

# FOCUS 360<sup>0</sup>

YOUR WEALTH. YOUR LIFE.



## Regency invites clients to take advantage of the annual review

In the near future, it's very likely you'll be receiving a call from Regency to schedule your annual review.

*But wait, you might think. I receive statements. I know what's happening with my accounts. And I like to stay on top of things. Why, then, on top of that, would I want to come in for an annual review?*



Steve Guinn

"When it comes to reviews, I think most people are interested in more than just 'how their accounts are doing,'" said Steve Guinn, Principal, CIMA® AIFA® at Regency Investment Advisors. "Everybody's financial situation changes; having an annual review helps us do a better job, and can help to ensure our clients have the right investment objective and are in the right portfolio for their goals and expectations.

"The bottom line? Reviews are good for everybody," Steve added.

### The review process

The "main event" of an annual review is an exchange of information, all intended to help those who want to get the most value out of their relationship with Regency. "We'll provide a report card on all accounts, and our client has an opportunity to update us on changes in their life and financial situation," Steve added.

So how does all of this work? While each Regency advisor has their own style of conducting reviews, each review tends to follow a similar format. In a typical review meeting, we'll cover:

- How the markets have performed over the last year, as well as year-to-date;
- How a client's accounts have performed relative to the overall markets;
- Performance of each individual fund within the client's account;
- Any changes in the client's professional or personal life that could affect their financial situation;
- Confirmation of the client's investment objectives, to ensure that they are in the right portfolio for their goals and objectives; and

- Any other financial topics the client may wish to learn more about, such as questions about how financial tools like 401(k) accounts can be maximized in the pursuit of their own objectives.

On that last point, Steve added, "If a client has a question about their 401(k) or some other topic, they are certainly free to bring in their statements or other information they've received. We can try to help answer those questions, and if we can't, we can at least point our client in the right direction."

### Part of the service

Annual reviews are part of the service Regency provides to our clients. "Reviews are included as part of our money management fee," Steve added. "Clients get to meet with Regency at least once a year, to get our expertise and to ensure we're all on the same page."

Regency Client Advisor Andrew McFadden, who is taking charge of contacting clients to schedule reviews, said, "We're going to take our time during these meetings. It's almost like an 'open mic' period for the client, where they can put any questions or concerns they have on the table so we can address everything, and stay focused on the long-term objectives."



Andrew McFadden

Andrew added that he'll be actively trying to contact all clients by phone or e-mail to arrange a meeting date for their review, for those clients who want to meet. "There's no pressure from our end, but we're always happy to meet with our clients," he added. "My goal is to get in contact with every client about scheduling a review during the first half of 2014."

Andrew added that in a way, taking advantage of the annual review is a little like seeing your doctor for a checkup. "It's about combining our resources and expertise with our client's latest information, putting it all to work for our clients' financial objectives," he said. So stay tuned for your phone call from Andrew, or contact him directly at (559) 438-2640 or amcfadden@regencyinvests.com to schedule your review.

## Regency Market Commentary: Through Jan. 31, 2014

Key Indexes Source: Morningstar	Annual Return 2013	1 yr	3 yr	5 yr	10 yr	20 yr
			Annualized returns			
DJ Industrial Average TR USD	29.65	16.07	12.61	17.61	6.82	9.59
S&P 500 TR	32.39	21.52	13.93	19.19	6.83	8.85
Russell 2000 TR USD	38.82	27.03	14.69	22.26	8.31	8.95
MSCI EAFE NR USD	22.78	11.93	5.87	13.84	6.32	5.04
Barclays US Agg Bond TR USD	-2.02	0.12	3.73	4.93	4.62	5.75
USTREAS T-Bill Sec Mkt 3 Mon	0.07	0.09	0.08	0.11	1.58	2.85
IA SBBI US Inflation	1.51	1.21	1.91	2.00	2.33	2.36

Despite some volatility, the equity markets generated strong returns in 2013. While headlines seemed to focus on a number of negative events – the Federal Government shutdown, Detroit’s bankruptcy, the Syrian Civil War and others – performance measures showed that the economy continued to strengthen in 2013, allowing savvy investors to set aside those headlines and reap the benefits of strong performance in equities. Examples of that strong performance included:

- The S&P 500 gained 32.4 percent in 2013, its best calendar-year return since 1997; and
- The Russell 2000 Index of small-cap stocks outdid the S&P 500, gaining 38.8 percent in 2013, its best performance since 2003.

2013’s strong performance was fairly broad-based, with U.S. equities markets generating the strongest gains and developed international markets also doing well. Emerging markets however, while a great place to invest for returns over the last 8-10 years, began to turn negative in 2013, providing a reminder about the importance of remaining diversified.

