

## UPDATES FROM YOUR PARTNER

**LIFE WELL PLANNED**



*Barbara's son Seth finished his Naval Basic Divisional Officer Course at Naval Station San Diego.*



*Turner's older boys have wheels now, watch out!*



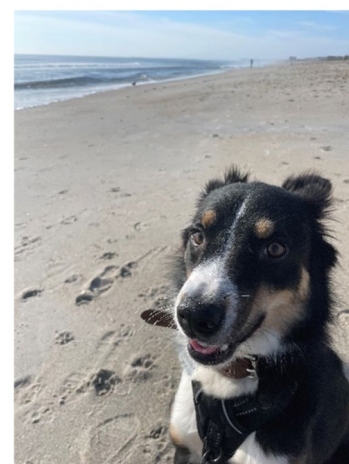
*Sarah and Bill had a great time on vacation in Florida.*



*Kim's dogs Randall and Beth napping beside the fire.*



*Charles enjoyed some winter beach scenes – on both coasts.*



*Charlie's dog Winston enjoying his new life as a beach dog.*

## MARKET UPDATE

from Charles Betts  
SENIOR VP, INVESTMENTS



As you may have heard us say before, we believe that the core of a successful investment strategy is not so much focused on investing in the “stock market”, but instead investing in a selective and diversified portfolio of quality businesses—companies that have proven to be stable, growing and cash rich businesses over time. Companies that pay dividends and increase those dividends on a consistent basis are good candidates for rewarding shareholders with a consistent and increasing retirement income stream and are companies we feel like we want clients to own.

The act of paying dividends is in itself a powerful component of shareholder returns. Historically, the compounding of dividends has represented a significant portion of the overall total return of US large company stocks. As various industry studies show, in the time period of 1926-2021, approximately 35% of that return came from the dividends and during some periods accounted for over half of the market’s total returns.

Some other general thoughts on cash flow and dividends:

- Steady dividend payments can be a sign of good financial health of a company.
- Free cash flow used to pay dividends is an important core metric in evaluating companies to invest in. Dividends are generated from a company’s underlying earnings and factors such as free cash flow, buybacks and earnings forecasts can ensure that the company is well positioned to increase its payouts in the future.
- Companies that historically increase their dividends also tend to increase their payouts at a faster rate than inflation, which adds real value to your portfolio.
- There are not many ways to get a “raise” in retirement; by owning a portfolio of dividend paying companies with histories of increasing their dividend payouts on a regular basis, the growth in dividend income increases which we believe is an excellent hedge against inflation.
- During periods of market volatility, companies that pay dividends have historically performed better than those companies that don’t pay dividends.
- Focusing on a portfolio of quality, dividend growing companies can be the core part of a solid long-term strategy for growing and preserving wealth and help tune out short term volatility of market swings.

## TIPS & TRENDS

from Bill Krebs  
SENIOR VP, INVESTMENTS



- Tip

- Please be sure and let us help you do a review of your various beneficiary designations to confirm that they are up to date and in harmony with your current goals.

- Trend

- We are seeing clients moving towards greater simplicity with respect to their overall financial affairs.
- They appreciate being able to consolidate their financial assets with us which makes it easier for them to manage their overall diversification and cash flows.

## RESOURCES

from Turner Krebs  
FINANCIAL ADVISOR



### Secure Act 2.0

Just before year-end, Congress passed the massive SECURE Act 2.0, with modifications to dozens (and dozens) of retirement-related provisions. Importantly for seniors, the Required Minimum Distribution (RMD) age was pushed back to 73 if you were born between 1951 and 1959 and 75 for that youthful lot born after 1959. The period after retirement and before RMD age should be strategically considered on the tax front.

<https://www.raymondjames.com/commentary-and-insights/economy-policy/2023/02/07/review-key-takeaways-of-the-secure-act-2-0>

**529 to Roth IRA** – If college costs didn't fully devour your 529 college savings plan, there is a new opportunity to transfer to a Roth IRA. For example, if you set up a 529 plan for your daughter 15 years ago, you may be able to transfer up to \$35,000 (over a few years) to a Roth IRA in your daughter's name.

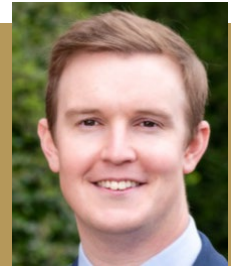
**Other** – There are many other details including Roth-style SEP IRA's & Simple IRA's as well as allowing employer plans to do match payments that pay down an employee's student debt.

## Introduce us!

Thanks in advance for spreading the word and let us know if there's someone we should contact or add to this email list.

## OUTSIDE THE BOX

from Charlie Betts  
FINANCIAL ADVISOR



It's never too early to start an investing plan! Setting up the next generation for success is at the foundation of my role here at Piedmont Wealth Advisors. Whether you're early in your career and need advice on starting out or have questions about inter-generational wealth – please reach out! In the meantime, here are a few resources that I found helpful:

- [The wealth transfer: financial literacy and family values \(raymondjames.com\)](https://www.raymondjames.com/commentary-and-insights/wealth-transfer/2023/02/07/the-wealth-transfer-financial-literacy-and-family-values)
- [The importance of discussing inheritance with your heirs \(raymondjames.com\)](https://www.raymondjames.com/commentary-and-insights/inheritance/2023/02/07/the-importance-of-discussing-inheritance-with-your-heirs)

## DETAILS

from Kim Moser  
SENIOR REGISTERED  
CLIENT SERVICE ASSOCIATE  
& Barbara Norwood  
CLIENT SERVICE ASSOCIATE



It is 1099 season again! 1099-R's for IRA accounts were mailed out January 31, 2023. If you have not received yours, please let us know. If you have Client Access online, you can download them from there also. 1099's for retail accounts were mailed on February 15, 2023. If you have not received those by the time you are reading this, please let us know. Sometimes 1099's are delayed due to specific holdings in accounts. Those 1099's will be mailed on February 28, 2023, but it could even be delayed until March 15, 2023.

## LIFE WELL PLANNED.

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