Ali Dhanji's Quarterly

Navigating Your Finances Through the Frost

Financial resolutions for 2025

How corporate executives are leveraging AI

The dual benefits of non-cash donations

SPRING 2025

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From your financial advisor

Welcome to the Spring 2025 edition of our financial advisory magazine. As we navigate through a period marked by market volatility, our focus this quarter is on understanding and managing this unpredictability.

In this edition, we delve into the pressing issue of the fiscal deficit and its implications on our trade deficit. Our analysis explores why addressing the fiscal deficit is crucial for economic stability.

Our "Thoughts on the Market" section provides insights into current market trends and strategies to navigate these turbulent times.

We also highlight how life-changing events can impact your taxes, offering guidance on how to manage these changes effectively.

For those looking to finance luxury purchases, our article on securities-based lending offers a practical solution. We also examine the new guidelines for the 10-year rule on retirement accounts and their potential impact on your IRA beneficiaries.

Given the current market conditions, volatility remains a central theme. We provide strategies to manage and mitigate the risks associated with market fluctuations.

Looking ahead, we explore the future of energy with a focus on artificial intelligence, grid modernization, and electrification. These advancements promise to reshape our world and present new investment opportunities.

Lastly, we invite you to unwind with our feature on golf, a sport that offers both relaxation and networking opportunities.

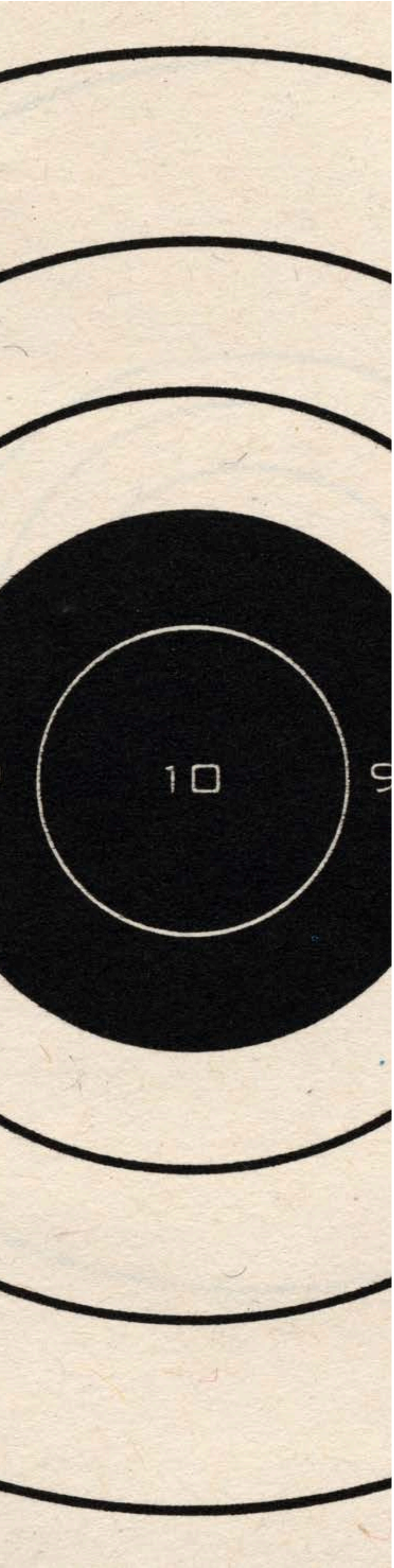
We hope you find this edition informative and engaging. Thank you for your continued support.

Ali Dhanji

FINANCIAL ADVISOR

INSIDE THE MAGAZINE

Rapid Fire



What went well in the last quarter?

- PERFORMANCE OF PRECIOUS METALS, MANAGED CARE, HOSPITALS, AUTO PARTS RETAILERS, AND GROCERS.
- 10.5%+ GOLD RALLY, BIGGEST MONTHLY GAIN SINCE 2012.
- DOLLAR INDEX FELL 3.2%, LARGEST DECLINE SINCE NOV 2022, PROVIDING A POSITIVE SPIN FOR EARNINGS.

What did not go well in the last quarter?

- US EQUITIES SOLD OFF IN MARCH (S&P 500 SEEING ITS BIGGEST MONTHLY DECLINE SINCE DEC 2022.
- GROWTH, MOMENTUM FACTORS SIGNIFICANTLY UNDERPERFORMED COMPARED TO VALUE.
- MAGNIFICENT 7 GROUP DRAGGED DOWN TECH, COMMUNICATIONS SERVICES SECTORS.

What are we watching for in the next quarter?

- IMPACT OF TRUMP 2.0 POLICY UNCERTAINTY ON RISK SENTIMENT AND TRADE.
- POTENTIAL CHANGES IN INDIVIDUAL TAX RATES / CORPORATE DEDUCTIONS FOR STATE AND LOCAL TAXES.
- DEVELOPMENTS IN THE AI SECTOR AND CONCERNS ABOUT AN AI CAPEX BUBBLE.

What are we concerned about?

- CONTINUED DETERIORATION IN SENTIMENT DATA AND STAGFLATION RISKS HIGHLIGHTED BY THE FED.
- INCREASED CONSUMER CAUTION AND MUTED DEMAND IN SECTORS LIKE RETAIL, AIRLINES, AND HOMEBUILDERS.
- TECHNICAL DETERIORATION IN MAJOR INDICES AND LACK OF MEANINGFUL CAPITULATION IN US EQUITIES.

What are we excited about?

- CONSUMER SPENDING RESILIENCE, HIGHLIGHTED BY CEO'S OF BOFA, VISA, AND MASTERCARD.
- POSITIVE SURPRISES IN FEBRUARY DATA, INCLUDING RETAIL SALES, INDUSTRIAL PRODUCTION, HOUSING.
- FAVORABLE CONTRARIAN BUY SIGNALS FROM DEEPLY DEPRESSED AAII BULL-BEAR SPREAD AND MOMENTUM FACTOR UNWIND.

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APRIL 2025 CAPITAL MARKET OUTLOOK IS HERE

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May this Easter Sunday fill you
with hope, happiness,
prosperity and abundance!

Happy Easter!

Why don't we fix the fiscal deficit? That will start fixing our trade deficit.

CHIEF ECONOMIST EUGENIO J. ALEMÁN DISCUSSES CURRENT ECONOMIC CONDITIONS.

SOURCE: RAYMOND JAMES

Let's be blunt. Some of the reasons, but not the only ones, why our trade deficits are so large is because government expenditures are too high and/or we are not collecting enough taxes. That is, the US economy is growing too fast for our own good. Having said this, there is no reason to believe that large trade deficits are inherently bad for the economy, which is what the current administration and some of their most influential advisors are arguing. We have a large deficit in the trade of goods, but we have a large surplus in the trade of services. Should other countries impose large tariffs on our exports of services? Think about that until it sinks in!

The first part of our argument above, government expenditures are too high, should appeal to Republicans, so they can go ahead and do what they always say they are going to do but seldom do, that is, lower government spending. The second part, which is not collecting enough taxes, should appeal to Democrats, so they can go ahead and increase taxes, which they are always arguing in favor of.

We have been very clear, over the last several years (see our white paper "Debunking the US National Debt Problem") about our position that we should do both, slow down government spending and increase tax collections, be it by improving collections and/or raising taxes. We wrote a Weekly on July 12, 2024, in which we compared US tax collections as a percentage of GDP to France. This comparison showed that tax collections as a percentage of GDP in the US, including federal government, state government, local government, and social security tax receipts, amounted to 26.5% in 2021 versus France's 44.9% of GDP. Of course, we are not arguing that we should go down France's path, but just an increase in tax collections as a percentage of GDP of about 1% point should do the trick. That is, there is plenty of space, compared to France, for the US to increase tax collections and stabilize the rate of growth of the US debt.

However, the fact of the matter is that none of our political parties are even trying to lower our fiscal deficit. According to the Peter G. Peterson Foundation, the current fiscal proposal in the Republican plan could add $9 trillion to the US debt over the next ten years.[1]

[1] *"Full Array of Republican Tax Cuts Could Add $9 Trillion to the National Debt," The Peter Peterson Foundation, March 31, 2025. https://www.pgpf.org/article/full-array-of-republican-tax-cuts-could-add-9-trillion-to-the-national-debt/*

The Trump administration is justifying the tariffs as an instrument to increase tax revenues. On the flip side, the Republican plan is to lower taxes and make our fiscal issues worse. Furthermore, there is an easier way to lower the fiscal deficit without shocking the US and global economy by engaging in a trade war. As we said above, either slow down the rate of growth of government spending and/or increase tax collections and/or increase taxes or do a combination of all of the above.

We have a bold proposal.[2] Here goes. During the Pandemic recession, our debt increased by about $6 trillion as both the Trump and Biden administrations transferred monies to households and businesses. Since the economy is doing well today, let's pay that money back! Let's make a payment plan over, let's say, 10 or 20 years, for households and businesses, to pay that money back. Let's not call it a tax; and let's make it temporary, not permanent. Let's decrease the US debt by $6 trillion in 10- or 20-years' time. Of course, we must also slow down the growth rate of government expenditures. Again, as we argue in the footnote below, this is the reason why we are not politicians!

