



## **ANSWERING THE BIG QUESTIONS**

Having an advisor can help connect you to the future you envision.

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**RAYMOND JAMES**



### THE PIONEER OF FINANCIAL PLANNING

In 1962, when other firms were focused on buying and selling stocks or mutual funds, Bob James realized there should be more to a financial services firm than just making investment transactions.

He decided to take a more thoughtful and deliberate approach to helping clients manage a wide range of matters that impact their lives. He made his vision a reality by creating a different kind of financial services firm – one that focused on the individual goals of each client.

Today, as one of the largest independent financial services firms in America, Raymond James still adheres to the vision Bob James had so many years ago.

The firm's culture of independence gives advisors the freedom to offer objective advice so they can tailor a long-term plan based solely on a client's goals.

Following in Bob James' footsteps, your Raymond James advisor is dedicated to helping you make the right decisions for your life, and all the aspirations you have for it.

### Bob James

Founder of Robert A. James Investments, 1962

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# Planning your financial future from this day forward

Life is full of big milestones and small moments. A financial plan should reflect that – along with your goals for today, tomorrow and what may come. It's so much more than an investment portfolio and retirement plan.

Financial planning is not an investment product, but rather an ongoing process designed to help you achieve your goals by making smart decisions. It begins by evaluating your current financial situation, identifying and clarifying your goals, and then creating the appropriate plan to pursue them – on your terms.

You probably have a good idea of the things you want to do and accomplish – traveling the world, buying a home, starting a family, paying for college and weddings, and eventually enjoying your well-earned retirement.

These goals all have one thing in common: they require the means to pay for them. A personalized financial plan is designed to put you in control so you stay on track, saving and investing to help bring your goals to fruition.

Financial planning is not a one-time thing; it evolves as you move through different stages of your life. Things happen, so you need to be prepared for the unplanned as well. We all have competing priorities and only so many resources available to fund them. That's why you may need a financial plan.

“Failing to plan is planning to fail.”

– Benjamin Franklin

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# Guidance for your life

Each stage of your life will present both financial challenges and opportunities. The key is to identify your needs, objectives and resources – and understand what to expect, so you can be prepared. Here is some helpful information to guide you along your journey.

## LAYING THE FOUNDATION

To lay the foundation for your financial future, you'll need to balance your priorities and create a plan. The earlier you start, the better your chance of building a solid financial foundation that can grow with you and simultaneously support your near-term needs and long-term goals.

## SAVING

It's important to maintain an appropriate balance between spending and saving. Your advisor can work together with you to create a budget designed to help you spend less than you earn. Your advisor can also help you identify more immediate needs, such as housing and utilities, and prioritize your wants, such as taking a vacation, buying a car or starting a family. If you have debt, you should develop a plan to pay it down and avoid accruing new liabilities.

## CASH CUSHION

You should always keep a portion of your money as cash or cash alternatives in liquid investments such as savings, checking and money market accounts. It is recommended that you hold approximately three to six months of living expenses in cash, a line of credit and/or highly liquid investments.

## ACCUMULATING ASSETS

Once you have a financial plan in place, you can focus on accumulating assets to support yourself, your family, your career and your future. Over time, small but disciplined contributions to an investment account can help you establish a lifetime habit of saving and meeting your goals.



## Planning Tips

Communicate frequently and openly about your goals, needs and concerns. Ask questions and become involved.

Be receptive but cautious about new investment ideas. Evaluate them carefully.

Learn more about investing and the economic developments that affect your money.

### INVESTING

As a general rule, the longer you have to invest, the greater the risk exposure you may be willing to take. For example, someone who is just starting out may have a longer time horizon and can use the power of compounding effectively to help accumulate significant wealth through regular, disciplined investing. Conversely, for someone approaching retirement, less risky investments are often the preferred choice due to having less time to recover from market downturns.

An advisor can help select the investments best suited to your needs, constraints, obligations and goals. To help mitigate volatility within your portfolio, your advisor can develop a diversified asset allocation strategy designed to pursue your goals, yet reflect your tolerance for risk.

### PROTECTING YOU FROM THE UNEXPECTED

Sometimes life throws you curveballs. Your advisor can help protect you from the unexpected by seeing that you have the appropriate insurance where needed, such as renter/homeowner, health, life and disability policies.

