

AROUND THE SQUARE

Winter / 2021



IN THIS ISSUE:

The pandemic's tentacles have infiltrated nearly every aspect of our lives. Here, we'll explore how COVID is influencing investment trends and get tips on how to keep our health a priority from any location. We'll also highlight one entrepreneur who's been adapting and reinventing long before we had little choice.

QUOTABLE:

"When resistance closes the door against you, remember that persistence holds the key." Israelmore Ayivor



Photo by [Ogden Gigli](#)

SPACs – What Are They and Why Now?

By Marc Coleman

The Investment industry loves acronyms: FAANG (Facebook, Amazon, Apple, Netflix, and Google), IPOs, IRAs, ETFs, are just a few examples; I think of it all as an alphabet soup with no pun intended to Google's parent company, Alphabet, Inc. Perhaps the most popular acronym in 2020 after COVID was SPAC, which stands for Special Purpose Acquisition Company. This is a company with no commercial operations, but is established for the sole purpose of raising money to acquire a private company typically within a period of two years. SPACs are generally formed by sponsors with expertise in a particular industry, and the sponsors are often well known to the public, such as successful investment fund managers or even celebrities.

SPACs aren't a new phenomenon; they have been around for over 20 years. However, with looser regulations in the '90s and perhaps some discomfort by shareholders not knowing what private company their SPAC would ultimately acquire, most sponsors and investors favored private companies raising capital via a traditional Initial Public Offering (IPO). Yes, you read that correctly; Shareholders in SPACs invest money without knowing the target company, which is why SPACs are also known as "Blank Check Companies."

You might wonder, what happens if the shareholder doesn't like the SPAC's target company? Shareholders will get an opportunity to redeem their shares before the SPAC merges with its acquired company. Shareholders typically won't lose purchasing power on their investments because SPACs must place shareholder funds in an interest-bearing account during the deal-sourcing period.

So, why now? We all know 2020 was a crazy year, but was the enthusiasm of the stock market recovery enough to make investors want to invest millions of dollars, arguably, almost blindly? In 2020, SPACs outnumbered traditional IPOs by over 75%, with 242 SPAC deals worth \$180 billion¹. COVID was the catalyst for many trends some analysts

believe are here for the long haul, such as remote work, migration to rural communities (the Berkshires included), and also SPACs. In a traditional IPO, pre-IPO investor roadshows are needed to help raise awareness and capital. However, because a SPAC already raises its capital during its own IPO, the entire roadshow step is unnecessary, which was significant when most of the world spent months on lockdown under COVID restrictions.

There were other trends unrelated to COVID that have increased the occurrence of SPACs over the last couple of years. Since SPACs don't announce their target company, a SPAC acquisition can be closed in just a few months versus the arduous process of registering an IPO with the SEC, which can take longer. Also, we have seen IPO stock prices increase, in some cases, over 20% on their first day of trading. This typically happens when the investment bank gets the private company's market valuation wrong, and the company could have raised more capital during the IPO process. In a SPAC arrangement, on the other hand, the target company can negotiate its fixed valuation with the SPAC sponsors to reduce the risk of leaving money on the table.

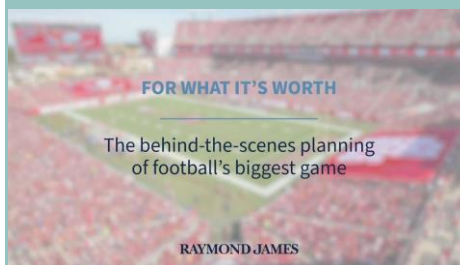
Even though there are significant differences between SPACs and IPOs, they are both still speculative investments; and like all investments, returns are not guaranteed. With the market volatility of traditional IPOs and investor appetite to put cash to work, we can foresee more SPAC deals in 2021 and beyond.

1. Data source: SPACInsider

DID YOU KNOW?

Raymond James Stadium

Please check out a special edition of the Raymond James, For What It's Worth podcast, featuring NFL executive Peter O'Reilly, and hear what went into planning the big game at Raymond James Stadium.



(Click image to listen)

VIEWS FROM THE EXPERTS

Beth Piantoni, ACSM CPT, CHWC – Wellness Program Coordinator



165 Tor Court, Pittsfield MA 01201
413.445.9327

Make Your Self-Care #1 On Your List of To-Do's

It's that time of the year, the winter weather is frigid, and for many people heading outside for a run, walk or bike ride is not very appealing. On top of that we have been under lockdown for months and many of us are sick of being home and the monotony of this "new normal." While exercising under such circumstances might be tough, it's vital for health. Physical activities will help you maintain strength, energy, improve your immunity, and relieve all the stressors that may be amplified from COVID.