Once again, let's throw a lifeline to our political class. We actually don't need to go as far as what we argued in the previous paragraph. In fact, we don't even need to bring down the debt at all. We just need to slow down its rate of growth. This is why we need to lower the fiscal deficit, fast. Once we stabilize the growth rate of the debt through the lowering of our fiscal deficits, then economic growth will take over and the debt as a percentage of GDP will start to go down.

We still don't know why we have chosen to increase tariffs (a tax on American consumers) to lower our fiscal deficit. Tariffs are highly regressive taxes, affecting those in the lower income levels more. At the same time, tariffs are highly distortionary taxes that affect production, productivity, and economic efficiency, which threatens the ability of the economy to grow at potential output.

We have written extensively, during the last year or so, on why we do not like tariffs. For example, see the *Weekly* for February 21, 2025; the *Weekly* for February 7, 2025; the *Weekly* for May 24, 2024, just to get a sample of

[2] *Our proposal just confirms the reason why we are not politicians, i.e., we will never be elected!*

the reasons for our opposition to tariffs. But using tariffs to justify lowering taxes (or just keeping taxes low) and increasing spending/or even not slowing down spending enough, as has been proposed by the Republican Congress makes absolutely no sense.

Although markets celebrated, on Wednesday, the lowering of tariffs on all the countries to 10% with a 90-day pause on the higher tariffed countries while at the same time increasing tariffs on China to a punitive, 145% level, the fact of the matter is that with such a move, the tariff levels will not change much from what it was originally estimated after the announcements on April 2, 2025. That is, we will have the highest effective tariffs in more than 100 years.

In summary, the first step in lowering our trade in goods imbalance is to put our fiscal house in order. While we do that, we can take measures to castigate countries that manipulate their currency and keep it undervalued in order to export more, etc.

WAY TO MAKE GOOD INFLATION NUMBERS GO TO WASTE

As we have been expecting, inflation is (was?) getting closer and closer to the Fed's target. This week's Consumer Price Index report confirmed our expectations by showing a 0.1% decline in prices, month- over-month, while the year-over-year rate slowed down to 2.4% in March, from 2.8% in February. Furthermore, at the end of this month, we expect the PCE price index, which is the rate of inflation used by the Federal Reserve for inflation targeting, to be even closer to the 2.0% target, at 2.2%. However, this is probably water under the bridge and with what is happening to the markets, and what is expected to happen with the implementation of tariffs, this 'inflation-target-closeness' will probably be a reminder of what could have happened if we had not embarked on this trade war.

Economic and market conditions are subject to change.
Opinions are those of Investment Strategy and not necessarily those of Raymond James and are subject to change without notice. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. There is no assurance any of the trends mentioned will continue or forecasts will occur. Past performance may not be indicative of future results.
Consumer Price Index is a measure of inflation compiled by the US Bureau of Labor Statistics. Currencies investing 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.
Consumer Sentiment is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in the first quarter of 1966. Each month at least 500 telephone interviews are conducted of a contiguous United States sample.
Personal Consumption Expenditures Price Index (PCE): The PCE is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services. The change in the PCE price index is known for capturing inflation (or deflation) across a wide range of consumer expenses and reflecting changes in consumer behavior.
The Consumer Confidence Index (CCI) is a survey, administered by The Conference Board, that measures how optimistic or pessimistic consumers are regarding their expected financial situation. A value above 100 signals a boost in the consumers' confidence towards the future economic situation, as a consequence of which they are less prone to save, and more inclined to consume. The opposite applies to values under 100.
Certified Financial Planner Board of Standards Center for Financial Planning, Inc. owns and licenses the certification marks CFP®, CERTIFIED FINANCIAL PLANNER®, and CFP® (with plaque design) in the United States to Certified Financial Planner Board of Standards, Inc., which authorizes individuals who successfully complete the organization's initial and ongoing certification requirements to use the certification marks.
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GDP Price Index: A measure of inflation in the prices of goods and services produced in the United States. The gross domestic product price index includes the prices of U.S. goods and services exported to other countries. The prices that Americans pay for imports aren't part of this index.
Employment cost Index: The Employment Cost Index (ECI) measures the change in the hourly labor cost to employers over time. The ECI uses a fixed "basket" of labor to produce a pure cost change, free from the effects of workers moving between occupations and industries and includes both the cost of wages and salaries and the cost of benefits.
US Dollar Index: The US Dollar Index is an index of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies. The Index goes up when the
U.S. dollar gains "strength" when compared to other currencies.
Import Price Index: The import price index measure price changes in goods or services purchased from abroad by U.S. residents (imports) and sold to foreign buyers (exports). The indexes are updated once a month by the Bureau of Labor Statistics (BLS) International Price Program (IPP).
ISM Services PMI Index: The Institute of Supply Management (ISM) Non-Manufacturing Purchasing Managers' Index (PMI) (also known as the ISM Services PMI) report on Business, a composite index is calculated as an indicator of the overall economic condition for the non-manufacturing sector.
Consumer Price Index (CPI) A consumer price index is a price index, the price of a weighted average market basket of consumer goods and services purchased by households.
Producer Price Index: A producer price index(PPI) is a price index that measures the average changes in prices received by domestic producers for their output.
Industrial production: Industrial production is a measure of output of the industrial sector of the economy. The industrial sector includes manufacturing, mining, and utilities. Although these sectors contribute only a small portion of gross domestic product, they are highly sensitive to interest rates and consumer demand.
The NAHB/Wells Fargo Housing Opportunity Index (HOI) for a given area is defined as the share of homes sold in that area that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
Conference Board Coincident Economic Index: The Composite Index of Coincident Indicators is an index published by the Conference Board that provides a broad-based measurement of current economic conditions, helping economists, investors, and public policymakers to determine which phase of the business cycle the economy is currently experiencing.
Conference Board Lagging Economic Index: The Composite Index of Lagging Indicators is an index published monthly by the Conference Board, used to confirm and assess the direction of the economy's movements over recent months.
New Export Index: The PMI New export orders index allows us to track international demand for a country's goods and services on a timely, monthly, basis.
Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.
The Conference Board Leading Economic Index: Intended to forecast future economic activity, it is calculated from the values of ten key variables.
Source: FactSet, data as of 12/6/2024

HAPPY

Mother's Day

“Wishing all the amazing mothers out there a very Happy Mother's Day!”

MAY 11, 2025

THOUGHTS ON THE MARKET

A QUICK OVERVIEW OF THE FINANCIAL MARKETS IN QUARTER 1, 2025.

SOURCE: RAYMOND JAMES MONTHLY MARKET RECAP-MARCH

	Dow	S&P	Nasdaq	Russell 2000
FY'2025	-1.28%	-4.59%	-10.42%	-9.79%
Q1'2025	-1.28%	-4.59%	-10.42%	-9.79%

Turbulence is expected to continue until markets gain more clarity.

The equity market remained turbulent through March, with the S&P 500 dipping into correction territory – 10% off its February peak – largely spurred by tariff policy uncertainty and related fears of potentially rising inflation and dwindling growth.

"The extreme optimism that was embedded in US equity valuations at the start of the year has reversed, with sentiment turning decidedly more negative following the recent correction," said Raymond James Chief Investment Officer Larry Adam. "However, with more attractive valuations and more reasonable expectations, equities are now better positioned to rise moving forward. The key catalyst is likely to be greater policy clarity, especially concerning tariffs, which remains elusive so far."

At its March meeting, the Federal Open Market Committee (FOMC) left target interest rates unchanged, raising inflation expectations for 2025 and lowering growth forecasts through 2027. Chairman Jerome Powell indicated that if growth falters, rate cuts would not be delayed.

Before we dive into the details of last month's news, here's where the major indices stand.

	12/31/24 Close	3/31/25 Close*	Change Year to Date	% Gain / Loss Year to Date
DJIA	42,544.22	42,001.76	-542.46	-1.28%
NASDAQ	19,310.79	17,299.29	-2,011.50	-10.42%
S&P 500	5,881.63	5,611.85	-269.78	-4.59%
MSCI EAFE	2,259.60	2,451.36	+191.76	+8.49%
RUSSELL 2000	2,230.16	2,011.91	-218.25	-9.79%
BLOOMBERG AGG. BOND	2,189.03	2,244.71	+55.68	+2.54%

**Performance reflects index values as of market close on March 31, 2025. Figures for the MSCI EAFE and Bloomberg Aggregate Bond reflect the market close on March 28, 2025.*

Q4'2024	Dow	S&P	Nasdaq	Russell 2000
	-1.28%	-4.59%	-10.42%	-9.79%

TARIFF CONCERNS STEERED THE SHIP

One common thread was observed across the major indices through March: Tariffs were a main driver of contraction. The combination of unknowns surrounding the tariffs themselves as well as their imminent impact could be similarly seen across industry data, such as the ISM Manufacturing Index and construction spending. Tariffs also contributed to the largest US trade deficit in traded goods since at least 1992, as producers pre-stocked inventories.

POSITIVE SIGNS BENEATH THE SURFACE

Despite the fog of policy uncertainty, there are still positive factors at play. With clarity, those factors may bubble to the surface. The economy is poised to remain resilient with a healthy earnings outlook, an expected easing of Fed policy, and evidence that inflation will not likely get out of control despite remaining sticky today.

