

3rd Quarter 2021



THE WATER STREET JOURNAL

DANIELLE VALLEAU

Financial Advisor

Securities offered through Raymond James
Financial Services, Inc. Member FINRA/SIPC

Guiding and giving direction through all
of life's adventures...

"Never let the fear of striking out keep you from playing the game." Babe Ruth

Staying In Touch

CALENDAR OF EVENTS

**OUR OFFICES WILL BE
CLOSED:**

MONDAY SEPTEMBER 6

**THE MARKET WILL BE
CLOSED:**

MONDAY SEPTEMBER 6

**OUT OF OFFICE:
DANIELLE WILL BE
OUT OF OFFICE
AUGUST 23RD-27TH**

**ANNETTE WILL BE OUT
OF OFFICE
SEPTEMBER 20TH-24TH**

Did You Know?

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- Maintaining complete, accurate records of income, principal, distributions, purchases and sales of trust assets
- Preparing and filing income tax returns
- Overseeing service providers
- Managing beneficiary distributions

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Investment advisory services are offered through Raymond James Financial Services Advisors, Inc.

From Danielle's Desk: June market review

Inflation was top of mind for investors throughout June as the Core Consumer Price Index (CPI) notched its highest increase since 1992. "While it appears the inflation genie has peeked out of the bottle with CPI at 3.8%, the Fed has been granted its wish, convincing the markets of a strong economy and temporary inflation that should trend back toward the 2% long-term goal by next year," says Larry Adam, chief investment officer.

Despite what are expected to be transitory inflation pressures, the growth outlook for this year remains strong. Recent data suggests a quick recovery as the economy reopens, but the pace may not be quite as brisk over the second half of the year, says Chief Economist Scott Brown. Rapid growth has strained supply chains and there are enormous difficulties in matching millions of unemployed workers to available jobs, although Brown expects those issues to resolve over time.

Bipartisan negotiations continue in Washington, D.C., around tax changes, national spending and the infrastructure bill. With the path forward highly uncertain, domestic equity markets may experience increased volatility over the later part of the summer, says Washington Policy Analyst Ed Mills.

Here's where we are so far this year:

	12/31/20 Close	6/30/21 Close	Change Year to Date	% Gain/Loss Year to Date
DJIA	30,606.48	34,502.51	3,896.03	+12.73%
NASDAQ	12,888.28	14,503.95	1,615.67	+12.54%
S&P 500	3,756.07	4,297.50	541.43	+14.41%
MSCI EAFE	2,147.53	2,326.31	+178.78	+8.32%
Russell 2000	1,974.86	2,310.55	335.69	+17%
Bloomberg Barclays Aggregate Bond	2,392.02	2,351.66	-40.36	-1.69%

Performance reflects price returns as of market close on June 30, 2021. MSCI EAFE and the Bloomberg Barclays Aggregate Bond figures reflect June 29, 2021, closing values

On stocks and bonds

Short to short-intermediate interest rates are slightly up for the month, while longer duration Treasury yields are down. On a relative basis, all sectors continue to experience very tight spreads. The narrowed yield curve has stoked some concern about the health of the recovery. The economic recovery is on solid footing, believes Joey Madere, senior portfolio analyst of Equity Portfolio & Technical Strategy. Low rates and lower credit spreads seem supportive of equity markets at this point in time.

Attention turned to future actions by the Federal Open Market Committee, specifically whether the committee members might consider an increase to the fed funds rate sooner than expected. Keeping it in context, "sooner" is likely 1.5 years away, notes Doug Drabik, managing director for fixed income research.

The Fed continues to be accommodative and is still purchasing \$120 billion in Treasury and mortgage-related products monthly.

Overseas

The G7 meeting saw commitments toward climate change, a reduction in the use of coal and the earmarking of 1 billion vaccines for developing countries. European fiscal policy hasn't changed much despite improved economic growth prospects and inflation expectations. Some COVID-19-related travel restrictions remain in place, slightly hindering regional summer holidays, although U.K. and European markets continued their upward trend, adding to year-to-date gains, explained European Strategist Chris Bailey. In Asia, regional equity market performance remains lackluster, and China's financial decision-makers appear concerned with limiting any inflationary threats.

