

NORCAL INSIDER

A LOOK INSIDE THE COMPANY AND CULTURE OF
RAYMOND JAMES IN NORTHERN CALIFORNIA

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SUCCESSION & ACQUISITION PLANNING

The present and future of your business deserve a plan.

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RETIREMENTCHOICE

Planning for yourself like you plan for your clients.

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When all of us started out in this industry, in our struggle to survive, I doubt that we gave much thought to the idea that someday we would be required to make an entirely different decision. Where do we leave these wonderful people we have had the privilege of serving over these years? In whose hands do we entrust their well-being and at what firm?

These are serious decisions that, for many of us, are suddenly becoming front of mind. The decision of where, and with whom, to entrust the future of our clients is a decision of lasting consequence. That is why I am proud to provide this NorCal Insider, which concentrates solely on succession planning.

Our fundamental view that a practice is owned by the advisor means that Raymond James is not in the business of buying books. Certainly, as you will read, we facilitate and finance these transactions but, at the end of the day, unlike other firms, at Raymond James the buying advisor is really purchasing your practice. I encourage you to carefully review the succession planning documents at your firm. I think you will discover that, in addition to being a one-size-fits-all approach, their plan locks the purchasing advisor to the firm.

Your succession decision is arguably the last great decision you will make on behalf of your clients. Where will you leave them? You certainly have a choice, and I invite you to explore these pages knowing that we stand ready to give you a complete introduction to our great firm.

Warmest regards,

A handwritten signature in blue ink that reads "Nathan Clakley". The signature is fluid and cursive.

NATHAN CLAKLEY, MBA

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A story worth telling

When Bob James founded Raymond James in 1962, he did so based on a belief that clients deserved more than help with investment decisions – they needed advice that considered their entire financial picture. As a result, Raymond James has always been a different kind of firm. One that embraces long-term planning and methodical decision-making and remains focused on what matters most: your clients.

That approach has continually supported our growth as a preeminent financial firm serving clients across North America and overseas. Further, the company has expanded through the years to serve corporations, institutions and municipalities through significant capital markets, banking and asset management services. More than 59 years later, Raymond James has upheld a reputation of strength and stability through every kind of market environment. As Bob James first suspected, by putting the success of others first, the firm’s has followed close behind.



Our core values

WE PUT **CLIENTS FIRST**.

If we do what’s right for our clients, the firm will do well and we’ll all benefit.

WE ACT WITH **INTEGRITY**.

We put others above self and what’s right above what’s easy. We believe doing well and doing good aren’t mutually exclusive.

WE THINK **LONG TERM**.

We act responsibly, taking a conservative approach that translates into a strong, stable firm for clients, advisors, associates and shareholders.

WE VALUE **INDEPENDENCE**.

We respect autonomy, celebrate individuality and welcome diverse perspectives, while encouraging collaboration and innovation.

A history of strength and trust

- 1962**
Bob James founds Robert A. James Investments.
- 1964**
Robert A. James Investments merges with Raymond and Associates.
- 1970**
Tom James is named CEO.
- 1973**
Raymond James takes a seat on the New York Stock Exchange.
- 1974**
IM&R (later, Raymond James Financial Services) reactivates as a broker/dealer.
- 1983**
Raymond James completes \$14 million IPO.
- 1987**
Raymond James opens in Paris, the first of its international offices.
- 1994**
Raymond James publishes the first Client Bill of Rights.
- 1999**
Raymond James subsidiaries IM&R and Robert Thomas Securities merge.
- 2004**
300,000-square-foot Tower 4 at the Raymond James Financial Center is completed.
- 2010**
Paul C. Reilly succeeds Tom James as CEO.
- 2012**
Raymond James acquires Morgan Keegan and celebrates 50 years of client-first service.
- 2016**
Raymond James acquires Deutsche Bank Wealth Management’s U.S. private client services unit and revives the storied Alex. Brown name.
- 2017**
Tom James becomes chairman emeritus, with Paul C. Reilly succeeding as chairman.

The present and future of your business deserve a plan

Protecting your practice and your interests with proactive, tailored support from Succession Planning & Acquisitions.

There's one thing that's critical for every advisor no matter their tenure – the importance of planning for the future. That future could be growth and expansion in the near term. Or it could be a welcome next act after a rewarding career. Whatever future you're envisioning, having the support of your firm and an expert team can make all the difference in realizing it.

Raymond James Succession Planning & Acquisitions is a group of specialized consultants dedicated to providing strategic, individualized succession and acquisition support – support designed to preserve the longevity of a practice while facilitating its growth.

LONG-TERM SUCCESSION PLANNING

Whether you are adding a team member for future succession, merging with an existing practice or seeking a yet-to-be identified successor, the team can help you develop a long-term strategy and ensure a successful transition by:

- Ensuring you know all of your options to construct a long-term succession strategy: internal succession, merger or an outright sale
- Assisting with understanding the value of your practice and enhancing your understanding of the financial practice marketplace
- Structuring the deal to ensure qualitative and quantitative factors are considered
- Collaborating with your accountants and attorneys to ensure that the legal and tax implications of buying or selling a practice are understood

BUSINESS CONTINUITY PLANNING

Succession planning is vital for all advisors, not just those considering retirement. In order to protect your business, clients and family, you need a written business continuity agreement that addresses death and the prospect of permanent disability in accordance with FINRA regulations.

The Succession Planning & Acquisitions team works to help advisors develop the best possible business continuity strategies, helping to structure the terms of your catastrophic agreements and to ensure you have an appropriate long- or short-term successor who shares your professional style and personal values.

PRACTICE BENCHMARKING

A key piece of accelerating your practice's growth is deconstructing your competitive environment. To help you maximize value within your practice, Succession Planning & Acquisitions can help you establish meaningful benchmarks, define solid strategies and achieve measurable results.

The team's consultants offer support throughout the entire process, offering relevant and timely assistance with:

- Negotiations
- Deal structures
- Regulatory advice
- Operational and platform issues
- And more



PRACTICE ACQUISITIONS

Succession Planning & Acquisitions offers professional guidance and financial assistance to qualified practice owners who want to grow revenues by acquiring quality investment practices in their local markets. Each acquisition is reviewed on an individual basis, and, if you qualify, we may be able to offer financing for a portion of the acquisition price.

With a wide range of issues to consider, developing the right acquisition strategy presents the biggest challenge for many practice owners. To meet that challenge, the team helps advisors:

- Market to prospective sellers
- Consult as to fit between buyer and seller
- Determine a fair valuation of the practice under consideration
- Provide support with structuring the transaction so that both parties understand benefits and risks of the transaction

THE BENEFITS OF SUCCESSION PLANNING

- ▶ Builds long-term business value that can be more readily realized through internal or external sale
- ▶ Expands your options and lowers the probability of finding yourself forced to accept a less favorable arrangement
- ▶ Improves the long-term stability of your business and builds reliability with clients and prospects
- ▶ Provides protection for your practice and family in case of your untimely death or disability
- ▶ Empowers your selection of a suitable successor for your clients and practice
- ▶ Inspires confidence in your practice by planning for your clients' financial well-being and the future of your business
- ▶ Creates opportunities for your staff and assists your associates in developing their career paths

A smooth transition

With Advisor Emeritus, advisors have even more flexibility and choice in succession planning, as well as access to a dedicated consultant as a value-added benefit.



Rob Goff

*Vice President
Succession & Acquisition
Planning*

Planning to hand over your life's work can be an administrative and psychological challenge – and bring up a lot of feelings, says Rob Goff, vice president of Succession & Acquisition Planning. During a succession consultation, “It’s not uncommon for advisors to get emotional on the phone,” he says.

Moving on to the next chapter is a highly personal choice and process, so adding another option for succession planning at the firm was a high priority. “Because no two succession plans are the same, it was important for the firm to expand its offering of different pathways for advisors to exit on their own terms,” he says.

That was the driving force behind Advisor Emeritus, a new path within the RetirementChoice program at Raymond James. After listening to advisors at the firm, the Succession & Acquisition Planning group realized there was an opportunity to provide even more flexibility for them to create their ideal succession plans.

A CHANCE TO SHARE KNOWLEDGE

The Advisor Emeritus title is a nod to a distinct setup that allows a retiring advisor with a known exit date to shift their production to their successor prior to retirement and then receive either variable or fixed compensation while maintaining benefits, club status and recognition if applicable, and remaining an employee. The Advisor Emeritus is able to use the transitioning phase, which can extend up to two years in some cases, to introduce clients to the successor advisor and be available to consult to ensure clients and successor are equally comfortable with the new arrangement. The option became available at the start of 2020, and a number of advisors have already moved into the Advisor Emeritus role or have incorporated it into their succession plan.

“Since Advisor Emeritus is entirely voluntary, we knew it would be a good addition to a number of succession plans, but that it may not be the path for all advisors,” Rob says.