BOND RATES FLAT AS TREASURY NEARS DEBT LIMIT DEADLINE

Treasury yields were largely unmoved in March, with municipal yields edging closer to long-term averages. The larger story is the federal government's impending inability to pay back its bills as soon as August should the current debt limit remain intact. The Treasury has resorted to creative accounting maneuvers in order to avoid breaching the $36 trillion debt ceiling. Treasury Secretary Scott Bessent assured lawmakers that the US will not default on its debt under his watch.

HAVE WE MENTIONED TARIFFS YET?

While individual tariffs typically wouldn't have the widespread effects we're seeing, President Donald Trump's trade agenda comprises multiple types of tariffs across various sectors that combine to produce the levels of volatility we observed last month. Global reciprocal tariffs, sector-specific tariffs and the rollback of exemptions on USMCA-compliant goods from Mexico and Canada are all looming threats to economic growth in the short term. Timing continues to be a source of anxious uncertainty, but the Mexico and Canada tariffs could be resolved with a claimed "victory" over border issues surrounding immigration and fentanyl.

Q4'2024	Dow	S&P	Nasdaq	Russell 2000
	-1.28%	-4.59%	-10.42%	-9.79%

OIL PRICES TOUCH SIX-MONTH LOWS

Some of the more encouraging economic news for consumers to come out of the month of March has been the price of oil, which touched six-month lows before slightly bouncing. Cheaper oil is making its way to the fuel pump, with energy prices posting their sixth decline in the last seven months. US market weakness related to tariffs and record EV sales in China are likely contributors. Despite the drop in the oil market, energy stocks are doing well. Of the 11 economic sectors tracked by separate S&P 500 indices, only Energy finished March in positive territory.

A HISTORIC SHIFT FOR GERMAN DEBT POLICY

The big news last month among international markets was Germany's sudden pivot away from a longstanding conservative approach to fiscal policy. The decision to reform the "debt brake," which capped the national deficit at 0.35% of gross domestic product, passed with a two-thirds supermajority, sending waves across European financial markets already in flux over the gradual and uncertain peace process in Ukraine.

THE BOTTOM LINE

Turbulence is expected to continue until the markets have a chance to adjust to policy changes, which will require clarity from the administration. Time will tell if tariffs will stand as indicated, or if they will be lessened or removed amid ongoing negotiations with the countries and industries affected. Equities may continue moving sideways as the market reacts to headlines and eventually settles at a historically normal bottom for pullbacks of this nature.

LIFE-CHANGING EVENTS CHANGE YOUR TAXES, TOO

REVIEW HOW SIX MAJOR LIFE EVENTS CAN IMPACT YOUR FEDERAL RETURN.

Legislation and life – two things guaranteed to change your federal tax situation. Here are a few major milestones you'll need to tell your tax pro and your advisor about as soon as possible. The former can find credits you qualify for and dig up deductions, while the latter can help you come up with flexible solutions, like lines of credit, to pay an unexpected tax bill from the IRS.

YOU SAY "I DO"

For married couples, filing jointly tends to yield lower taxes and higher deductions, but not always. Make sure the name you use to file matches your Social Security card and update your W-4s.

... OR, "I DON'T ANYMORE"

The end of a marriage means your filing status will change to single or head of household. If your divorce is finalized in 2025, then you'd file as married filing single or married filing jointly for 2024 even though you'll be divorced come tax day. Dependents can only be claimed by one of you; if you have two children, each spouse could claim one, for example. If you have an odd number of children or can't agree how to

SOURCE: RAYMOND JAMES

claim dependents, the IRS tends to favor the custodial parent. Plus, only the custodial parent can claim the child tax credit.

YOU WELCOME A BUNDLE OF JOY

Kids – whether adopted, biological, step or foster children – come with a bundle of tax breaks for qualifying care costs, education and the child tax credit. Single parents can file as head of household, which offers better tax rates and a higher standard deduction. New parents may want to consider a 529 college-savings plan as well; savings grow tax-deferred and many states offer deductions or credits.*

YOU UPSIZE OR DOWNSIZE

A house purchase opens up potential deductions on paid points, mortgage interest and property taxes if you itemize. In some cases, there are credits or deductions for home improvements and energy-efficient upgrades. Selling? If you meet certain conditions, you may exclude the first $250,000 of gain from the sale of your home from your income and avoid paying taxes on it. The exclusion is increased to $500,000 for a married couple filing jointly.

YOU LOSE A LOVED ONE

The dearly departed still need someone to file a final tax return (perhaps also an estate tax return) on their behalf. Money left to heirs generally is income-tax-free at the federal level, with the exception of money withdrawn from an inherited IRA or 401(k) plan account (distributions from qualified accounts have their own rules).

Heirs may also have to pay taxes on gains earned after selling bequeathed stocks and other property. When you inherit property, you get the benefit of what's called a "stepped-up basis," which means if you sell the asset, you'll be taxed only on the gain since the deceased's date of death, not the gain from the original purchase price. Note: Surviving spouses may still be able to file jointly up to two years afterward, provided they haven't remarried and meet the other requirements.

SOURCE: RAYMOND JAMES

YOUR JOB CHANGES

New gig? Rethink your W-4. Lose an old one? Unemployment benefits are taxable. Promoted? A raise may mean a higher tax bracket and a chance to adjust your withholdings, as well as dial up your contributions to tax-advantaged retirement accounts. Double-check that the higher income didn't phase you out of Roth contributions or out of the ability to deduct contributions to a traditional IRA, which changes based on your modified adjusted gross income. Retiring? Distributions from qualified accounts are taxable, so talk to your finance professionals before you make any distribution decisions.

Sources: tldraccounting.com; turbotax.intuit.com; irs.gov; creditkarma.com; fool.com; debt.com; cnbc.com; thebalance.com; alllaw.com; 1040.com

**Earnings in 529 plans are not subject to federal tax and in most cases state tax, as long as you use withdrawals for eligible education expenses, such as tuition and room and board. However, if you withdraw money from a 529 plan and do not use it on an eligible education expense, you generally will be subject to income tax and an additional 10% federal tax penalty on earnings. As with other investments, there are generally fees and expenses associated with participation in a 529 plan. There is also a risk that these plans may lose money or not perform well enough to cover education costs as anticipated. Most states offer their own 529 programs, which may provide advantages and benefits exclusively for their residents. An investor should consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program. Such benefits include financial aid, scholarship funds, and protection from creditors. The tax implications can vary significantly from state to state.*

SOURCE: RAYMOND JAMES

Juneteenth

JUNE 19th

Celebrate the
Day of freedom

Securities-based lending helps ease financing luxuries

WHEN BUYING LUXURIES, YOUR PORTFOLIO CAN BE POWERFUL COLLATERAL.

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Securities Based Line of Credit provided by Raymond James Bank. Raymond James & Associates, Inc. and Raymond James Financial Services, Inc. are affiliated with Raymond James Bank, member FDIC.

SOURCE: RAYMOND JAMES

You've got a smart portfolio, a balanced cash management strategy and a tax plan tied with a bow, but then a bucket list opportunity appears. It could be a family vacation of a lifetime, an heirloom piece of jewelry, a club membership, a boat, a plane or even a 1930 Cord L-29 Cabriolet.

If you have the means to consider those kinds of expenditures, you probably have options, but some options may be more disruptive than others.

Selling securities can disrupt your well-structured portfolio, an opportunity cost, and may trigger capital gains taxes. You may have cash on hand, but a finely tuned cash management strategy is not typically meant to absorb these kinds of large costs. For boats, planes and classic cars, there are niche lenders, but the verification process can be lengthy and intrusive. This is particularly true if working outside a financial institution in which you already do business.

A more suitable option may be securities-based lending.

Securities-based lending – or SBL, as it is commonly marketed – uses your investment account as collateral on a line of credit, enabling you to quickly finance a large purchase. The investment account is hypothecated – pledged – much like when a home is financed by a mortgage, with the credit limit bound in part by the value of the account and the lender's policies.

A securities-based line of credit can be created ahead of time, just in case, but even if created in response to an immediate opportunity, verification may be completed within days – and often the same day if you have an existing relationship with the broker-dealer.

Once it's created, drawing from a securities-based line of credit can be completed quickly, with some lenders offering a simple e-signature process to wire the funds. No closing costs. No origination fees.

And with that, your purchase is made. Enjoy!

PAYING BACK A SECURITIES-BASED LOAN

As with other lines of credit, you will begin making payments on the balance according to the terms. This is where a relationship with a financial advisor can be beneficial, allowing you to plan a strategy to pay back the loan with minimal disruption to your financial plan. Common strategies include:

- Budgeting payments from monthly cash balances like any other debt
- Diverting dividends and other investment income from growing the portfolio to paying the balance
- Making interest-only payments until an expected windfall arrives, then paying in full

SPECIAL CONSIDERATIONS

Securities-based lending is not without its particular risks. Since interest rates are variable – based on a reference rate like the Secured Overnight Financing Rate (SOFR) – many borrowers treat them as short-term loans and plan to pay them off within 12 to 18 months.

