

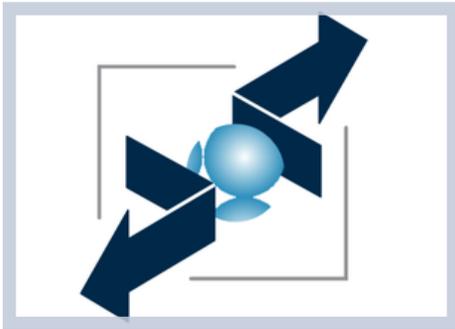


REID SHERMAN  
INVESTMENT GROUP OF  
RAYMOND JAMES®

THE OFFICIAL NEWSLETTER OF REID SHERMAN INVESTMENT GROUP

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Left to right, Charles Sherman and Robin Hale kick off the Journal Investment Forum on Feb. 24, 2022, in Tupelo at The Link Centre.

• THE RIGHT TIME TO HAVE THE  
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SEMI-ANNUAL NEWSLETTER

LINDSAY REID, CHUCK SHERMAN  
& THE REID SHERMAN INVESTMENT GROUP TEAM

## How Can you Let Go of Loss Aversion?

*It's natural to avoid loss, but sitting on the sidelines out of fear might lead to missed financial goals.*

Loss aversion is our instinct to not just prefer a gain over a loss but to prioritize avoiding losses over almost anything. It might sound wise to try avoiding losses but taking it too far could keep you from realizing your financial goals.

Loss aversion is a cognitive bias that studies have proven over and over again. But that fear, when applied to buying and selling investments or strategizing for long-term financial goals, can hold you back. The unwillingness to part with something for less than you paid for it can keep you clinging to declining investments, even selling a "winning" stock to avoid selling another at a loss.

Here are some steps for overcoming the fear of letting go.

- Reexamine your holdings with fresh eyes.
- Give careful thought to what your true long-term risk tolerance is, and stress test your portfolio. This can give you the confidence to stick to the plan even when conditions or your circumstances get more volatile.

- Look past loss. Instead of dwelling, focus on how moving forward can help make progress toward your goals.
- Study long-term market data: If an investment has lost value, consider the root cause. Is this a case of periodic market volatility, which has historically led to consistent upward momentum over the long run? Or is a particular security no longer an appropriate fit for your financial plan?
- Rely on outside help. Seek out the perspectives of professionals with specialized expertise. In the case of your financial future, it helps to work with an objective third party who can offer perspective in addition to wealth planning and investment support.

While it's natural and often prudent to try to avoid loss, letting that fear loom too large over your financial decisions could actually lead to the very thing you're afraid of. That's why counteracting loss aversion by cultivating a healthy relationship with risk could be the key to gaining in the long term.

**Disclosure:**

The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Reid Sherman Investment Group and not necessarily those of Raymond James. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Past performance does not guarantee future results.

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## REID SHERMAN INVESTMENT GROUP TEAM

### Daily Journal Investment Forum

Chuck Sherman was invited to the Tupelo Daily Journal Investment Forum as a guest panelist speaker. The forum, which took place in February, discussed fundamentals of investing, current trends, and advice on investing for all age groups. The event offered community members, of all ages, an opportunity to obtain financial advice from a panel of experts.



### Office Happenings

- ✓ Reid Sherman Investment Group sponsored Oxford School District's Teacher of the Year award at the award luncheon in February
- ✓ Chuck Sherman was invited to speak to the Ole Miss Kappa Kappa Gamma Senior class in February. Chuck met with the soon to be graduates to educate them on saving for retirement and other investment advice.
- ✓ In March, Reid Sherman Group was a proud sponsor of the Taste of Oxford event benefitting St. Jude.

### REMINDERS:

#### ➤ SPRING/ SUMMER ◀ STOCK MARKET CLOSURES

- May 30th: Memorial Day
- June 20th: Juneteenth
- Independence Day

#### ➤ THINGS TO DO ◀

- Review your beneficiary designations to ensure they are accurate and up-to-date
- Mind your RMDs: If over age 72, remember to take required minimum distributions (RMDs) from your IRAs.

### DID YOU KNOW?

Did you know that if you're 50 years or older you are eligible to contribute beyond the normal limits of your retirement plan?

The catch-up contribution amount for a Traditional or Roth IRA is \$1,000 allowing you to make up to a \$7,000 contribution for 2022.

#### Disclosure:

RMD's are generally subject to federal income tax and may be subject to state taxes. Consult your tax advisor to assess your situation. Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

### The right time to have the family "money talk"

Though it may seem daunting to start a conversation with your loved ones about your intentions for your family's wealth and your plans for the future, this dialogue – shared in a quiet moment– can be a key way to get ahead of potential conflict over your estate and wishes.

You don't have to do it alone. If desired, we can facilitate the meeting, getting everyone on the same page when it comes to your financial affairs. Even if you don't feel the timing is right to get into details because you're not yet retired, it can be useful to talk about legacy in a general sense to lay the groundwork.

Here are some potential topics to cover,

- **Family values.** Talk about the legacy you'd like to leave in nonfinancial terms.
- **Inheritance.** Telling your adult children the broad outlines of how you plan to divide your estate can help them get a clearer picture. Whatever the case may be, it's better to make sure there are no surprises.
- **Charitable giving.** Discuss what values you hope to promote through philanthropy.
- **Practical considerations.** Communicate who you have chosen to act on your behalf in the event you cannot do so. Make sure the person you've selected (from executor to power of attorney) is up for the job and that they know where to find your important documents.