“We know it has been the impetus in starting conversations between advisors and local branch management and has been successful from that perspective as well.”

THE FLEXIBILITY TO CHOOSE

Succession planning at the firm comes in all shapes and forms, including advisors joining the firm to sell a practice, advisors joining to purchase a practice, internal succession involving a junior partner, and family succession plans, where the parent is able to appoint their son or daughter as a successor. Whether an advisor chooses a long-term succession strategy, a merger approach or an outright sale, the Succession & Acquisition Planning consultants are there to help smooth the way.

“Succession at the firm comes in all shapes and forms, including advisors joining the firm to sell a practice, advisors joining to purchase a practice, internal succession involving a junior partner, and family succession plans.”

“Our goal is to continue to make it as easy as possible for advisors to buy or sell a practice when they are ready to do so. This includes preparing them in advance, providing education and historical context, and ensuring they understand the risks of any deal,” Rob says. Successors are engaged in planning earlier, which increases clarity and confidence in the handoff for all involved.

PROTECT FIRST, THEN PERFECT

The COVID-19 pandemic has also shined a spotlight on the importance of having a catastrophic plan, something the group’s consultants help advisors with. “We have definitely seen an increase in awareness,” Rob says. “The firm puts a strong emphasis on catastrophic planning, and as a result the majority of our advisors are covered by a catastrophic plan.” The thinking is to “protect then perfect” – to start with getting any plan in place first, before focusing on the perfect plan.

Meanwhile, Rob’s group continues to gather advisors’ feedback for improvements. A recent survey of the firm’s retired advisors showed 92% were satisfied with life in retirement. Though that’s fantastic news, the team wants to see 100% and is looking into opportunities to provide psychological coaching and support to help advisors get comfortable with their next phase.

They are also in the process of leveraging technology to help match advisors with a potential successor to complement their consultative approach. It’s another example of the firm’s focus on providing robust resources to enhance, not replace, the human interaction that is so important in the catastrophic or succession planning process.

“We continue to hear from advisors and potential recruits that the support Raymond James offers to advisors at all phases of their careers – from successors to retiring advisors – is a differentiator,” says Tash Elwyn, president and CEO of Raymond James & Associates.

To learn more, go to RJsuccession.com.

Turnkey and custom support

The Succession & Acquisition Planning team offers expertise in four core areas:

- Consulting on succession and acquisition strategies
- Catastrophic planning
- Team planning (sharing revenue versus sharing ownership)
- Exit strategy (valuation assistance and guidance on sharing succession plans with clients, as well as help with operational and regulatory aspects)

The team’s best tips for avoiding three common succession pitfalls

1. Plan ahead of time.

Timing is everything, so the more time you have to plan, the better.

2. Consider all aspects of your plan.

Deal structure and timing of payments are also crucial things to consider.

3. Share your succession plan.

Choosing the right successor and clearly communicating your intentions to clients will go a long way in ensuring a successful exit.

Planning for yourself like you do for your clients

Whatever your goals for retirement, you'll have everything you need to take control of your future with RetirementChoice.

IT'S TIME TO PLAN FOR YOURSELF THE SAME WAY YOU PLAN FOR YOUR CLIENTS

"What are your long-term goals?" It's something you ask your clients every day. It's time you ask yourself.

Just like the clients they serve, no two advisors have the same goals when it comes to retirement. That means you need – and deserve – choice. And that's why Raymond James strives to deliver it. RetirementChoice provides two flexible approaches to retirement and succession designed to help you retire the same way you run your business – on your terms.

Wherever you are in your career and whatever your vision for the future, you'll find everything you need to plan for your next step right here at Raymond James with RetirementChoice.

For the retiring advisor

As an employee advisor at Raymond James, you enjoy the distinct advantage of owning your book of business, which leads to yet another distinct advantage – the ability to pass it along as you see fit within the firm when you're ready to retire. Creating the plan that will help you do that – both retire and pass along your business on your terms – is vital, and not simply for you. You have your family, your staff and your clients to consider.

With you and them in mind, we developed the payment options that comprise RetirementChoice, both designed to help you effectively monetize the equity in the business you've built and develop a thoughtful succession plan to ensure your business will continue under the care of an advisor you've handpicked.

For the successor advisor

If you and your business are still in growth mode, the opportunity to succeed a retiring advisor could be an ideal way to gain momentum – and build on the legacy of a peer whose professional style and personal values you share.

A solid succession plan is good for you – and for your clients. Knowing you've prepared for a smooth, orderly transition will help assure them that they will continue to be well served even after you've left the practice.

To help you pursue growth in the way that makes sense for you and your business, Raymond James offers you assistance in teaming with retiring advisors, building a smooth transition plan and financing the acquisition of a practice.

COMPLEX KUDOS

A LOOK AT RECENT PROFESSIONAL AND PERSONAL MILESTONES FOR THE NORCAL FAMILY



WELCOME ABOARD

San Jose

Bruce Nguyen – Financial Advisor

Mark Radesic – Investment Portfolio Associate

Colin Brown – Registered Client Service Associate

Walnut Creek

Jo Daluyaya – Senior Client Service Associate



Mark Radesic & Bruce Nguyen



CONGRATULATIONS

Senior Vice President of Investments and Managing Director **Mary Brooks** and Senior Vice President of Investments and Managing Director **Stephen Besse**, both of Walnut Creek, were named as Forbes/SHOOK 2021 Best-In-State Wealth Advisors finalists

Branch Operations Specialist **Deborah Rodriguez**¹ was named NorCal RJA Branch Associate of the Quarter for Q1 2021

Senior Vice President of Investments **David Lucas** became a grandparent for the fourth time in April 2021!



Stephen Besse



Mary Brooks

The following associates were recognized for their commitment to continuing education through the 2020 Branch Associate Recognition (BAR) program²:

GOLD:

Alicia Carinalli – Senior Registered Client Service Associate, Santa Rosa

SILVER:

Lena Trotter-Beasley – Senior Registered Client Service Associate, San Rafael

Ana Pequenezza – Senior Registered Client Service Associate, San Francisco

BRONZE:

Natasha Turner – Senior Client Service Associate, San Rafael

Farnaz Behrooz – Senior Client Service Associate, San Rafael

Livia Ortiz – Branch Operations Specialist, San Rafael

Caroline Thio – Senior Client Service Associate, Walnut Creek

Danielle Shubin – Branch Operations Specialist, Santa Rosa

¹The Forbes ranking of Best-In-State Wealth Advisors, developed by SHOOK Research, is based on an algorithm of qualitative criteria, mostly gained through telephone and in-person due diligence interviews, and quantitative data. Those advisors who are considered have a minimum of seven years of experience, and the algorithm weights factors like revenue trends, assets under management, compliance records, industry experience and those that encompass best practices in their practices and approach to working with clients. Portfolio performance is not a criteria due to varying client objectives and lack of audited data. Out of approximately 32,725 nominations, more than 5,000 advisors received the award. This ranking is not indicative of an advisor's future performance, is not an endorsement, and may not be representative of an individual client's experience. Neither Raymond James nor any of its financial advisors or RIA firms pay a fee in exchange for this award/rating. Raymond James is not affiliated with Forbes or Shook Research, LLC. Please visit forbes.com/best-in-state-wealth-advisors for more info.

The Branch Associate of the Quarter Award is given to a Raymond James & Associates branch employee in each division who consistently demonstrates the Service 1st pledge in working with clients, home office personnel and other branch associates. To be considered for this award, a nonsupervisory RJA branch support associate must have been employed with Raymond James for at least one year, must be in good standing with the firm (not on disciplinary action/probation), and could not have won the award in the past five years.

²The Branch Associate Recognition Program is an internal Raymond James recognition that runs on a calendar year and winners are chosen based on a point system. Associates earn points through Core Program Qualifiers and Educational Program Qualifiers. Core Program Qualifiers, such as industry licenses, designations, academics and tenure, are awarded as earned and will not expire. Educational Course Qualifiers consist of topics that focus on practice management, as identified by PCG senior management, and points are awarded as earned and reset each calendar year. The top 600 point earners will be recognized. To be eligible, a minimum year-end appraisal score of Valued Contributor is needed. Also, associates must be employed prior to July 1st of the calendar year. This may not be representative of any one client's experience, is not an endorsement, and is not indicative of future performance. No fee was paid in exchange for this award/rating.

Raymond James at a glance

Raymond James has delivered **133 consecutive quarters of profitability**. We credit much of this performance to the firm’s client-first perspective and adherence to its founding core values of **professional integrity, advisor independence, and a conservative, long-term approach to investing.**

BY THE NUMBERS

- ▶ Approximately **8,300** financial advisors
- ▶ Approximately **\$1.09 trillion** in total client assets
- ▶ More than **2x** required total capital ratio
- ▶ A-, **stable outlook credit rating** (Fitch)

DID YOU KNOW?

