

RAYMOND JAMES®



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Dear Friends,

As the summer peaks the stock market indices rush to new highs and the country churns over issues of COVID-19. With the upcoming elections many of us are left scratching our heads feeling defensive and out of touch. The world seems too big to comprehend and our efforts meaningless. How are we meant to navigate the cacophony and barrage of information?!?

While our answer remains about as simple and straightforward as always.... make minor adjustments to a plan that will help your money serve you the best in life; we are making some procedural changes.

In the last 20 years we have seen two investing environments (with the Corona Virus being a possible third) that are *supposed* to happen only about once in a lifetime: the meltdown after the tech-wreck in 2000; the *great recession*; and while we may have put off a third with the recent pandemic, it may still be too soon to tell.

One of the biggest dangers to a financial plan is what's called *sequence of returns*. It's true the markets have an impressive long-term annualized rate of return, the individual sequence of those returns is erratic. If an individual starts their retirement just prior to, or going into a multi-year economic downturn, they may very well have to sell investments lower than when purchased to create income to support retirement. This headwind can disrupt an otherwise solid plan.

There are several good methodologies to circumnavigate this issue. One that we have been using more frequently is the *bucket* strategy. Imagine this: you have a creek outside your house that is fed by rainwater, not a deep aquifer. Luckily you live in a rain-rich environment and it's not an issue, but every so often (and more than you like) there is a drought and the creek runs low or even dry. As a precaution you put a barrel near your house and fill it from the creek. When the waters are flowing you replenish the barrel, but when the droughts arrive the barrel serves as a reserve to make it into better times.... this is the *bucket* strategy and retirement income can be structured to function in the same manner.

There is a wonderful whitepaper we can provide with lots of graphs and examples regarding this concept. If you'd like a copy, please let us know.

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We bring this and other strategies to the table when we talk with you about your portfolios and financial plans.

Here's to wishing you a calm rest of your summer in a time of turmoil and perspective in a landscape of dramatic events. Know we are here for you even if our meetings cannot be in person. We come to work each day with you in mind.

Shredding Day is here!

- Please join us for **Shredding Day on Tuesday, August 11th from 9am to 11am**. The team will be behind the Augusta office building (socially distanced & masked) with coffee and doughnuts – rain or shine. **RSVP not required!**

P.S. During this time of need, we'd be delighted if you could please bring along peanut butter, jelly, pasta, canned pasta, tomato sauce, diced tomato, mayonnaise, and any other non-perishables for donation to the Augusta Food Bank. The Mendall Financial Group thanks you in advance.

P.P.S Can't make it? If you'd like to drop off paper to be shredded before August 11th, we'd be happy to assist. Please call the office to set up a time, 207-621-2626.

Sincerely,



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