If you are feeling a little lost and discouraged, check out the following tips to help motivate you to get back into exercising and feeling your best:

Tip #1. Just Start Moving Your Body More

- Sometimes we can lose sight of the ultimate purpose of exercise, which is to improve overall health and fitness. We can get lost in the idea that exercise is about looking a certain way or that there has to be a result attached to it. Although it's good to have goals, it's also important to remember that our bodies are meant to move, and we feel better when we do. Start small, be consistent, and before you know it, you will be back in an exercise routine you feel good about.

Tip #2. Get Mentally Unstuck

- The biggest barrier to creating any behavior change is our mind. We will create every excuse possible in our minds to not do something. As humans, it is natural for us to want to take the path of least resistance. The first step is to recognize the power of your thoughts, and then reframe the way you think about exercise. Instead of thinking of it as a chore, think about how exercise is going to serve you and your best self.

Tip #3. Try Something New

- If you are feeling stuck, I encourage you to take yourself out of your comfort zone and try something new. Many personal trainers and gyms are offering live virtual fitness classes, which can help keep you accountable and provide a social connection. For free workouts, YouTube is a great resource. You can find almost any type of exercise, for any length of time, or intensity that works for you. There are also many apps, both paid and free, that offer guided workouts and routines. Another option would be to invest in new equipment, such as resistance bands, kettlebells, rowing machine, treadmill, etc. Make sure you have a plan to follow when you invest in these pieces of equipment to help keep you motivated to use them, too!

Lastly, I encourage you to make your self-care #1 on your list of to-do's. Keep in mind, if you are not taking care of yourself, then how can you be your best at work, be present with your family, and manage everything in life, if you are not healthy? Your health will always be #1. Take this time for you, your mind, body, and spirit. Your health will thank you.

WELLNESS LINKS:

- BHS Wellness Channel: https://www.youtube.com/channel/UCoJb1aSumvFu4RE_bFNtoKQ
- For virtual strength and cardio classes, personal training or Wellness Coaching: nafitnesswithbeth@gmail.com

COMMUNITY SPOTLIGHT

By Paul Fortini

Brian Fairbank – Chairman, Fairbank Group

I have long held the belief that Brian Fairbank is one of Berkshire County's greatest entrepreneurial success stories. It has been my good fortune to be able to call him a friend, business associate and, despite a not-so-significant age difference, a mentor. I'm probably one of hundreds in the county that would describe their relationship with Brian in the same fashion.

Brian Fairbank was one of a class of eight who was inducted into the U.S. Ski and Snowboard Hall of Fame last October.

Fairbank was one of a class of eight who was inducted into the U.S. Ski and Snowboard Hall of Fame last October. Not surprisingly, the roster included skiing greats that were Olympic Champions, the inventor of THE Ski, U.S. Ski Team leaders, etc. The announcement described him as “ski area mastermind,” a truly fitting description.

It’s been said that Mother Nature is a fickle dance partner and navigating through the ups and downs over a 35-year career in a business dominated by weather requires an out-of-the-box skill set. For example, in 2007, and in line with Brian’s focus on environmental stewardship, Jiminy Peak was the first ski resort in the United States to invest in its own megawatt-class wind turbine, named Zephyr. He followed that commitment in 2015 with the installation of a 2.3 megawatt solar facility. Those projects garnered him and Jiminy Peak national notoriety, and they were subsequently awarded the Climate Change Impact Award from the National Ski Areas Association (NSAA) in 2019. Throw in the mix other notable initiatives, such as a patent on snow-making equipment, using “short” skis to help beginners learn the sport, and adding year round attractions like a mountain coaster and zip lines – well, you get the picture!

In 2017, Brian was recognized by his peers with the Lifetime Achievement Award by the NSAA. His lifelong passion and dedication to the ski industry, his deep and varied community involvement, and his love of all things in the Berkshires make him a classic entrepreneurial success study.



Photo by [Ogden Gigli](#)

THANK YOU

The month of February is the “hump day” of our Berkshire winter season. By mid-month, the lack of sunlight, a steady stream of snow and the pandemic-induced lockdowns have tested even the most durable Berkshire natives. Fortunately, this year’s steady snowfall has provided ample opportunity for the winter sport enthusiasts, skiers, snowshoe addicts and snowmobilers alike. So get out and enjoy the bounty of winter while you can. It truly is a special time of year.

Contact Us

Park Square Financial Advisors of Raymond James

7 North Street, Suite 201
Pittsfield, MA 01201

413.236.5612

psfinancialadvisors.com

[Facebook](#) / [LinkedIn](#)



From left:

Paul A. Fortini – Vice President, Investments; Branch Manager

David A. Rice, CFP® – Vice President, Investments

Marc T. Coleman – Registered Client Service Associate

The information contained within this newsletter has been obtained from sources considered reliable, but we do not guarantee the foregoing material is accurate or complete. Raymond James is not affiliated with Jiminy Peak, SPACInsider, or Berkshire Health Systems. Any opinions are those of Park Square Financial Advisors and the guest contributors and not necessarily those of Raymond James. Links are being provided for information purposes only. Raymond James is not affiliated with and does not endorse, authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website’s users and/or members. © 2021 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC