

The confidence of 'knowing your number'



Steve Guinn

When Steve Guinn, CIMA®, AIFA® and Client Advisor, worked with the City of Fresno Retirement Systems years ago, he was impressed that so many city employees knew exactly how much income they would have during their retirements. Steve calls it "knowing your number," and even back then, this knowledge proved an important point to Steve.

"You could walk up to virtually anyone — police officer, firefighter, clerk — and they knew exactly how much they would have coming in at their retirement," Steve said. "It showed me something important: 'knowing your number' can provide great confidence, and a measure of peace of mind about your ability to reach your own financial goals."

Steve said that the city's retirement system is a "traditional" pension plan, and most of the decision-making in the plan does not involve the participant. Outside the public sector, the investor and Advisor take on a more active role in getting to retirement. To Steve, that means the power of "knowing your number" holds true for everybody.

"When people know their number, it helps them to stay focused on their long-term goals," Steve said. "The idea of retirement goes from being just a dream to a

quantifiable and definable number that we can measure against annually. If the client's financial situation changes, we can make adjustments along the way."

"The number" is different for everyone, according to Steve. For some it's the amount of monthly income they want to have in the inflation-adjusted dollars of the future. For others it's the size of the nest egg necessary to generate that income. For others it might be the price of a future home on the coast, the expense of education, the cost of travel, or more.

But the point is that each of those is a number that can be calculated. And how does one calculate their number? "Regency can help with that," Steve said. "We can not only help to project what that number is for each individual investor, but also offer guidance on how to grow their accounts and make adjustments along the way. So year after year, we can measure how we're performing against that individual's number."

According to Steve, "knowing your number" is all about the confidence of knowing you're on track. "When investors know they're on track, a lot of the daily stress and worry can go away," he added. "They can focus on the journey, with more confidence about reaching their individual goal."

Your Regency Advisor can help you "know your number." To learn more, call Regency at (559) 438-2640.

Watch for your invitation to

Regency's Annual Christmas Party

Thursday, December 3, 2015
4-7 p.m. Open House
The Palms Restaurant
7550 N. Palm Ave

Regency welcomes Alex Amundson

Regency is proud to announce the addition of Alex Amundson, who joined our company in September as our new Advisor Assistant.

Alex's duties will include managing the client review process, creating financial planning reports, assisting with presentation and marketing materials, and acting as a liaison between clients and our advisors.

Alex earned his Bachelor of Science in Business Administration from Fresno State, is recently engaged, and enjoys the outdoors in his spare time. He's reachable at aamundson@regencyinvests.com. Welcome to Regency, Alex!



Alex Amundson

REGENCY MARKET COMMENTARY: THROUGH OCT. 31, 2015

Key Indexes Source: Morningstar	YTD	1 yr	ANNUALIZED RETURNS			
			3 yr	5 yr	10 yr	20 yr
DJ Industrial Average – Large Cap	1.04%	4.06%	13.22%	12.51%	8.18%	9.23%
S&P 500 – Large Cap	2.70%	5.20%	16.20%	14.33%	7.85%	8.59%
Russell 2000 – Small Cap	-2.53%	0.34%	13.90%	12.06%	7.47%	8.50%
MSCI EAFE – Foreign Large Cap	2.13%	-0.07%	8.02%	4.81%	4.05%	4.93%
Barclays US Aggregate – Bonds	1.14%	1.96%	1.65%	3.03%	4.72%	5.52%
USTREAS 3-Month T-Bills	0.04%	0.04%	0.06%	0.07%	1.29%	2.45%
IA SBBI US Inflation	1.41%	0.29%	0.97%	1.72%	1.80%	2.21%

Investors who focus on the short term may have experienced some discomfort during Q3 2015, as volatility put investors on a roller coaster ride.

The volatility played out with drops in the markets in August and September. The S&P 500 declined 6.44 percent in the third quarter. Like a roller coaster, the day-to-day gyrations throughout September were anything but gentle. In September, the S&P 500 went up or down by more than 1 percent on 10 out of the 21 trading days that month. Unfortunately, six of those 10 were “down” days, highlighting how short-term investors are often prone to buy stocks one day and sell them the next.