There is also market risk to consider. Since the value of the collateral is as variable as the market, a loss in portfolio value could trigger a collateral call. If that happens, the borrower will need to assign additional collateral to the account or pay down part of the balance, or the lender can close the gap by selling securities from the account on the open market.

Lenders may try to avoid the need for any of these corrections by following conservative lending policies, as collateral calls can leave a sour taste. And if the borrower were to default, the lender can sell securities then to pay the debt.

TIME AND FLEXIBILITY

As securities-based lending is collateralized with generally liquid assets, interest rates can be very appealing, particularly at larger account sizes. This has made securities-based loans particularly popular for well-invested individuals who enjoy the occasional serendipitous, good-life purchase, as well as those looking to add a buffer to their cash strategy.

As they say, it's a tool in the toolkit, and it may have its moment the next time that original Tiffany lamp shows up on offer.

HAPPY
Father's
DAY

We celebrate all the incredible fathers and father figures who fill our lives with love.

JUNE 15, 2025

The 10-year rule for retirement accounts: How new guidelines could impact your IRA beneficiaries

SOURCE: RAYMOND JAMES

In 2020, The SECURE Act changed the IRA inheritance landscape – terrain that would shift again in 2022 with the passage of the SECURE Act 2.0. Over the summer, that new ground was firmed up as the IRS finalized regulations that will go into effect January 1, 2025. Here's a look at the rules and how they could impact your wealth and wealth transfer planning.

One of the biggest changes brought by the original SECURE Act was the introduction of the "10-year rule" for designated beneficiaries, which sought to stem the amount of time inherited money could grow tax-free.

Implemented in January 2020, the 10-year rule requires most non-spouse beneficiaries to withdraw the entire balance of an inherited IRA within 10 years. It also set parameters around timing, distributions and beneficiary categories.

SOURCE: RAYMOND JAMES

SECURE Act 1.0:

Required with some exceptions, that the entire balance of an inherited retirement account be distributed within 10 years of the owner's death; raised the age when RMDs must be taken:

- RMDs begin at 72 for those born between July 1, 1949 and 1950.

SECURE Act 2.0:

Maintained the 10-year rule; further raised the age at which RMDs must be taken:

- RMDs begin at 73 for those born between 1951 and 1959 and at 75 for those born after 1960.

KEY GUIDELINES

- **Required minimum distributions (RMDs):** The minimum amount that must be withdrawn from a retirement account each year after the account owner reaches the designated age.

- **Required beginning date (RBD):** The date by/on which the first RMD must be taken. This date is April 1 of the year after an IRA owner reaches their applicable RMD start age (currently 73).

- **Eligible designated beneficiaries (EDBs):** Beneficiaries who may take distributions over their life expectancy – but may also choose to apply the 10-year rule, depending on their situation, including:
  - Spouses
  - Individuals not more than 10 years younger than the retirement plan account or IRA owner (this includes an individual older than the IRA owner)
  - Minor children of the retirement plan account or IRA owner only (note: these must be children of the account owner – not a grandchild, niece, nephew, etc. – and after they reach age 21, the account must be depleted within 10 years)
  - Disabled individuals
  - Chronically ill individuals

- **Non-eligible designated beneficiaries (NEDBs):** Beneficiaries who are subject to the 10-year rule, including:
  - Those not falling into any of the above groups, who inherited from someone who died *before* their RBD.
  - Those not falling into any of the above groups, who inherited from someone who died *after* their RBD.

"The changes will have the biggest impact for beneficiaries of larger accounts, further exacerbated if those beneficiaries are successful themselves and taxed at higher rates. This compressed time period could force distributions into higher taxer brackets," said Jim Kidney, CPA®, CPWA®, who supervises the financial planning consulting practice at Raymond James. "Before the 10-year rule, the 'stretch IRA' strategy enabled inheritors to spread distributions – and the tax impact – across their life expectancies."

While that possibility is much more limited now, there are alternative strategies for maximizing IRA funds in line with current regulations.

CONSIDERATIONS FOR IRA OWNERS

- **Roth conversion:** Converting a traditional IRA to a Roth IRA before an account owner reaches their RBD can keep those converted dollars at a lower tax bracket compared to if they were forced to take it as an RMD from the Traditional IRA later. Furthermore, the converted dollars and associated earnings will be tax free to the owner and ultimately to a beneficiary, provided several conditions are met.

- **Life insurance:** A somewhat more involved planning strategy is to consider using distributions from a pre-tax retirement account to purchase life insurance, allowing the policy holder to name as beneficiary the same person they intended to inherit their retirement account.

CONSIDERATIONS FOR IRA BENEFICIARIES

- **Inheritance circumstances:** The finer points of how a beneficiary inherits an account will impact how the 10-year rule is applied and how RMDs are managed.
  - **If the account owner dies before their RBD:** A non-eligible beneficiary will need to deplete the account by December 31 of the tenth year following the owner's death but will not have to take RMDs.
  - **If the account owner dies after their RBD:** A non-eligible designated beneficiary will need to take RMDs in years one through nine, with a final distribution in year 10. This RMD requirement is generally based on the single life expectancy of the beneficiary.
- **Missed RMDs:** Because final guidance regarding the 10-year rule has been shared four years after the rule's introduction, some beneficiaries could have needed to take RMDs in the intervening period. In many of these cases, the IRS is issuing waivers for missed RMDs. This waiver only applies to non-eligible designated beneficiaries under the 10-year rule who inherited from an IRA owner who died after their RBD.
- **Distribution timing:** For beneficiaries in high tax brackets, it's important to weigh strategic timing options for distribution. For example, if a beneficiary plans to retire five years after inheriting, it may be most efficient to take minimum distributions while they're still working and increase payments to deplete the account in their first five years of retirement.

While this rule is settled, the climate is sure to change again, inviting new tax and financial planning implications. To keep your footing, work closely with your financial advisor and, when appropriate, experienced estate planning and tax professionals.

6 Questions To Ask Your CPA

Effective tax planning involves understanding the current tax rates and rules and using them in a way that best suits your specific situation. Asking these questions can help you maximize tax efficiency today and prepare for potential changes that could increase your tax burden in the future.

1. What is my projected income and likely marginal tax rate for this year?

2. Is it more advantageous to take the standard deduction or itemize this year?

3. Are there strategies that will lower my taxable income?

4. Should I save in a pre-tax account or a Roth account for retirement?

5. Are there strategies that can help me optimize my gifts to charities?

6. As a small business owner, what strategies can I employ to maximize my 20% deduction on business income?

Volatility is the theme of the moment

NICK GOETZE DISCUSSES FIXED INCOME MARKET CONDITIONS AND OFFERS INSIGHT FOR BOND INVESTORS.

SOURCE: RAYMOND JAMES

The past week was one of the more volatile fixed income markets in recent history. That volatility, created by the constantly changing news on Tariffs, was driven predominantly by headline noise, not by credit or safety concerns. That is not meant to detract from the natural unease associated with significant market price movement. Media sources are coming at us from all directions with different speculations about what is happening in the financial markets. However, it is premature at this stage to put too much stock in predictions given the lack of a concrete plan around global trading relationships. The only constant at the moment seems to be rapidly changing narratives driving significant volatility.

Sooner or later, the trade situation will calm down, or the markets will start to become less reactive to the noise. In the meantime, we have to keep the current broader market volatility in mind as our traders work to achieve best execution when buying and selling bonds. At Raymond James, our clients' fixed income trade execution is a top priority. When market volatility reaches significantly higher levels than the norm, it is important to take extra time reviewing trades to make sure that the execution price level meets the high standard we strive to achieve for our clients. We ask that you keep this in mind if the process for executing your fixed income transactions takes a little more time than you are accustomed to.

Potentially adding to angst, market pricing on existing positions may show greater than normal swings in value. The stock market has six to seven thousand symbols trading constantly. The frequency of trades makes pricing on equities relatively easy. The bond market has millions of individual securities – most of which do not trade on a given day. As a result, independent pricing services are used by the industry to estimate where every bond might trade on a given day. More volatility in the fixed income markets can lead to more extreme valuation estimates by the pricing services. This, too, settles as the market finds its footing.

Thankfully, none of this volatility changes the core function of the bonds. As always, for buy-and-hold investors, barring the unlikely event of default, the constant when owning individual investment grade bonds is the known cash flow, the preservation of wealth and the known timeline when principal is returned at the call date or maturity. Volatility in some

SOURCE: RAYMOND JAMES

of the fixed income markets may cause liquidity to slow down as traders put an extra "eye" on trades; on the other side, it may also create opportunities for those looking to add to their portfolios. In either case, your Raymond James team is here to help you with a transaction or talk about what we are seeing in the markets.

SOURCE: RAYMOND JAMES

Worth a Look

A COMPENDIUM OF FRESH LOOKS AND NEW IDEAS

THE FINAL FRONTIER OF DIRT

"Titanium tools. Who's ever heard of such a thing?" the gardener thought, breaking ground after a long winter. The hand-forged tools from Dutch maker Sneeboer had been a gift from his son. "Am I supposed to be a botanist on Mars? Peacockery." But the tools were exceptionally light, and there was no denying their looks: milky metal and walnut handles. As the hours passed transplanting annuals, the sun warmed him through and eased his joints. "Still a good kid," the gardener thought. Dig up something different at gardenheir.com.