### ***Tough Year in Fixed Income***

The U.S. fixed income market had its toughest year since 1994, with most of the major bond categories showing declines in 2013. Interest rate increases, the robust stock market, and relatively low yields created more sellers than buyers. High-yield bonds (junk bonds) were the only major bond category generating decent returns of approximately 7.4 percent, and while this may seem counterintuitive given the conservative mental state of some investors, the more attractive yield caused many to look the other way.

The five-year returns also illustrate the overall strength of the equities markets. Based on the most recent

five-year returns, an investor placing one dollar in the S&P 500 five years ago would now have \$2.28. Conversely, an investor placing one dollar in three-month Treasury Bills five years ago would still be waiting to make a single penny on that investment, and accounting for inflation, their original dollar would retain only around 90 cents of its original purchasing power.

### ***Looking Ahead***

Markets have shown volatility so far in 2014, with equity markets taking a bit of a pause in January from their strong performance in 2013. Additionally, 2014 has so far demonstrated the benefits investors can find in keeping portfolios properly diversified. For example, while equities stalled a bit in January, other asset classes -- U.S. bonds, global bonds, traded real estate and commodities -- moved in the opposite direction. This demonstrates the effects of diversification, reinforcing its importance to investors.

Taking into account January’s decline in equities, Regency believes 2014 will be unlikely to repeat the returns we saw in equities in 2013. 2014 should remain a positive year for equities however, as long as the economy continues to grow and we remain free of unforeseen geopolitical issues.

It remains Regency’s consistent recommendation to our clients that remaining in the proper asset allocation where you are comfortable is more likely to generate the long-term returns needed to reach your goals. If you have questions about your portfolio or want additional guidance, contact your Regency Advisor at (559) 438-2640.

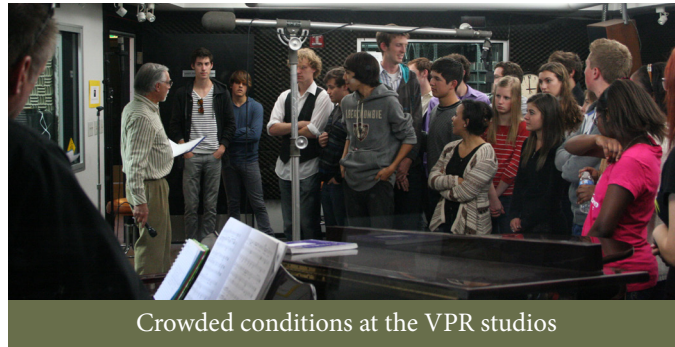
*Past performance is not indicative of future results and inherent in any investment in the market is a possibility of loss.*

## Valley Public Radio looking to build for the future

Regency's friends at Valley Public Radio – KVPR-FM 89.3, featuring NPR News, classical music, and cultural arts for California's Central Valley, according to the tagline on its Twitter account – are looking to build for the future.

"Regency is a good friend to Valley Public Radio. We enjoy their wine tasting event every May, and I volunteer at virtually every campaign they have, answering phones when people call in to make their pledges," said Steve Guinn, Principal, CIMA® AIFA® at Regency Investment Advisors. "Whether it's music or news or other programming, I think Valley Public Radio is good for Fresno, and good for the whole valley."

And while Valley Public Radio remains popular and accomplishes its mission very well, they have a dream of doing even better for the Valley. One way they hope to achieve that dream is by increasing its capacity for local programming, by building a brand-new, much improved facility for the station over the next two years.



Crowded conditions at the VPR studios

"Right now our news division is doing stories that are incredible," said Mariam Stepanian, KVPR's President and General Manager. As an example, Stepanian cited a recent investigative report by VPR's Rebecca Plevin about the long-term impacts of San Joaquin

Valley air quality on the genes and immune systems of local children. "The discovery is alarming, when you seriously consider what this means for our children and for future generations," Stepanian said. She added that the story is one of many produced by Valley Public Radio that's gaining national exposure.

Stepanian said that while news and cultural programming like this is a great resource for the Valley, Valley Public Radio finds itself hampered by cramped, aging facilities. "We're in a 30-year-old building that we built from the ground up, which was great at one time," she said. The station's current 5,000-square-foot facility simply lacks the production space needed for creation of the local news and music programming VPR's audience expects.

"Right now, our production and development staffs share a room, and we cannot work with other news media even in collaboration because we simply do not have the production facilities," Stepanian said. "When we have the Lindsay High School students' guitar group come in to perform, they have to perform in shifts; some stay on the bus while others come into our studio."

