

## **How We Add Value to Our Client Relationships**

We believe one of our most important jobs is to work with our clients to help them meet their goals through making good investment decisions, and more importantly, avoiding common investor mistakes. A recent comprehensive study conducted by the research arm of Dalbar showed that the average investor's annualized return over the past 30 years was only 3.98% versus 10.16% for the S&P 500.\* This was primarily due to common investor mistakes such as failing to have a well-defined plan, making emotionally based investment decisions (especially during volatile periods), chasing performance, trying to time the market, failing to actively rebalance, and paying too much in commissions or fees.

These are things that we help our clients with on an ongoing basis. However, we want to focus this piece on the ways we add value outside of our investment advice. We think the iPhone makes for a great analogy. It can be used for the simple task of making phone calls, but those who get the most out of the device use it for much more than that. Below we highlight some of the ways we provide our clients with a comprehensive approach to managing their wealth outside of investment management:

- Building a living financial plan—one that reflects the constant changes in our clients' lives—with specific and detailed steps to give them confidence that their short and long-term goals will be met and, more importantly, give clients and their spouses confidence that they will not outlive their savings
- Working with multi-generational relationships in order to provide our clients, their parents, their children, and their grandchildren with sound financial planning with reduced investment expenses and continuity of investments from one generation to the next
- Implementing dynamic asset allocation strategies to weigh and solve for all ten different portfolio risks rather than the two or three most investors and the media focus on:
  - o Volatility Risk
  - o Longevity Risk / Inflation / Devalued Dollar
  - o Interest Rate Risk
  - o Taxation Risk
  - o Permanent Loss Risk
  - o Spending Risk
  - o Expense Risk
  - o Political or Policy Risk
  - o Credit Risk
  - o Liquidity Risk
- Navigating Social Security options and the complex set of 1,000+ rules to find the best way to maximize lifetime benefits
- Assisting with Medicare options to secure the right retirement health care plan
- Formalizing a retirement income plan to ensure all income sources work together in a tax-efficient way during the distribution phase of investing

- Developing risk-based portfolios centered on either accumulating wealth or distribution of income
- Assisting our clients in finding other qualified professionals to assist with tax work, sale of a closely held business, legal needs, estate planning and trust services
- Providing efficiency studies of existing life and long-term care insurance policies in order to confirm the policies are performing as expected in the current environment, still match our clients' needs in both time horizon and scope, and to make sure the cost of insurance is still competitive
- Assisting our clients in planning for their own aging issues or those of their parents, including evaluating long-term care options, power of attorney, health care power of attorney, and preparing children and parents for possible health issues
- Planning for wealth transfer both in life and at death by understanding lifetime gifting limits, educational and medical planning opportunities, as well as assisting in stewarding these gifts, allowing family leaders to assess how prepared the next generation is to manage wealth
- Assessing the benefits and risks of using trusts to successfully transfer wealth to multiple generations and protect that wealth from various creditors and risks.
- Working in conjunction with our in-house planning department, reviewing existing wills and trust documents
- Planning for education funding needs by examining both in-state and out-of-state investment options to ensure the most appropriate and tax-advantaged funding options are used
- Using the best charitable planning tools to help our clients meet their short and long-term charitable goals in ways that maximize tax savings for each dollar donated to charities
- Assisting with current employer-provided retirement plan options to ensure your choices align with existing investment plans and help you consider the unique benefits of qualified plans—such as dollar cost averaging, tax advantages, Roth capabilities, and company matches—as well as the risks of these plans, including excessive fees, poorly performing funds, and concentration of employer stock
- Managing concentrated stock positions or employer stock option plans in tax-advantaged ways
- Utilizing securities-based lending to better manage the liability side of our clients' balance sheets, driving down borrowing costs

In closing, we want to reiterate a point that is central to our team and our business: our clients created their wealth, and our job is to preserve and build that wealth. We are always looking for ways to help our clients better and more effectively manage their wealth to serve their ultimate goals.

\*Source: "Quantitative Analysis of Investor Behavior Report", 2017 Update, Dalbar, Inc. The Average Equity Investor is calculated using results supplied by the Investment Company Institute. Investor returns are represented by the change in total mutual fund assets after excluding sales, redemptions, and exchanges. Results capture realized and unrealized capital gains dividends, interest, trading costs, sales charges, fees, expenses, and other costs.

The S&P 500 is an unmanaged index of 500 widely held stocks. It is not possible to invest directly in an index. Diversification and strategic asset allocation do not ensure a profit or protect against a loss. Past performance is not indicative of future results. Investing always involves risk and you may incur a profit or loss. No investment strategy can guarantee success. As federal and state tax rules are subject to frequent changes, you should consult with a qualified tax advisor prior to making any investment decision. Raymond James is not affiliated with and does not endorse the opinions or services of Dalbar, Inc. Raymond James & Associates, Inc., Member New York Stock Exchange/SIPC

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