### SPENDING WISELY

You will find that in order to achieve your goals and make best use of your resources, you should manage both your spending and the preservation of your assets. You will want to stick to a sustainable spending policy that differentiates your needs from your wants and is designed to make your money last.

### CONSERVING

Many investors, particularly retirees, invest primarily to achieve a steady income that can keep up with, or exceed, cost-of-living increases. Equity investments designed for this objective may help people on fixed incomes obtain potentially steady cash flow via dividends while striving to offset inflation.

However, stocks tend to fluctuate in value and often pose more risk than most retirees care to take. That's why investments that help provide steady and reliable income streams, such as fixed income<sup>1</sup> or annuities, often serve as a foundation for well-diversified income portfolios.

### TRANSFERRING WEALTH AND LEAVING A LEGACY

Financial planning prepares you for all of life's stages, including the decisions you make about passing assets to your family members and charitable causes. A well-designed estate plan can help ensure that your affairs will be handled in the manner you prefer, by the person of your choice.

Estate planning strategies have changed over time. No longer is it simply a matter of distributing your assets through a will. Direct transfers to beneficiaries, revocable living trusts, insurance policies, durable powers of attorney and living wills are all instruments to help provide a more orderly distribution of your estate to your heirs.

Your advisor can collaborate with your tax and legal advisors to develop a coordinated strategy that outlines to whom, where and how you want your assets distributed.

<sup>1</sup> Subject to credit risk. A downgrade in an issuer's credit rating or other adverse news about an issuer can reduce the market value of that issuer's securities. Diversification does not ensure a profit or protect against a loss. Investments are subject to market risk, including possible loss of principal. Guarantees are based on the claims paying ability of the insurer.

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# Selecting an advisor is as personal as choosing a doctor

The details of where your money is invested, how much you save and the ways you spend reveal a lot about you, your values and your priorities. You should feel at ease with an advisor since you are sharing information you may not even share with your friends or family.

Furthermore, you should trust your advisor because it's important that you are also comfortable with the advice you're receiving. You want to work with a knowledgeable advisor who will be there for you, with your best interest in mind, offering guidance through every stage and milestone of your life.

## QUESTIONS TO ASK A POTENTIAL ADVISOR

- > How long have you been an advisor?
- > What is your investment philosophy and process?
- > Will you work with my accountant and lawyer?
- > What are your educational and professional certification qualifications?
- > Are you compensated on a fee basis or a commission basis?
- > How do you communicate with clients?
- > Will I be able to monitor my plan and track progress toward my goals?
- > Do you provide tax advice?<sup>2</sup>
- > How much do you typically charge?
- > What financial planning services do you offer?
- > What types of clients do you typically work with?
- > Will you be the only financial planner working with me?
- > Do others stand to gain from the financial advice you give me?
- > Have you ever been publicly disciplined for any unlawful or unethical actions?



### Planning Tip

Be honest about your financial situation so your advisor can provide the most appropriate recommendations.

# What to expect when working together

Working with your advisor can help you define specific financial goals by reviewing your personal situation, giving careful consideration to factors such as your income, assets and liabilities, current portfolio, risk tolerance and time horizon.

Together, you should be able to cover and evaluate a wide variety of flexible account options, including traditional investment accounts or a variety of fee-based alternatives. For the account(s) you select, you should also have a broad choice of investment options and services, such as stocks, bonds, mutual funds, CDs, insurance and annuities, as well as retirement, education, tax, estate planning, trust, asset management and banking services.

And when you get nervous or need more clarification, your advisor will be able to help forecast scenarios using specialized software so you can feel confident that you're heading in the right direction. You can also expect to be regularly updated on the progress you are making toward

specific goals. Your advisor may also provide access to timely market data, research reports, and other economic and financial resources to keep you informed.

It's important that your advisor help coordinate all aspects of your financial life, working closely with your accountant, attorney and other professional advisors, to arrive at the best strategies and actions that are right for you.

Lastly, you should expect your advisor to communicate with you on a regular basis to give you an updated appraisal of your investment portfolio and ensure that it remains aligned with your life and goals.

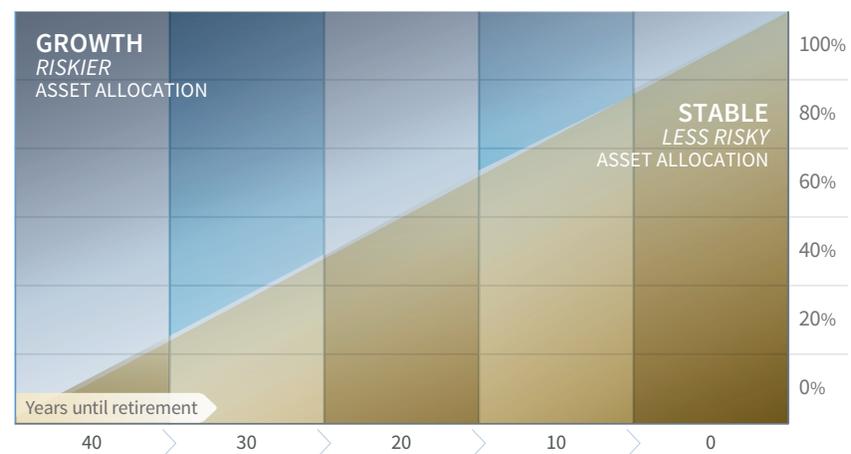
## Planning Tips

Carefully review any documentation that precedes and/or follows your investment selections.

Read recommended literature and strive to gain an understanding of each investment's fundamentals, risks, costs and potential rewards. Keep a record of your financial transactions.

Maintain realistic expectations for your investments.

## TIME HORIZON: BALANCING RISK OVER TIME



# What goes into *your* financial plan

A customized financial plan serves as the road map for pursuing your goals. A structured process helps identify relevant strategies for moving forward and addressing your needs. These time-tested steps will help you and your advisor build a financial plan personalized to you.



# The closer you are to retirement, the closer your advisor should be

As you approach retirement, your priorities will shift again and new concerns may crop up. Your plan should shift as well, from one focused on generating returns to one designed to help provide income and preserve wealth while keeping pace with inflation.

You'll want to give consideration to maxing out your retirement contributions, thinking through rollover options and creating strategies for income distribution. Your advisor can help you transition into retirement by estimating when you can expect to retire, and map out an exit strategy well in advance of that date.

It's also time to begin developing a sensible plan for how you'll spend money in retirement. Your advisor can help you navigate government benefits such as Social Security and Medicare to help ensure you receive the most benefit, and to integrate them into your overall retirement income plan.

## Let's also think through other retirement considerations

- > Caring for an elderly parent
- > Assisting adult children
- > Consolidating your investments and accounts to simplify cash flow management
- > Planning for healthcare, long-term care and emergency expenses
- > Having a will and incapacity documents
- > Discussing your wishes for estate distribution and charitable giving

## MIND THE GAP: PRIORITIZING RETIREMENT NEEDS, WANTS AND WISHES

At times, a retiree's **reliable income** is not enough to cover essential expenses, be it due to lower reliable income, unexpected economic factors or rising costs of living. This leaves a **gap**, the difference between income and vital expenses. **Retirement assets** first should be allocated to fill this gap, before being spent on secondary **wants and wishes**.





# What else can an advisor do for you? *(Hint: A lot.)*

With an advisor in your corner, you have a trusted professional who can provide a sound advisory process and a long-term perspective to help you stay focused on your goals. Here are essential functions your advisor performs.

## **UNDERSTANDING AND ADDRESSING YOUR CONCERNS**

You probably have a lot of “what ifs” when it comes to your financial life. It’s only natural, but here’s a positive thought. What if you have a knowledgeable financial professional who can address them and help you feel more confident?

## **CLARIFYING YOUR FINANCIAL GOALS**

Your plan may be as straightforward as saving for retirement or a child’s education. But you may need a more complex strategy, like selling your business and using the proceeds to develop a sustainable plan for retirement income and establish a charitable trust. Your advisor can help provide the guidance you need.

## **HELPING YOU STAY FOCUSED ON LONG-TERM PLANNING**

Your advisor can help keep you apprised of relevant market developments and help you understand their implications. This helps ensure your financial decisions are based on facts and careful research, rather than emotions and market volatility.

## **OFFERING SERVICES AND STRATEGIES TO HELP ADDRESS EVERY ASPECT OF YOUR FINANCIAL LIFE**

Because you’ll have many needs as your life evolves, your advisor will offer a wide range of services to help cover all the financial-related events and eventualities you encounter.

## **ASSET ALLOCATION**

By allocating your assets to a diverse variety of sectors and investments, your advisor attempts to increase the likelihood of generating a more consistent, positive return over the long term. It’s based on the premise that various types of investments have different characteristics that often prompt them to respond differently to economic and financial developments.

Asset allocation does not guarantee a profit or protect against a loss.

## **BUSINESS SUCCESSION PLANNING**

A business succession plan helps you address and resolve many important considerations. Should you transfer ownership to family members or employees or perhaps an outside party? Shouldn’t you have an orderly plan in place in the event of an incapacitating health event or death? How can you pull money out of the business in a tax-efficient manner? Your advisor can help you answer these important questions and smooth the transition by building a sound business succession plan.

## **CHARITABLE GIVING**

Giving not only helps the organizations you choose, but can also generate personal tax benefits and advance your wealth management plan.

### CORPORATE BENEFITS PLANNING

Your advisor can help you maximize your corporate benefits through stock option planning, cashless stock option exercises, Rule 144 executions, 10b5-1 sales plans, and hedging and monetization for concentrated equity positions.

### DIVERSIFICATION STRATEGIES

Every type of investment responds differently to changes in the economy. So if you own a variety of assets, a decline in one can potentially be balanced by stability or increased value in another.

Diversification does not ensure a profit or protect against a loss.

### EDUCATION PLANNING

Funding a child's or grandchild's higher education can be a personally rewarding use of your wealth. Your advisor can help you provide for this opportunity with specific tax-advantaged investment vehicles.

### ESTATE PLANNING

Your advisor can help ensure that your assets accumulated over your lifetime are preserved for the use you have intended.

### INSURANCE PLANNING

Because insurance can protect you and your family from the unexpected, it plays a crucial role in your comprehensive financial plan.

### INVESTMENT MANAGEMENT

By carefully building your portfolio and selecting the investments, your advisor can help you pursue your objectives to preserve your wealth, achieve a reasonable rate of return, and counter the erosive effects of inflation and taxes.

There is no assurance that any investment will meet its investment objectives or that substantial losses will be avoided.

### NAVIGATING CHANGING MARKET ENVIRONMENTS

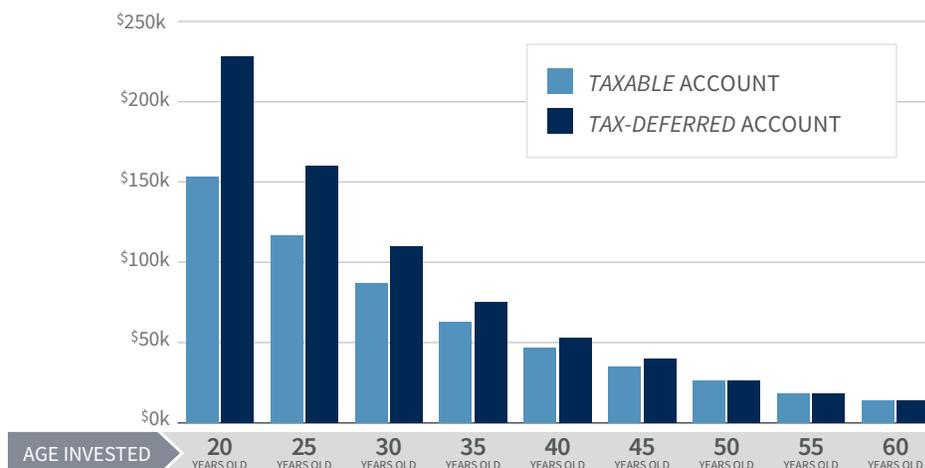
Your advisor pays close attention to the markets in order to consider defensive measures in down markets and capitalize on opportunities in up markets.