But the new facility should help to solve problems like these. "We'll be going from 5,000 square feet to 10,000, with nearly the entire expansion devoted to programming production space," Stepanian said. "We're not expanding our offices; instead, the idea is for Valley Public Radio to use the expansion for more local reporting, more news, and more features that directly reach people. And we're excited about that."

Although the campaign for a new facility is still in its very early stages, Valley Public Radio hopes to create awareness and raise enough funding to break ground on the new facility by early 2015. Want to get involved with the campaign? Contact Mariam Stepanian or Development Director Joe Garcia at the station, (559) 275-0764.



VALLEY PUBLIC RADIO  
*fm89 / kvpr.org*

*From time to time FOCUS 360 will include profiles of people and organizations making a difference in our community. It is not known whether those profiled approve or disapprove of Regency Investment Advisors or its advisory services provided. This article reflects the opinions of Regency's employees and should not be taken as a request for you to donate to any particular organization.*

### Regency welcomes Veronica Watson



Veronica Watson

Meet Veronica Watson, who joined Regency Investment Advisors in December as our new Administrative Assistant.

Veronica's duties at Regency will include assisting Marci Deck with compliance paperwork and documentation, assisting Regency's Advisors with client preparations, and handling customer service requests. She will also be the first person many will see when they come into the Regency offices.

Veronica earned her Bachelor's Degree in Organizational Leadership and Business Administration from Fresno Pacific University, having graduated *summa cum laude* in 2012, and she anticipates earning her Master's Degree from Fresno Pacific in spring of 2015. She came to Regency from Heald College, where she served as Library and Learning Resource Center Coordinator.

"I was looking for a career path that more closely matched my degree work, and in my research I found that I instantly respected Regency's Values and Ethics Statement. It really aligns with how I feel business relationships should be," Veronica said. "Knowing that Regency has been together for 20 years said a lot to me about the people I'd be working with, and I'm excited to be a part of this team."

In the off hours, Veronica enjoys volunteer work with the Assistance League of Fresno, golfing with her husband John, and spending time with her daughter Jaiden and son Nicholas. Stop by and say hello to Veronica on your next Regency visit, or reach her via e-mail at [vwatson@regencyinvests.com](mailto:vwatson@regencyinvests.com).



# FOCUS 360°

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## *Q&A:* Choosing the right IRA for me

*Q: I could use a little primer on the different kinds of IRAs. There seem to be so many, and I get a little overwhelmed trying to keep them all straight. Can you help?*

**A: From Chris Comstock, Client Advisor and Principal of Regency Investment Advisors:** I'll be happy to do that. The IRA itself is an **Individual Retirement Account**. Around for a number of years, IRAs are designed primarily to allow an individual to save for retirement while creating some kind of tax advantage, and they come in several common varieties.

One variety is the **Traditional IRA**, where money goes in pre-tax. At retirement, withdrawals from a Traditional IRA are taxed at the individual's regular rate, so Traditional IRAs can create a tax advantage *now*.

Next is the **Roth IRA**, where money goes in after tax. At retirement, Roth IRAs are not taxed on either the contributions or on the gains made over the years. As long as all income restrictions and other criteria are met, Roth IRAs can create a tax advantage *in retirement*.

One type of Traditional IRA is the **Rollover IRA**, for those who had actively participated in a 401(k) or other qualified plan at their employer, but can no longer contribute to or utilize that plan. (It's usually because they left the job that offered the 401(k) in the first place.) Rollover IRAs allow an individual to move money out of a former employer's qualified plan into an account of their own,

where they can choose the underlying investments and still preserve the tax advantages. Rollover IRAs may also be rolled back into a new employer's plan as well. To increase the chances of the new employer accepting the Rollover IRA assets, most people choose to keep a Rollover IRA as a separate account and choose not to make additional contributions to it.

There are also **Spousal IRAs**, used as retirement savings vehicles for spouses who do not have a separate income. It's also possible to **convert a Traditional IRA into a Roth IRA**, should the person wishing to convert meet the requirements for doing so.

If your income exceeds the limits for making direct contributions to your Roth IRA, there's another way to get money into your Roth called a **Non-Deductible IRA**. With this, a person contributes to a Traditional IRA one day, does not deduct the contribution, and can convert it into a Roth IRA the very next day, thereby avoiding many of the contribution limits while preserving the tax-free income at retirement. It's a bit of a loophole and does not make sense for all situations, but the statute makes it clear that this can still be done.

The type of IRA that's right for you depends entirely upon your situation. Your Regency Advisor can review your circumstances and -- in conjunction with your tax advisor -- tailor IRAs that will best meet your individual needs. Want to know more? Call your Regency Advisor at (559) 438-2640 today.

*Regency associates are not tax professionals and do not give tax advice.*

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