BATHED IN FIRE

In tea, creating the perfect cup is a matter of degrees. In metallurgy, the same is true, as proven by the Yūgen Copper Kettle by artist Si Golraine. This stunning, functional art uses the qualities of an open flame dancing across the kettle's copper nickel surface to produce a distinctively colorful finish in one of six flame-painted patterns. Get heated at eatingtools.com.

TIME ENSHRINED

Inside the Capra leather watch box – constructed from the quality materials that have made the brand synonymous with handcrafted luxury – eight timepieces arrayed precisely: six Swiss, one Japanese, one Silicon Valley. Faces display hours across seven time zones, with identical minutes and seconds, excepting the one offset by 30 minutes: Newfoundland, a land apart. How long had it been? He could count it to the moment. Would she wait for his return? Only fate knew for certain. Keep track of time at capraleather.com

INSPIRED BY STOCKS, BONDS AND BEADS

A fork in the path. On one side, she was the most talented corporate litigator of her generation. On the other was Anders – the charmer, the romantic, the art thief. He collected beautiful things. They met on her balcony. He had come for her Christen Købke painting but then begged for her heart. Lounging in her Lobster Chair by Denmark's Bruunmunch Furniture, in maple and leather, she contemplated two irreconcilable futures. She loved beautiful things – her things – and she preferred to do the curating. The police were on the way. Discover your desires at bruunmunch.com.


Carrot Cake
Source: cooking.nytimes.com
CLICK HERE

As of September 30, 2024

Raymond James

Strength & Stability

~8,800

FINANCIAL ADVISORS

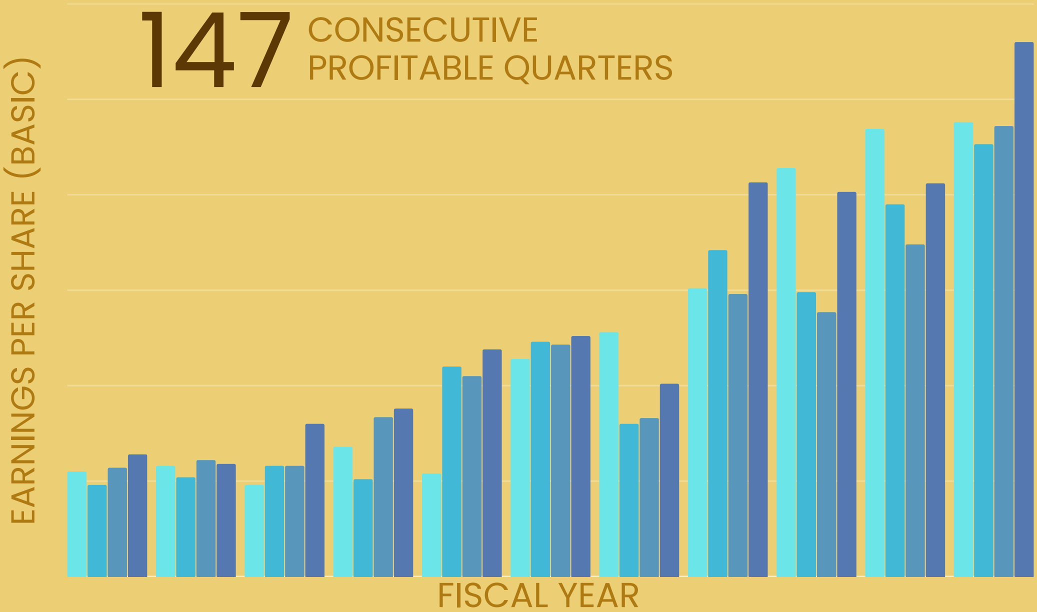
~$1.57 trillion

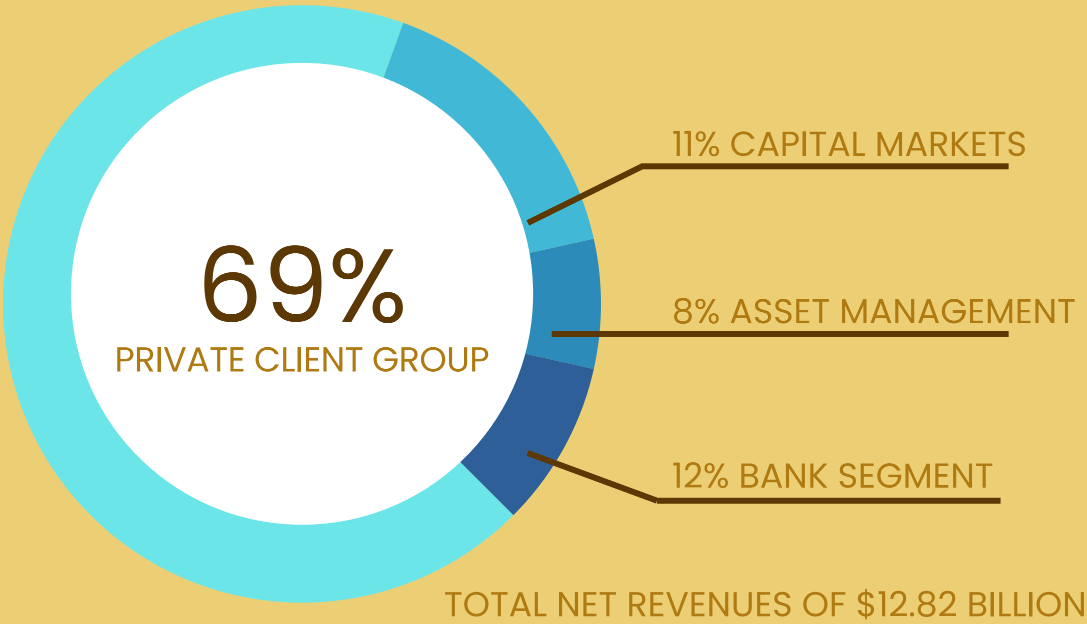
IN TOTAL CLIENTS ASSETS UNDER MANAGEMENT

