered.

This month let's look at retirement, and particularly, my retirement - in which you may have some interest. At age 70 I have passed the normal retirement age, and some clients thought my exit would be forthcoming. However, current plans are that I remain working full-time behind the scenes managing some of our portfolios. Hunter and Vickie will continue to handle most of the client service work. Hunter has done a wonderful job transitioning into managing our business, and I will be available to assist whenever needed by him or our clients. I believe most clients will not notice any difference. My goal is to continue working until age 75 and, at that point, re-evaluate if my health and mind are still in working order. If so, I will likely continue. We do have plans in place to add staff to our team soon as well. I continue to enjoy my profession, and helping our clients is important to me, as many have been with us for decades. With over 40 years of investment experience, my desire is to use it wisely for our client's benefit.

So, how did I come to transitioning from pending retirement to continuing to work? Everyone's situation will be different and must weigh their variables, but for me it was realizing that my work was a large part of who I am. I enjoy the challenge of managing portfolios (in a not so certain world). I also enjoy helping clients reach their financial goals and creating a legacy for our client's families – in several scenarios serving four generations of some of the same family. Lastly, my work allows me to be engaged, stimulated, and have a daily purpose. Even if I eventually choose to retire from my current profession, I will need to create a purposeful retirement with some structure and goals to make for a more satisfying retirement – even if it's a goal to become a better golfer! It seems a bit scary to retire and not know what to do the next morning, so planning not only our financial goals, but mental goals, is as important.

If I struck a personal retirement note to you, please feel free to call me to discuss. As always, we highly value your trust and confidence.

PLANNING STRATEGY

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Trusteed IRA: Where Retirement and Estate Planning Meet

Retirement assets totaled $35.7 trillion at the end of September 2023. Of those total assets, $12.6 trillion were in IRAs. IRAs play an important role in retirement, and if yours has a large balance or if it constitutes a considerable portion of your wealth, you'll want to preserve it for the future and well-being of your loved ones.

A trusteed IRA can help address larger wealth transfer goals – one of which is having greater control over how your assets are distributed to your heirs – while retaining the function of a traditional or Roth IRA and keeping you in control when the unexpected happens. After all, the more complex your estate, the more control you'll want to carry out your wishes.

The best of both worlds

Most IRAs are held in a simple custodial account. When the owner dies, the beneficiary has unlimited access, meaning your heir – usually a spouse, child or grandchild – can withdraw assets at any time. This may be acceptable for smaller accounts, but if you have a significant balance in your IRA, you may want to put some rules in place.

A trust can serve as a much more comprehensive and effective vehicle for distributing your assets and carrying out your wishes. While appointing an executor is still common practice for small or simple estates, a trustee – especially a professional one – is better equipped to manage estates of significant complexity or size.

Who it's for

A trusteed IRA gives the heightened control and option for professional management of a trust to your retirement account – allowing your IRA to become a strategic part of your estate plan. You might find a trusteed IRA beneficial if you:

- Want greater control over how your assets are distributed to heirs, such as who, how much and when
- Have a blended family with heirs from a previous marriage that you want to receive benefits from your IRA account
- Are concerned for heirs who may suffer from addiction or are otherwise incapable of managing their finances responsibly
- Need to ensure the continuity of your investments, distributions and bill payments in the event of your incapacitation

SECURE Act considerations

The SECURE Act of 2019 has widespread impact on all sorts of factors relating to retirement – and IRAs are no different. Even when inheriting a trusteed IRA, your non-spousal beneficiaries will likely be subject to the 10-year rule, requiring them to empty the account within 10 years. Your advisor can help you understand exceptions to this rule and how they might affect your plan.

The bottom line

For those who want to add control, confidence and continuity to their retirement and estate plans, setting up a trusteed IRA is simple. Talk to your advisor to determine if it's the right choice for you. They can also connect you with a trust manager to get started.

Raymond James does not provide tax or legal advice. Please discuss these matters with the appropriate professional. Prior to making an investment decision, please consult with your financial advisor about your individual situation.