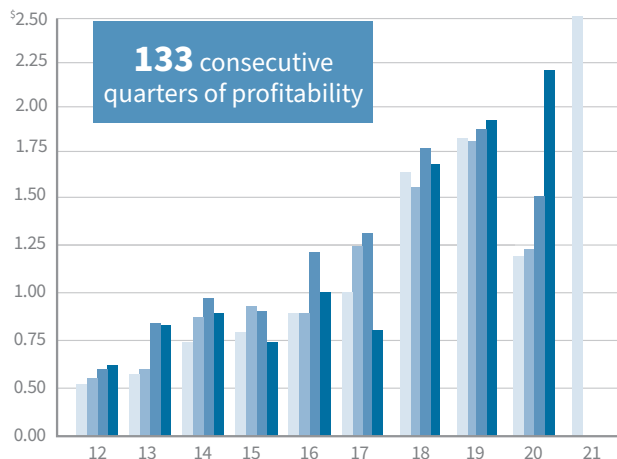
Continuing its tradition of giving back, Raymond James and its associates donated to charitable organizations in 2020, including **\$6.7 million** to the United Way and more than **\$2 million** to communities across the country to aid those impacted by COVID-19.

The firm also reaffirmed its pledge to address racial equality, financial literacy and empowerment among the Black community with a commitment of \$1.5 million to 12 organizations across 10 U.S. markets.

Raymond James was the first in the nation to publish its Client Bill of Rights, setting the standard for the industry

STRENGTH AND STABILITY

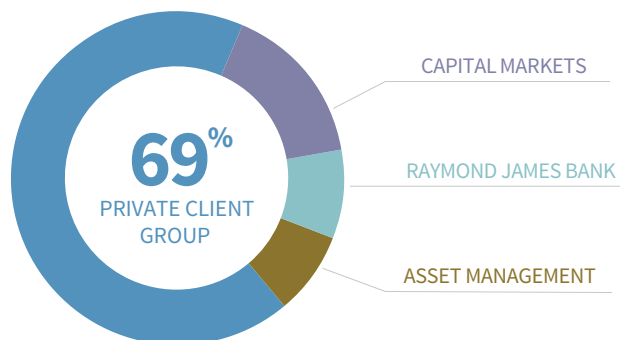
Diluted quarterly earnings per share



A DIVERSIFIED SET OF BUSINESSES*

Total \$7.9 billion

Total net revenue shows fiscal year data ending Sept. 30, 2020



* Charts are intended to show relative contribution of each of the firm’s four core business segments. Dollar amounts do not add to total net revenues due to “Other” segment and intersegment eliminations not being depicted. Other includes the firm’s private equity activities, as well as certain corporate overhead costs of Raymond James Financial including the interest cost on our public debt.

As of 03/31/2021. Past performance is not an indication of future results. The information provided is for informational purposes only and is not a solicitation to buy or sell Raymond James Financial stock. A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to review, revisions, suspension, reduction or withdrawal at any time by the assigning rating agency. Raymond James Bank is an affiliate of Raymond James & Associates, Inc., and Raymond James Financial Services, Inc. © 2020 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. © 2020 Raymond James Financial Services, Inc., member FINRA/SIPC. Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value.



THE RAYMOND JAMES
Financial Advisor
Bill of Rights

You own your client base,
including the right to sell it.*

You develop and operate your practice
with our assistance, not constraints.

You're free to work with your clients,
without regard to account size or asset levels,
while respecting existing Raymond James
advisor-client relationships.

You have access to world-class resources
and personalized attention from a firm
that puts the focus on you.

You can count on our financial strength to
support your business, even when the
marketplace is challenging.

You benefit from the stability of our
firm, a public company traded
on the New York Stock Exchange.

You are never influenced to do anything that's
not in your clients' best interests –
no sales quotas, account size restrictions or
product pushes designed to influence decisions.

You're entitled to enthusiastic support
from associates throughout
the Raymond James organization.

You will be fairly compensated, and can expect a consistent
pay schedule with straightforward,
transparent commission architecture
and no holdbacks on dealer allowances.

*Certain qualifications apply.

IT'S STILL ALL ABOUT THE ADVISORS

59 years after our founding, Raymond James remains as committed to our Private Client Group as ever. After all, our advisors are still the most vibrant, the most vocal and, to put it plainly, the most valuable part of our firm.

Learn more about how invested we are in Northern California – and in advisors like you.

If you'd like to learn more about Raymond James and get a better feel for the unique atmosphere we've created here in Northern California, we invite you to reach out.

We look forward to hearing from you.

NORCALRJ.COM

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