### PORTFOLIO REBALANCING

As some assets you hold appreciate faster than others, it changes the proportion of your portfolio. By rebalancing, your advisor's goal is to restore the proper mix designed to help you achieve your goals.

## TIME ON YOUR SIDE: POWER OF COMPOUNDING

\$10,000 invested in taxable vs. tax-deferred accounts



Hypothetical value of \$10,000 invested in stocks. This example is for an investor in the 28% bracket using the 2018 tax code. Assumes an 8% annual total return. Assumes a retirement age of 65. Estimates are not guaranteed. This is for illustrative purposes only and not indicative of any investment. © Morningstar. All Rights Reserved.

## RETIREMENT PLANNING

To help you prepare for retirement, your advisor can help you clarify your wants and needs, estimate expenses, identify sources of income, and develop a distribution strategy to fund your lifestyle.

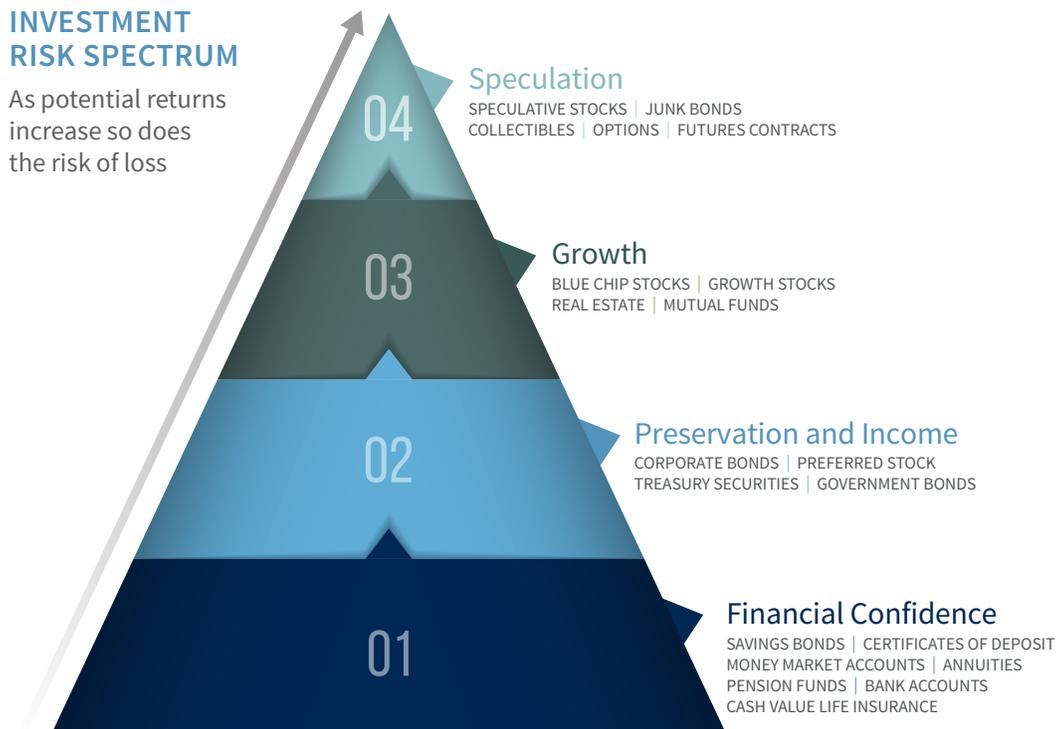
## RISK MANAGEMENT

Your advisor strives to identify, analyze and mitigate uncertainty in investment decisions through a vigilant and disciplined approach. Generally, the rule of thumb is that the greater the risk assumed, the greater the potential return on that investment, as shown in the investment risk spectrum pictured here.

## TAX PLANNING

It is important to consider whether to place assets in a taxable or tax-deferred account. After all, what you actually keep after taxes is what matters now. Your advisor takes a tax-sensitive approach to financial planning and works with your accountant or tax attorneys to help mitigate the impact of taxes.

Please note: Changes in tax laws or regulations may occur at any time and financial advisors of Raymond James are not qualified to render advice on tax or legal matters. You should discuss any tax or legal matters with the appropriate professional.