Sources: Bank of America; FSKS; HBKS Wealth Advisors; Merrill Lynch

LIFE & LEISURE

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Make Your Files Findable When You Leave Them to Your Heirs

Depending on the source, about half of Americans know they should have a will but don't. And a National Library of Medicine study found that in 2017 only a third of us had completed end-of-life forms that outline our wishes for comfort and care during that final transition. Not surprising, maybe, since the process can be confusing and perhaps distressing when considering our own mortality. What may be surprising is the fact that the unpredictable pandemic may have shifted Americans' attitudes toward codifying our wishes in a very practical sense.

The why

It seems, despite living through a once-in-a-century pandemic, our interest in actually completing the task still wavers. However, top of the list of benefits is peace of mind – saving cost, time and heartache. Doing the work to have everything in place means medical professionals will be guided by your voice, your loved ones won't have to bear the burden of guessing what you would want, and you'll know that your heirs will receive the accounts and assets that you intended for them. It may not make it easier to say goodbye but should make the aftermath a lot easier.

Another beautiful potential benefit, perhaps even the most important one? Quelling the potential for intra-family strife during an already stressful time. Proper planning could help protect sibling and family relationships, which can get ugly when it comes to medical and financial matters. Experts recommend making your wishes clear and communicating them well before your passing, particularly if you're part of a blended family.

The what

You'll want to put some strong safeguards in place. Ask your medical and financial professionals if you need any or all of these documents. Don't be intimidated. You don't have to codify everything at once, and many are fairly straightforward. The more emotional tasks like writing letters of love or an ethical will, which outlines your values, may actually be the hardest.

Financial power of attorney. Durable powers of attorney give someone permission to make decisions on your behalf – anything from communicating with your cable company to dealing with banking, real estate, business and legal matters.
POLST forms outline physician orders for life-sustaining treatment for those with serious conditions, indicating things like whether you'd like CPR, mechanical ventilation, feeding tubes or ICU treatment.
Medical power of attorney. Sometimes called a living will or advanced directive, this outlines medical treatments you want and those you don't and authorizes a proxy to make decisions for you.
A last will and testament.
Beneficiary forms. For insurance policies, retirement accounts and some other assets, the beneficiary form prevails over the will.
A declaration of guardian appoints someone to look after your minor children.
A trust. In many states, a living trust can be used to transfer assets and personal property in an orderly and more private manner than a will and can even stipulate special provisions such as age-based distribution so young adults don't inherit all at once.

The where and how

If you need help getting started, first get organized.

Discover what you already have. For example, you may already have a healthcare proxy. From there, make an appointment with an attorney who specializes in estate or elder care law to review what you have and help you fill any gaps. Include your financial advisor to ensure you've made a plan for all relevant assets.

You may want to also make an advanced care planning appointment with your doctor. Often this can be done remotely (two 30-minute appointments are covered by Medicare, as is advanced planning for a cognitively impaired patient). Be sure to ask so you'll know what your financial liability may be.

Once gathered, store all relevant paperwork in one place. Some prefer a binder in a safe deposit box, but another secure way may be an online vault that allows you to grant differing levels of access to those you trust most. Just make sure your family members and righthand professionals know where to find these important documents and how to access them.

The who

Last, but certainly not least, make time to share your decisions with those they'll affect. Talk to your loved ones about your healthcare and financial plans and preferences, where important documents live and how to access them. Your advisor can help you set up regular family meetings to address who inherits what and why, as well as other details. Of course, the most important thing is to take the time to tell your family just how much you love them.

Raymond James is not affiliated with any organizations mentioned. Raymond James does not provide legal services. Please discuss these matters with the appropriate professional.

Sources: vox.com; theatlantic.com; compassionandchoices.org; Centers for Disease Control and Prevention; Health Affairs; nytimes.com; time.com

Quote of the Month: "Transitions are a time for reflection, and a time for looking forward" – Roy Cooper

For questions or additional information please contact:
Raymond James & Associates
9900 Clayton Road, Saint Louis, Missouri 63124
314-214-2100

Hunter Martiniere, J.D.
Senior Vice President, Investments
hunter.martiniere@raymondjames.com
T 314-214-2152

Jim Pohlman
Senior Vice President, Investments
james.pohlman@raymondjames.com
T 314-214-2122

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

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