Also of note is Iran's presidential election and its potential impact on oil supply and pricing. Oil prices ended June near pandemic-era highs. Iran President-elect Ebrahim Raisi's nationalist tendencies may complicate ongoing nuclear negotiations and limit the prospect of lifting U.S. sanctions imposed on the country's oil exports. A snag in negotiations means the export of 1.5 to 2 million barrels per day could be at stake, representing just under 2% of global supply, according to Energy Analyst Pavel Molchanov.

The bottom line

The economic recovery remains robust, with the equity market continuing to reach new heights. Savvy stock investors should consider using temporary pullbacks in certain sectors as an opportunity to strategically add to their portfolios. There is also a continuation of money being added to the economy and we should expect a continuation of the expected consequences: Stocks continue to go up and yields continue to fall.

As always, we thank you for your continued confidence in us. I'll be sure to keep my eyes on the markets and relate anything of relevance. If you have any questions, please reach out at your convenience.



Material prepared by Raymond James for use by its advisors.

A Plan For All Seasons A Sunny Outlook

DATES TO REMEMBER

July 1: Parents and students might want to make note of deadlines for scholarship applications and paid internships in July.

Aug 5: Observe Information Security Day – update your passwords for all online accounts to keep your personal information secure and visit turnon2fa.com for more security tips.

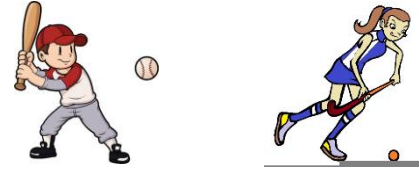
Sept 15: Third quarter estimated tax payments are due.

THINGS TO DO

- **Register with SSA.gov:** Check your earnings history for accuracy and review your expected benefits – doing this regularly should ward off error. If you're close to retirement age, discuss with your advisor when and how you should file to maximize household benefits.
- **Safeguard your estate:** Check the beneficiaries of your IRAs, insurance policies, trusts and any other accounts, and update information that is no longer relevant. Ensure your plan protects you and your family in the case of an unexpected event.
- **Call a family huddle:** Legacy planning is more than sharing wealth. It also includes passing down family values and history to the next generation. Host a family meeting to have an open conversation about the traditions that can help create a living legacy.
- **Update your professional team:** Speak with your advisor about major life changes you've experienced and how your financial plan could be affected. These changes include marriages, births, deaths, divorces, a sudden windfall and more.
- **Mind the college deadlines:** Many colleges and universities have registration and tuition payment deadlines in the summer months. If you have a 529 plan, make sure to discuss qualified expenses and payment plans with your advisor.
- **Review insurance needs:** Periodically assess and update coverage to ensure proper protection, especially if you've experienced any major life events in the past 12 months.

Enjoy wide-open spaces: When it comes to summer vacation, Americans are gravitating toward nature travel. That's the scoop on 2021 from [Trafalgar](#), which has seen an uptick in bookings for tours of national parks. Travelers are also looking to stay in nontraditional spaces such as treehouses and domes, an [Airbnb](#) survey shows.

Play Ball!!!



We went an awfully long time without hearing those words. But there is a fresh sense of excitement for the return of team sports – not only for the games themselves, but what they represent. A return to normalcy.

The pandemic interrupted so many aspects of our daily lives. And while sports leagues could hardly be considered essential businesses, sports can play an important role in our lives. We anticipate each game, marking the passage of the seasons. We cheer, root and celebrate. We feel connected. We get, dare we say, invested – in the players, the coaches and the outcomes.

Sports can also help us heal. The New Orleans Saints represented the resilience of their city after the devastation of Hurricane Katrina. The **Boston Red Sox** were the embodiment of Boston Strong, winning the World Series just months after the bombing at the Boston Marathon. Who knows what dramatic, thrilling, did-you-see-that moments await us?

Even when you're not in the stands, just watching from the comfort of your own living room, dazzling feats of athleticism can transport us from wherever we are to someplace magical. And just between us, there's nothing wrong with putting on a little face paint while you watch TV.

Good luck to your favorite team!



Danielle & Annette

Community Involvement

In May we were very happy to get involved with the Feed ME 5K Walk to End Hunger. We want to thank those of you that generously sponsored our walk. (No, we didn't run...maybe next year!?)



Be on the lookout for information regarding our annual shredding event, which will be held in August this year. Once again, we will be accepting donations of backpacks, lunchboxes and school supplies to support the Greater Augusta Back to School Program.



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