Options involve risk and are not suitable for all investors. When appropriate, options should comprise a modest portion of an investor's portfolio. Prior to buying or selling an option, a person must receive a copy of "Characteristics and Risks of Standardized Options" also known as the options disclosure document (ODD). Copies of the ODD are available from your financial advisor, from [cboedirect.com/Resources/Intro.aspx](http://cboedirect.com/Resources/Intro.aspx) or by contacting Raymond James at 880 Carillon Parkway, St. Petersburg, FL 33716. The information in this document is provided solely for general education and information purposes and, therefore, should not be considered a complete description of listed options. No statement within this document should be construed as a recommendation to buy or sell a security or to provide investment advice. Please consult a tax advisor for the tax implications involved in the use of options.

Supporting documentation for any claims (including any claims made on behalf of options programs or the options expertise of sales persons), comparisons, recommendations, statistics, or other technical data, will be supplied upon request.

Investors should consider the investment objectives, risks, charges and expenses of an investment company carefully before investing. The prospectus contains this and other information and should be read carefully before investing.

Annuity guarantees are subject to the claims-paying ability of the insurer.

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## Speaking the language: *Terms to know*

### STOCK

An investment vehicle representing a share of ownership in the issuing company. Investors may participate in increases or decreases in the value of the shares and may receive dividends.

### PREFERRED STOCK

A class of stock that generally pays a fixed dividend with a claim on the company's earnings before payment of dividends may be made to common stock shareholders.

### MUNICIPAL BOND<sup>3</sup>

A bond issued by a state, county, city, town or village – or also bonds issued by state agencies and authorities. In general, interest paid on municipal bonds is exempt from federal income taxes and, in various cases, state and local taxes within the state of issue. However, some interest may be subject to the Alternative Minimum Tax.

### MUTUAL FUNDS<sup>4</sup>

A professionally managed pool of funds from many investors that offers diversification and professional management by investing in securities such as stocks, bonds, money market instruments and similar assets.

### EXCHANGE TRADED FUND<sup>4</sup>

A marketable security that tracks a stock index, commodity, bonds or a basket of assets. Shares trade like common stock on an exchange.

### OPTIONS<sup>5</sup>

Contracts that offer the buyer the right, but not the obligation, to buy or sell a security at a set price by a certain period of time.

### ANNUITIES<sup>6</sup>

A contract purchased from an insurance company to help provide a stream of income.

### ASSET CLASS

A collection of securities distinguished by their characteristics and performance. The three most common asset classes are equities (stocks), fixed income (bonds), and cash and cash alternatives (CDs, money market accounts, Treasury bills, etc.).

### REBALANCING

The act of selling shares and reinvesting the proceeds in other assets to realign your portfolio with its target asset allocation.

### RISK TOLERANCE

The amount of risk you are willing to take on in your investment portfolio.

<sup>3</sup> Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

<sup>4</sup> Investors should carefully consider the investment objectives, risks, charges and expenses of mutual funds and exchange traded funds. The prospectus contains this and other information about mutual funds and exchange traded funds. The prospectus is available from an advisor's office and should be read carefully.

<sup>5</sup> Options involve unique risks, tax consequences and commission charges and are not suitable for all investors. When appropriate, options should comprise a modest portion of an investor's portfolio.

<sup>6</sup> This information is not intended as a solicitation or an offer to buy or sell any security referred to herein. Investments mentioned may not be suitable for all investors. Investing involves risk and investors may incur a profit or a loss. Every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment. Prior to making an investment decision, please consult with your financial advisor about your individual situation.

## Here and ready to help

Planning and investing for your future, your family or your business doesn't have to be complicated. Especially when you have someone you trust and who has taken the time to get to know you and your specific situation.

An advisor can help you identify the questions, determine the answers and ultimately help implement the plan and strategies that are right for you. By building a trusted relationship with your advisor, you'll have a professional partner here to help manage your financial plan throughout your life.

### READY TO BEGIN?

Let's take the next step together – and start prioritizing your goals, addressing your needs, and planning for the future you envision.

“The secret of getting ahead is getting started.”

– Mark Twain

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**LIFE WELL PLANNED.**

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**RAYMOND JAMES®**

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