A-, A- & A3

CREDIT RATINGS WITH STABLE OUTLOOK FROM FITCH, S&P & MOODY'S

A Diversified set of complementary businesses

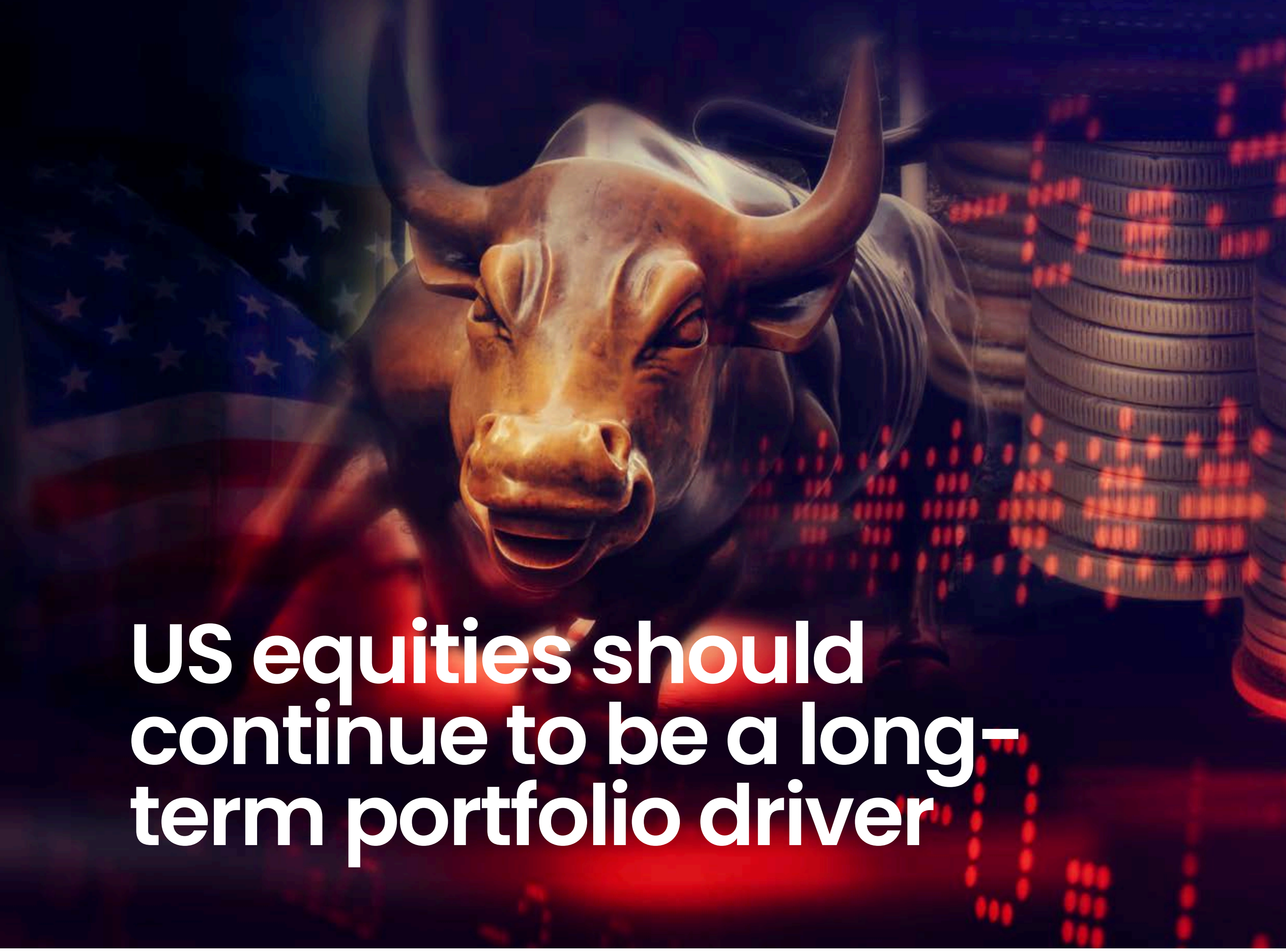




TOTAL NET REVENUES OF $12.82 BILLION

TOTAL NET REVENUE FOR FISCAL YEAR ENDING SEPT. 30, 2024

Credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency. Past performance is not indicative of future results. The information provided is for informational purposes only and is not a solicitation to buy or sell Raymond James Financial stock. During our fiscal fourth quarter of 2021 the Board of Directors approved a 3-for-2 stock split, effected in the form of a 50% stock dividend, paid on September 21, 2021. All share and per share information has been retroactively adjusted to reflect this stock split. Pie chart is intended to show relative contribution of each of the firm's four core business segments. The chart does not include intersegment eliminations or the "Other" segment. Other includes the firm's private equity investments, interest income on certain corporate cash balances, as well as certain corporate overhead costs of Raymond James Financial including the interest cost on our public debt, losses on extinguishment of debt, and certain acquisition-related expenses. *Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value. 24-BDMKT-6713 JPR 11/24*



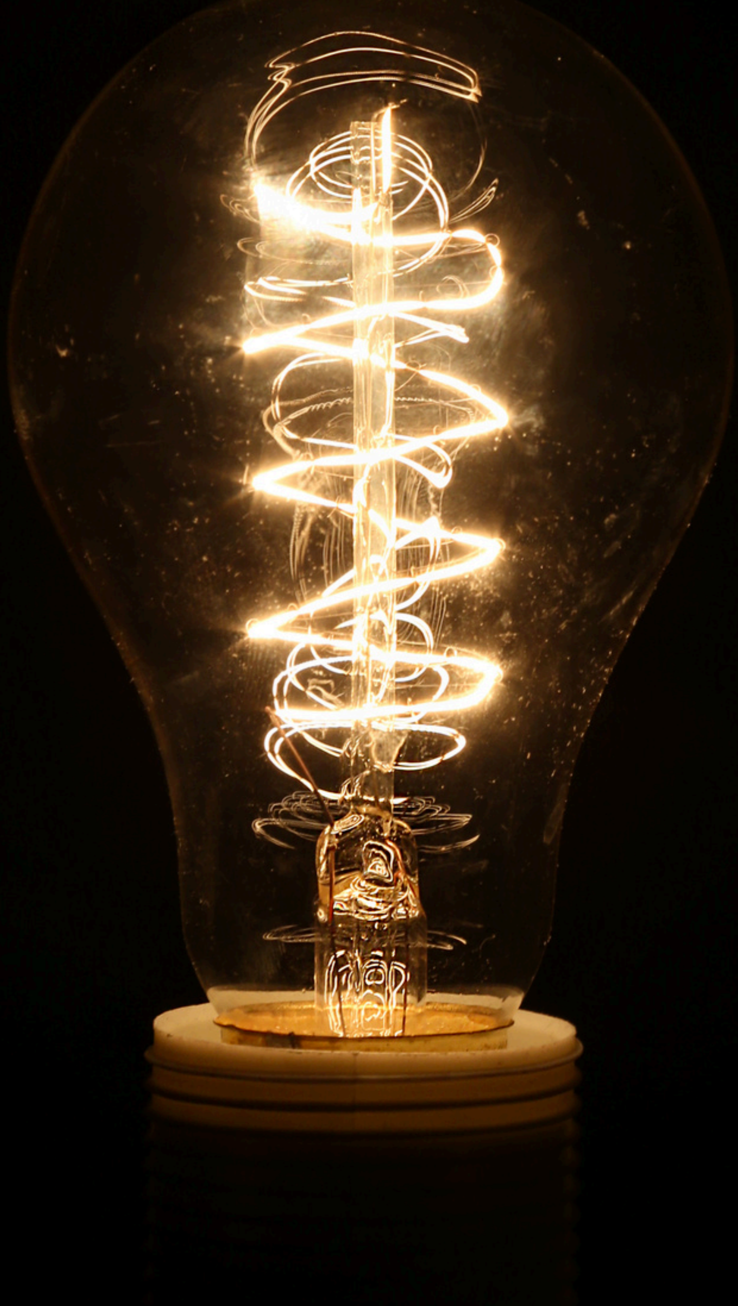
US equities should continue to be a long-term portfolio driver

Raymond James Chief Investment Officer Larry Adam notes that despite near-term headwinds, the US economy should remain resilient.

WATCH NOW

THE FUTURE OF INVESTING SERIES

POWERING THE FUTURE: : ARTIFICIAL INTELLIGENCE, GRID MODERNIZATION, AND ELECTRIFICATION



WATCH THE FULL DISCUSSION NOW

Full webinar replay available online

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

AI HAS A VORACIOUS APPETITE FOR ELECTRICITY.

Before the rise of generative artificial intelligence (AI), the average data center required an estimated 5 to 10 megawatts of electricity. But hyperscale technology companies increasingly are turning to AI-focused data centers – which use more powerful semiconductors and require much more cooling – that can require 100 megawatts of electricity, according to the International Energy Agency. These new data centers can consume as much electricity annually as 350,000 to 400,000 electric vehicles.[1] And in three years, U.S. data-center power demand could triple to an estimated 12% of U.S. total electricity consumption.[2]

An industry panel convened by Raymond James Investment Management recently outlined how this explosive growth presents:

CHALLENGES	TO THE U.S GRID, A NOT ALWAYS INTERCONNECTED NETWORK OF POWER PLANTS, DISTRIBUTION LINES, AND CUSTOMER-SIDE RESOURCES.
RISKS	VIA SNARLED SUPPLY CHAINS, PROJECT DELAYS, UNPREDICTABLE LABOR AVAILABILITY, AND FLUCTUATING INTEREST RATES.
INVESTMENT OPPORTUNITIES	IN AREAS SUCH AS UTILITIES; MANUFACTURERS OF POWER EQUIPMENT AND COMPONENTS; AND SUPPLIERS OF KEY METALS.

"We can't rely on old playbooks" to meet these challenges, said panelist Louise White, senior consultant for loan programs and tech transitions at the U.S. Department of Energy. "We need new, innovative approaches."

1 International Energy Agency, Paris, Oct. 18, 2024, "What the data centre and AI boom could mean for the energy sector," available at: https://www.iea.org/ commentaries/what-the-data-centre-and-ai-boom-could-mean-for-the-energy-sector, License: CC BY 4.0
2 US data-center power use could nearly triple by 2028, DOE-backed report says, Reuters, Dec. 20, 2024, available at: https://www.reuters.com/business/energy/us-datacenter-power-use-could-nearly-triple-by-2028-doe-backed-report-says-2024-12-20/

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

THE FIGHT FOR RESOURCES.

SHAHAR LEVI
Co-Founder and CEO
LocusView

Today data centers already use more electricity in the aggregate than some entire countries, Levi said. And for the first time in three decades the demand for power in the U.S. is growing, driven by:

- Data centers and AI.
- The return of manufacturing via reshoring.
- Broad economic growth and growth in electric vehicles.

“We are seeing a lot of demand and regulators and politicians pushing utilities to make the investment to keep up with the pace and win the AI race, which we all understand is going to decide how the markets and how the U.S. economy is going to play out for the next 20 years,” said Shahar Levi, co-founder and CEO of LocusView.

“We’re working probably with the top 30 largest players in the U.S. It’s clear to everyone that we need to invest, but the big question, is how to do it? What is the balance between what you’re putting into the rate case versus maybe other sources of capital? There is going to be a lot of discussion and debate around it.

“The fight for resources is there. And I think utilities will have to leverage tools to help manage the construction process end to end. We have issues across the board from financing at the beginning and on the execution side in terms of getting the permits, then having the needed materials, labor, and ability to manage ambitious projects that use a lot of subcontractors.”

$200 BILLION
Estimated **new investment** in the U.S. power market next year.

$6 TRILLION
2050 estimate of **annual global spending** on power grid expansion and improvement

Source: Shahar Levi, LocusView, as of 12/18/24.

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

A GRID IN FLUX.

LOUISE WHITE
Senior Consultant
Loan Programs & Tech Transitions
U.S. Department of Energy

"The grid is starting to change dramatically because of distributed-energy resources like home solar and batteries, which can create two-way power flows," said Louise White, senior consultant for loan programs and tech transitions at the U.S. Department of Energy.

