FOCUS360°
February 2015

A New Look Takes Flight

Over time, things change. New information, new analysis, and accumulated experience all combine to bring about new attitudes and new methods for driving toward goals. A tangible manifestation of those attitudes? Right here, in our new logo.

One example of change: The logo for Regency Investment Advisors. In 20 years, we've gone from a shield ("Protection") to a pillar ("Strength") to a new look taking the stage in this edition of Focus 360. The new look is designed to convey some of the finest aspirations of the work Regency does for our clients.

"We wanted something more current and contemporary, and we started with the colors," said Steve Guinn, CIMA®, AIFA®, and Client Advisor at Regency Investment Advisors. "During the design process, our agency MJR Creative Group showed us concepts that might reflect guidance, stability, and success. In the end, the logo we've chosen was the one everyone felt strongest about, the one everyone gravitated toward, a shape that means many things to many people."

Some look at our new logo and see an arrow, representing guidance or direction. Others see stability, as an upward ramp or the tail of an airplane. Some see the line of a graph, while others see a wing, perhaps for dreams taking flight.

Regency
INVESTMENT ADVISORS℠

Our new look

"During the creative process, we often referred to the new logo as 'the wing,'" said Marci Deck, CFP® and Chief Compliance Officer for Regency. "We included it on our company Christmas card, and received a lot of compliments about how it all looked. A lot of those comments were perfect examples of how people feel the new logo really reflects Regency. It's not meant to change who we are, but instead it's kind of a representation of who we are, and of who we'll continue to be."

"I think the new look is conceptually a better description of what Regency does. But it doesn't change who we are, or the service our clients have come to expect from us," Steve added. "It's a more modern look, and I think it's a better way of representing what we've done — and what we'll *continue* to do — for our clients."

Judson Myers to Have Ownership Interest in Regency


Judson Myers

Dan Ray, Steve Guinn, Chris Comstock, and Marci Deck are excited to announce that our fellow associate, Judson Myers, will join us as one of the owners of Regency Investment Advisors this year. Judson joined Regency in 2007 and is our Chief Investment Officer handling investment analyst duties, trading, and reporting, in addition to overseeing our Portfolio Management Team.

Once the transaction is complete, Regency will amend its SEC Form ADV Part 1 to reflect Judson's ownership interest. Should you have any questions, please do not hesitate to call us at (559) 438-2640. Congratulations Judson!

Learn more about Judson in his profile article, on page 3.

REGENCY MARKET COMMENTARY: THROUGH JAN. 31, 2015

Key Indexes Source: Morningstar	2014	1 yr	3 yr	5 yr	10 yr	20 yr
			ANNUALIZED RETURNS			
DJ Industrial Average – Large Cap	10.04%	11.91%	13.56%	14.16%	7.80%	10.24%
S&P 500 – Large Cap	13.69%	14.22%	17.47%	15.60%	7.61%	9.54%
Russell 2000 – Small Cap	4.89%	4.41%	15.27%	15.66%	7.87%	9.53%
MSCI EAFE – Foreign Large Cap	-4.90%	-0.43%	9.33%	6.39%	4.68%	5.25%
Barclays US Aggregate – Bonds	5.97%	6.61%	3.07%	4.57%	4.86%	6.21%
USTREAS 3-Month T-Bills	0.04%	0.04%	0.07%	0.08%	1.47%	2.66%
IA SBBI US Inflation	0.76%	0.67%	1.28%	1.68%	2.13%	2.27%

Overall market performance in 2014 could be perhaps best illustrated with the title "a tale of two markets," with domestic and international markets generating contrasting performance throughout the year.

Domestic markets performed better than expected in 2014, with the S&P 500 large-cap index up 13.69 percent and the Russell 2000 small-cap index up 4.89 percent for the year, with strong U.S. GDP growth in 3Q 2014 and a 50 percent decline in oil prices perhaps contributing to the strong performance. The returns generated were close to double what many of the so-called experts were expecting in 2014, especially in the wake of 2013's 32 percent gain in domestic equities.

Ups and downs

Foreign equities, however, were a drag on diversified portfolios in 2014, with the MSCI EAFE declining 4.9 percent in 2014. Factors influencing this decline included slowing economies in Germany and France, 20 percent unemployment in Spain, and Italy's descent into recession in 2014. Also, with many foreign economies dependent upon high prices in oil and commodities, the same decline in oil prices that created higher disposable incomes in the U.S. actually weighed down many foreign economies.

In a year where many investors were concerned about the Fed's intent to taper its quantitative easing bond purchases, fixed-income instruments were a mixed bag. The Barclay's Aggregate Bond Index returned 5.97 percent in 2014, the Credit Suisse High Yield Index eked out 1.86 percent and the JP Morgan Global Bond Index was down 2.53 percent for the year.

All of which continues to illustrate the importance of remaining diversified. With volatility returning to more "normal" levels in 2014, diversified investors were able to dampen the large drops in both domestic and foreign equities occurring in September and October, their returns smoothed out somewhat by fixed-income and bond performance over the same period.

Looking ahead

For 2015, most analysts are predicting that the U.S. economy will continue to grow at a moderate rate. This should be good for market performance, as long as inflation stays in check. The expectation remains that the Fed will increase interest rates in mid-2015. Few are expecting any kind of big move by the Fed, especially while oil prices remain low and retail performance measures remain strong.

At Regency, we still believe equities should remain an important part of investor portfolios in 2015. We will watch for signs of greater strength in the European economies and the effect of that strength on foreign equity returns. Finally, barring any kind of unforeseen spike in interest rates or inflation, we believe bonds will do well during the year. While 2014 might have been "a tale of two markets," we see 2015 as a tale of balance, with a diversified mix of equities and bonds intended to provide a good return while dampening the volatility.

Questions about your portfolio? 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. There are inherent limitations in making assumptions due to the cyclical nature of the market.

Important Reminders

- **Schwab's 1099 Composite Reports** reflect 2014 tax reporting information and **were mailed by mid-February**. The IRS changed their reporting guidelines several years ago to require brokerage firms to mail them by Feb.15, with a few exceptions. But it is not unusual for mutual fund companies to amend reported information after Schwab does its initial mailing, requiring Schwab to issue Corrected 1099 Composite Reports.

- Make sure Regency receives your **IRA/Roth Contributions payable to Charles Schwab PRIOR to April 15**. Please indicate if your contribution is for 2014 or 2015.

Judson Myers:
Curiosity, Achievement, Keeping an Even Keel

The quest to do better. To bring knowledge, information, and experience to bear in the successful drive toward a goal. That desire to do better is a driving factor in all realms of achievement, and achieving such a goal requires drive, knowledge, and a willingness to embrace change.

All of those elements are personified in Regency Investment Advisors' Judson Myers, MBA and Chief Investment Officer, entering his ninth year at Regency in April 2015. Judson's own "quest to do better" has taken him from the mountains of Utah to the splendor of California, to his soon-to-be-realized promotion as Regency Investment Advisors' fifth owner.


The Myers Family

Judson's professional story begins just south of Salt Lake City, Utah, at the turn of the century. Back then he was enrolled at Utah Valley University, finishing his Bachelor's Degree and excited for the next challenge.

"My wife hates cold weather, so as soon as I finished my Bachelor's Degree, within a matter of days we loaded up the car and headed west," Judson said. "We stopped in Las Vegas for an interview with Wells Fargo, and then kept right on driving to Fresno."

Once in Fresno, Judson earned his MBA from Fresno State and completed an internship with the City of Fresno Retirement Board. In turn, both accomplishments led Judson to his successful and rewarding career at Regency.

Balancing family and career

He's married to Luci, who is in her second full year of teaching mathematics at Buchanan High School, and together they invest a lot of time in family. With five children ranging in age from 18 to 6, the Myers family can be found engaged in any manner of sporting and family activities.

"At one point we had one son in rugby, one son wrestling, a daughter playing softball, and another in the Clovis Swim Club. Our youngest – the kindergartener – is just pretty wild up and down the neighborhood," Judson said. In addition to the sporting activities, for the Myers family it's become a bit of a tradition to spend time each year camping at Shaver Lake and Dinkey Creek.

The fuel in the engine

So what makes Judson tick? "That's a good question," he said. "I don't know that I could put a finger on just one thing, but the motivation for me is to make sure I have my finger on all the details all the time.

"I'm very inquisitive about *why* things are happening," he continued. "It's a curiosity that drives me to figure out, 'Are there better strategies? Is there a better investment? How can I improve a process and make things better?' Not just for myself, but in turn for the clients as well."

To accomplish this, Judson puts account management tools to work and plows through the mountains of information at his disposal. "I'm constantly examining all of the asset classes, reviewing the mutual funds, proactively examining fund managers, and staying out in front of innovations like alternative assets, managed futures, hedge fund replicators and smart beta types of funds," Judson said.

But what Judson does is much more than research and analysis. "In our asset allocation research, we're calculating how to mix our asset classes together to achieve the appropriate risk and return for our given client objectives," Judson added. "A second piece is our fund research, and our third function is to perform the trading and daily account management."

Even-keeled next steps

So what's next for Judson? In addition to his MBA and his soon-to-be-realized promotion, Judson is a Chartered Financial Analyst® (CFA®) Level III candidate, and is a single test away from achieving membership in a very small group of charter holders in the Central Valley.

That CFA® credential is one of the most respected and recognized investment designations in the world. The curriculum covers concepts and skills bridging academic theory, current industry practice, and ethical and professional standards, providing a strong foundation of advanced investment analysis and real-world portfolio management skills.

So how does he feel about all of that hard work? "I pretty much just try to be even-keeled, to try to be happy and content with what I'm doing and with where I'm going," he said. All while remaining on that quest to do better.

Hot Topics: Why Diversify?

One could go mad attempting to follow the clatter about "what's hot" in the markets. *"Buy large caps. No, small caps. Stick to domestic equities. No, foreign equities. Commodities are where it's at. No, buy oil stocks. On second thought, don't buy oil stocks…"*

Chris Comstock

"I meet a lot of people who want to chase what's hot," said Chris Comstock, CFP®, AIF®, and Client Advisor at Regency Investment Advisors. But according to Chris, there's a better way: **Diversification**.

"At Regency, we are big believers in the power of diversification," Chris said. "We allocate our portfolios across the board and across all asset classes, because we know from experience that's the best thing from a long-term perspective."

So why diversify? Chris cited three reasons:

Diversification is the opposite of market timing. "Attempting to time the market – to devote your portfolio to one asset class or another in the belief that it's the 'hot category' – is simply speculative and problematic," Chris said. "I do not believe anyone can do consistently well attempting to time the market."

Diversification spreads risk across multiple asset classes. "For example, there are times when the U.S. markets look good while foreign markets do not, and there will be times when commodities look good while equities do not. Then, before you know it, the situation changes entirely," Chris said. "Investment risks are better managed when they're distributed across different classes." It's the old "eggs in one basket" rule; why would anyone want all of their nest eggs in one basket?

Diversification makes more sense in the long term. "Someone who's trying to make a quick buck might read the headlines, put all of their money in one asset class, cross their fingers and hope for the best," Chris said. "But Regency clients tend to have a better long-term vision of where they want to be, and are willing to follow a diversified path that builds value more consistently over time."

Regency's experience is that **diversification works**. "There are always going to be market fluctuations, but staying diversified can help to maximize returns and minimize risks by spreading them across the various asset classes," Chris said. "Diversification can help to smooth out the bumps along the way."

Want to know more about how diversification can benefit you? Make an appointment to see your Regency Advisor at (559) 438-2640.

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