"The U.S. Department of Energy (DOE) talks about 'virtual power plants' – how do we aggregate customer-sited, home-sited, home solar battery, and smart thermostats to help serve demand and manage the system more effectively? Home solar batteries might not meet data center needs but could free up capacity on the bulk power side to help address data center needs.

"With AI, the demand story is very different depending on where you are in the U.S. I think particularly for savvy investors, it helps to look geographically at the local context for the utility in a particular area. Data centers are certainly huge in many regions – particularly Virginia, California, and Texas – but not all regions of the U.S. In other areas the driver could be the growth of electrification, electric vehicles, or manufacturing."

Financing resources include:

- Through the Inflation Reduction Act and Bipartisan Infrastructure Law, a $400 billion loan authority to help fund investment into the grid.
- DOE grants, including a $10.5 billion program to help finance upgrades and expansions to the transmission and distribution grid to get more value out of the existing grid and to support expansion.
- Emerging new tariff models so that data centers potentially pay a larger portion than they historically have to support upgrades needed in the near term.

Due for replacement soon:

30%
of large, high-voltage power lines

60%
of smaller, neighborhood serving distribution lines

Source: Louise White, U.S. Department of Energy, as of 12/18/24.

ADDRESSING GROWING DATA CENTER ELECTRICITY DEMAND.

Examples of potential technology solutions

GRID-SCALE CLEAN ENERGY DEPLOYMENT	GRID INFRASTRUCTURE ENHANCEMENT AND EXPANSION	ENERGY EFFICIENCY AND DEMAND-SIDE FLEXIBILITY	MAXIMIZING DATA CENTER EFFICIENCY AND OPERATIONAL FLEXIBILITY
Expand existing supply (including repurposing existing infrastructure) • Solar • Onshore wind • Storage (batteries) • Hydroelectric power • Conventional geothermal (hydrothermal) • Nuclear (including power uprates and relicensing) • Offshore wind	**Enhance existing transmission and distribution** • Advanced reconductoring • Grid-enhancing technologies • Distribution automation • Point-to-point high-voltage direct current • Advanced flexible transformers	**Improve energy efficiency** • Building efficiency • Geothermal heating and cooling	**Improve data center efficiency** • Hardware efficiency • AI algorithm efficiency • Building automation • Building efficiency • Geothermal heating and cooling
Scale emerging solutions • Advanced nuclear • Next-generation geothermal • Long-duration energy storage (LDES) • Carbon capture and storage (CCS) on power plants • Clean hydrogen • Concentrated solar power	**Expand transmission and distribution** • Advanced conductors • Inter-regional and regional high voltage direct current / alternating current (DC / AC) transmission • Distribution system	**Manage and flex demand** • Virtual power plants • Distributed energy resources • Microgrids • Fuel cells	**Enhance operational flexibility and efficiency** • Flexible operational processes • On-site power generation and facility design optimization

Source: U.S. Department of Energy, as of 2/20/25. Accessed at: https://www.energy.gov/gdo/clean-energy-resources-meet-data-center-electricity-demand

AN ALL-OF-THE-ABOVE STRATEGY.

U.S. electricity sources, 2024.

44%
natural gas

15%
coal*

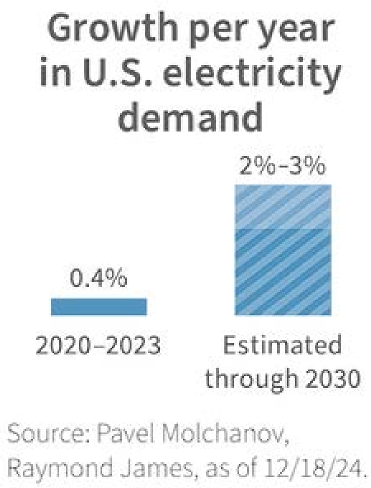
18%
nuclear

6%
conventional hydroelectric power**

17%
non-hydroelectric power renewables

PAVEL MOLCHANOV
Managing Director and Equity Research Analyst
Renewable Energy and Clean Technology
Raymond James

"It's important to look at this through the lens of all of the above," said Pavel Molchanov, managing director and equity research analyst for renewable energy and clean technology at Raymond James. "We will need more natural gas, more wind, more solar, and a little bit of nuclear if we go out far enough in time. If somebody starts building a new U.S. reactor over the next couple of years, it will be sometime in the next decade before that reactor generates electricity. Because of that, it will be overwhelmingly natural gas, wind, and solar that support the growth of power demand between now and 2030."



The economics are always case by case, project by project, Molchanov said:

Solar – Arizona/Utah: Lots of sunlight and low-cost land for solar farms.

Wind – The middle of the U.S.: Iowa, South Dakota, Kansas, and Texas (the No. 1 wind- producing state).

Natural gas – Texas and Oklahoma, but mostly the Marcellus gas field in the Appalachian Basin: Virginia, West Virginia, Pennsylvania. If you build a data center near Washington D.C., natural gas is right next door.

*Source: U.S. Energy Information Administration Monthly Energy Review, p. 135, data for the first nine months of 2024, as of 12/23/24. Available at: https://www.eia.gov/totalenergy/data/ monthly/pdf/mer.pdf * And shrinking. Coal accounted for nearly 52% of U.S. electricity generation 20 years ago. ** Also shrinking because of worsening drought conditions.*

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

OPPORTUNITIES AND RISKS.

An all-of-the-above strategy applies not only to the sources of electricity, Molchanov said, but also as a framework for investing in the energy transition.

Potential areas of opportunity include:

- Utilities: Both regulated power-generating utilities and unregulated independent power producers.
- Infrastructure manufacturers: Equipment manufacturers and suppliers of transformers, power cables, batteries, solar panels, etc.
- Industrial metals: Precious and industrial metals: steel, copper, lithium, and graphite, plus materials like uranium and natural gas for the actual power generation. Over the last five years, global demand has risen 145% for lithium, 51% for graphite, and 10% for copper.

Risk factors:

- Delays: Infrastructure projects tend to take longer than expected and to cost more than budgeted.
- Regulatory risk: Varies by geography. Europe has very strict environmental rules. In the United States, it tends to be state by state, because utilities are generally regulated by state agencies.
- Interest rates: Pre-COVID the 10-year U.S. Treasury yield was 3%. If it's 4.5% in the future, that increases the cost of building projects and ultimately the cost of the electricity.

Growing demand for precious and industrial metals
Global production
(thousands of metric tons)

	2024	Change 2019 to 2024
Precious Metals		
Gold	3.0	-8%
Platinum	0.2	1%
Silver	27.0	-2%
Industrial metals: batteries		
Cobalt	265.0	89%
Graphite	1,664.0	51%
Lithium	211.0	145%
Manganese	20,800.0	9%
Nickel	3,888.0	44%
Industrial Metals: Other		
Aluminum	71,400.0	12%
Chromium	41,820.0	-5%
Iron ore	2,550,000.0	2%
Rare earths	389.0	78%
Silicon	9,270.0	32%
Steel	1,881,000.0	-1%

Source: U.S. Geological Survey, Trading Economics, Business Analytiq, as of 12/18/24.

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

KEY TAKEAWAYS

Addressing aging systems: With 60% of U.S. distribution lines and 30% of high-voltage transmission lines nearing the end of their useful life, modernization is a critical priority for reliability and meeting rising demand.
Opportunity: Utilities leading grid expansion are positioned to benefit from steady capital flows. Engineering firms and technology providers specializing in advanced grid solutions are poised for growth.

Data centers: AI-focused data centers are driving energy consumption, with total data-center demand already exceeding that of some countries and projected to double in the United States by 2030.
Opportunity: Distributed energy resource (DER) providers, grid developers, and energy suppliers supporting these facilities and the grid generally are positioned for growth as demand continues to rise.

The fight for resources: Lithium, copper, graphite and other industrial metals are critical to renewable energy and storage technologies. As global electrification advances, demand for these materials continues to rise, creating supply challenges that require innovative solutions.
Opportunity: Companies involved in processing these materials and innovators addressing supply bottlenecks play a critical role in ensuring resource availability.

Government incentives: DOE-backed initiatives, including a $400 billion loan authority and $10.5 billion in grid modernization grants, are driving investment and mitigating financial risk. These programs, supported by the Inflation Reduction Act, accelerate renewable energy adoption and grid expansion.
Opportunity: Companies participating in DOE-funded projects or collaborating with federal programs can leverage these resources for growth.

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

Risk Information: *Investing involves risk, including risk of loss. Diversification does not ensure a profit or guarantee against loss.*

Disclosures: *Index or benchmark performance presented in this document does not reflect the deduction of advisory fees, transaction charges, or other expenses, which would reduce performance. Indexes are unmanaged. It is not possible to invest directly in an index. Any investor who attempts to mimic the performance of an index would incur fees and expenses that would reduce return. As with all equity investing, there is the risk that an unexpected change in the market or within the company itself may have an adverse effect on its stock. The biggest risk of equity investing is that returns can fluctuate and investors can lose money. 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. This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature, or other purpose in any jurisdiction, nor is it a commitment from Raymond James Investment Management or any of its affiliates to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical, and for illustration purposes only. This material does not contain sufficient information to support an investment decision, and you should not rely on it in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and make their own determinations together with their own professionals in those fields. Any forecasts, figures, opinions, or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions, and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. It should be noted that investment involves risks, the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements, and investors may not get back the full amount invested. Both past performance and yields are not reliable indicators of current and future results. The views and opinions expressed are not necessarily those of the broker/dealer or any affiliates. Nothing discussed or suggested should be construed as permission to supersede or circumvent any broker/dealer policies, procedures, rules, and guidelines. Link(s) are being provided for informational purposes only. Raymond James Investment Management is not affiliated with and does not endorse, authorize or sponsor any of the listed websites or their respective sponsors. Raymond James Investment Management is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members. Sector investments are companies engaged in business related to a specific sector. They are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.*

Definitions: *The Bipartisan Infrastructure Law, also known as the Infrastructure Investment and Jobs Act, passed by the U.S. Congress in November 2021, provides funding for a variety of new initiatives, including rebuilding roads and bridges, improving public transit, replacing lead pipes, addressing drinking water contamination, and expanding access to high-speed internet. Carbon capture and storage (CCS) refers to technologies that reduce carbon dioxide emissions from large producers such as coal- or gas-fired power plants in an effort to mitigate climate change. Clean hydrogen refers to hydrogen fuel produced using methods with lower emissions than fossil fuel-based methods of producing hydrogen. Green hydrogen, for example, is hydrogen produced by using renewable energy sources such as wind, water, or solar power to fuel an electrolysis process that splits water into oxygen and hydrogen. Compound annual growth rate (CAGR) is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming that profits were reinvested at the end of each year over the span of the investment. Distributed energy sources include small-scale technologies such as renewable energy, batteries and other storage, and combined heat and power that can be tapped to provide power to electrical grids. Generative artificial intelligence (GenAI) is a form of artificial intelligence that can create new content that includes text, audio, code, video, and images. Hyperscaler refers to the largest cloud computing providers that can provide massive amounts of computing resources and storage at enterprise scale. The Inflation Reduction Act (IRA) is federal legislation passed in August 2022. It aims to help curb inflation by directing spending toward reducing carbon emissions and lowering health care costs, while also aiming to improve taxpayer compliance through increased funding for the Internal Revenue Service. A microgrid is a small, self-sufficient, and self-contained electrical system that can generate and distribute electricity to a specific area, such as a business campus or hospital. A power uprate is a term for the process of increasing the maximum power level at which a commercial nuclear power plant may operate. Reshoring describes an effort to bring manufacturing and other services back to the United States from overseas operations. A tariff on electricity is a structured plan that details the charges that a utility collects from customers. A virtual power plant is a network of smaller sources of electricity whose output is coordinated to provide electricity to the grid.*

About Raymond James Investment Management: *Raymond James Investment Management is a global asset management company that combines the exceptional insight and agility of individual investment teams with the strength and stability of a full-service firm. Together with our boutique investment managers – Chartwell Investment Partners, ClariVest Asset Management, Cougar Global Investments, Eagle Asset Management, Reams Asset Management (a division of Scout Investments) and Scout Investments – we offer a range of investment strategies and asset classes, each with a focus on risk-adjusted returns and alpha generation. We believe providing a lineup of seasoned, committed portfolio managers – spanning a wide range of disciplines and investing vehicles – is the best way to help investors seek their long-term financial goals.*

SPRING

Seasonal Calendar

APRIL

Apr 12-20: Passover
Apr 15: Tax Day
Apr 18: Good Friday
Apr 20: Easter Sunday
Apr 21: Boston Marathon

MAY

May 3: Kentucky Derby
May 5: Cinco de Mayo
May 5: Met Gala
May 6: Eta Aquariids meteor shower
May 11: Mother’s Day
May 17: Preakness Stakes
May 26: Memorial Day

JUNE

Jun 7: Belmont Stakes
Jun 8: Tony Awards
Jun 14: Flag Day
Jun 15: Father’s Day
Jun 19: Juneteenth
Jun 20: Summer starts


Get hooked on
GOLF

If you're not one yourself, odds are you know a golf fanatic, and their ranks are growing. A record 45 million people played golf in 2023 – 3.4 million of them for the first time, according to the National Golf Foundation.

The United States Golf Association defines an "average" golfer as someone who plays around 20 rounds a year, while an "avid" golfer plays 52, or once a week.

So, what's the big draw? What gets people so hooked on golf? Golf players get a lot of benefits from their chosen sport.

To start with, it's inherently social. Over the average four hours it takes to get through 18 holes, players have the chance to connect with friends, family and business associates, and that time can lead to lasting friendships that extend beyond the links.

It's also a psychological challenge that helps stimulate cognitive function. Golfers must master precision, patience and strategy, which can lead to increased mental resilience. Plus, spending time outdoors boosts vitamin D levels and has been shown to improve mood.

Finally, there are the physical health benefits. Golfers walk an average of six miles per round, which is great for cardiovascular health, and the practice of swinging promotes balance, flexibility and eye-hand coordination. No wonder it's known as the ideal "retirement sport."

But if you ask the folks out on the golf course, they'll tell you the main reason they play is that it's fun.

Retired or not, if you're thinking about taking a swing at golf, here are some fundamentals you should know.

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

COMMON TOURNAMENT FORMATS

Golf can be played individually or in teams, and rounds or tournaments are usually arranged in one of the following ways.

- **Match Play:** Individual golfers go head-to-head during match play. The player who makes the best score on each hole wins that hole, and the player who wins the most holes wins the match.
  - Players: Two or more
  - Best for: Experienced players

- **Stroke Play:** In stroke play, individual golfers compete against the course and try to outscore each other. After 18 holes, the person with the best overall score wins.
  - Players: One or more
  - Best for: Experienced players

- **Best/Better Ball:** Teams of two or more golfers play either match or stroke play. All golfers play their own ball through the round, and the best (lowest) score from each team is their score for that hole. Whichever team has the lowest score at the end wins.
  - Players: Teams of two or more • Best for: Any skill level

- **Scramble:** Scrambles are a great way for beginners to ease into tournament play, which is why it's a popular format for fundraisers and corporate events. Each team member tees off on every hole. The team then selects the best shot and each member plays from that spot. The team again picks the best shot, all members play from that spot, and so on until the ball is in the cup. Scrambles are typically scored as stroke play.
  - Players: Teams of two or four
  - Best for: Any skill level

- **Alternate Shot or Foursome:** Players alternate shots throughout the course. Player one hits a tee shot, player two hits the second, player one hits the third, and so on until the ball is in the cup. Players alternate tee shots – if player one tees off on one hole, player two must tee off on the next.
  - Players: Two teams of two
  - Best for: Experienced players

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

- **Skins:** Each hole is worth a skin, or a predetermined value. The golfer with the lowest score on each hole wins that skin. If two players tie, the skin is carried over to the next hole. The player who earns the most skins is the winner.
  - Players: Two or more
  - Best for: Experienced players

- **Stableford:** In either team or individual play, a Stableford format uses an established points system – for example, a bogey (or one point over par) is worth one point, while a birdie (one under par) is worth three points. The player with the highest score at the end of the match wins.
  - Players: Two or more
  - Best for: Experienced players

- **Shotgun Start:** A shotgun start isn't a tournament format per se, but a way to efficiently use the expanse of the golf course so everyone starts and ends at the same time. Each team or player starts at a different hole, and then plays through the rest. So if, for example, one team started at hole 16, they'd then move on to holes 17 and 18, and then hole 1, 2, 3 and so on.

GOLF ETIQUETTE

People can forgive bad golf, but not bad etiquette. Here are a few important tips to help make sure you get invited back for another round.

- Be punctual. Showing up late for tee time is rude not just to your opponents, but to the folks with the next tee time.
- Walk at a reasonable speed between shots – don't hold up the players behind you.
- Never hit the ball if there's a chance it might reach the group in front of you. Safety first!
- Don't distract other golfers who are preparing to tee off or putt. Save the jokes for the clubhouse.
- Keep calm. You may feel the urge to yell, scream or even throw your club in frustration, especially as you are just learning the sport. Resist it.

13 golf terms to know

ACE
A hole-in-one

BIRDIE
One shot under par

BOGEY
One shot under par

BUZZARD OR DOUBLE BOGEY
Two shots over par

FAIRWAY
The portion of a golf hole between tee box and green

GREEN
The area of closely mowed grass surrounding the hole

HOOK
A shot which veers toward the golfer's non-dominant side mid-flight

SLICE
A shot where the ball curves toward the golfer's dominant side – the opposite of a hook

MULLIGAN
A replayed shot

EAGLE
Two shots under par

ROUGH
The long grass bordering the fairway

PAR
The number of strokes a skilled golfer should take to complete a hole, round or tournament

HANDICAP
A numerical representation of a golfer's skill level relative to par

SOURCE: RAYMOND JAMES INVESTMENT MANAGEMENT

Get in touch today

If you ever think you are struggling with making better financial decision or would like to seek an opinion on your current financial strategy, just remember that you deserve to hear an objective opinion from a person whom you can trust.

And I hope you'll know me to be that person.

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