Analysts attributed the recent volatility to a number of factors. China’s economic slowdown had some reverberations around the globe, commodity prices struggled, and poor Eurozone economic growth numbers along with a heightened risk of deflation there gave the markets a dose of uncertainty. As investors are aware, uncertainty tends to lead to volatility.

The good news? In October, the markets rebounded with the S&P 500 gaining 8.44 percent during what turned out to be a very positive month.

U.S. economic growth during the third quarter provided some positive signs. GDP estimates for Q3 2015 were revised upward to an annualized 3.9 percent growth rate, bringing the estimates for all of 2015 to between 2.2 and 2.5 percent. While not especially strong, those estimates remain higher than they were

at the beginning of 2015. Recent economic data are pointing in a positive direction for the economy. However, it may not be strong enough for investors or the Federal Reserve. Hence the Fed’s pause in raising interest rates. The Fed has stated that any change in interest rates will be “data dependent”, affirming their resolve to be patient.

From a long-term perspective, the volatility of August and September is not unprecedented. According to a JP Morgan Markets Perspective released recently, equity markets (S&P 500) have experienced a pullback of at least 5 percent in all but two of the last 35 years, and pullbacks of 10 percent or greater in more than half of the last 35 calendar years.

Despite these pullbacks, the markets still generated positive full-year results nearly 80 percent of the time over those same 35 years. That continues to suggest that a well-diversified portfolio can ride out volatility like what we experienced in Q3 2015, and can pay off for investors who keep their focus on the long term.

Have questions, or looking for direction about your portfolio? Contact your Regency Advisor at (559) 438-2640.

FOCUS 360 Disclosure: 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. “YTD” refers to “Through Oct. 31, 2015,” in all instances.

Volatility Source: Morningstar Direct	No. of negative quarters	Worst return	Quarter	Q3 2015 return	Oct. 2015 return
DJ Industrial Average – Large Cap	7	-11.49%	Q3 2011	-6.98%	8.59%
S&P 500 – Large Cap	5	-13.87%	Q3 2011	-6.44%	8.44%
Russell 2000 – Small Cap	6	-21.87%	Q3 2011	-11.92%	5.63%
MSCI EAFE – Foreign Large Cap	7	-19.01%	Q3 2011	-10.23%	7.82%
Barclays US Aggregate – Bonds	5	-2.32%	Q2 2013	1.23%	0.02%
Bloomberg Commodity	13	-14.47%	Q3 2015	-14.47%	-0.45%

Market volatility like that experienced in Q3 2015 is certainly not unprecedented. This data covers the 26 quarters since the bear market reached bottom in March 2009. Source: Morningstar Direct.

Dan Ray: Doing well by doing good

Whether in scrubs, on a bicycle, on a board or in a necktie, Regency's Dan Ray has spent a lifetime helping people.

With Regency for more than two decades now, Dan was born and raised in Fresno. Educated at local schools from Lincoln Elementary to Wawona Junior High, Bullard High through to Fresno State, Dan grew up in a family that held the idea of helping people as a core value. So it was only natural that Dan first chose nursing as his career.

"Early on I worked as a registered nurse," Dan said. "I'm always quick to point out that I didn't leave nursing due to dissatisfaction with the profession. I loved it."

Instead, Dan credits two things for sparking the change: a personal finance elective he'd taken in college, and a graduation gift to his wife Karen from her father.

"Karen's dad gave her three stocks as a graduation present, and I found myself fascinated with everything having to do with investments and financial planning," he said. "I was literally blown away by the power of compound interest, and simple ideas like if people save \$100 a month when they're 25, how much they would have when they're 60."

Helping people as a core value

But what truly drew Dan in came from that core value of providing help. "I saw the power of investments as something that could really help people," he said. "I sort of had the missionary zeal about it and wanted to spread the word. That was kind of my jumping off point."

A newlywed at the time, Dan was a bit concerned about whether his wife Karen (also a nurse) would welcome the career change. "I had a perfectly good career in nursing in front of me," Dan recalled. "We had no kids at that time, but Karen kind of surprised me. She said, 'If you're going to do this, you should do it now, while we can.' So I got my licenses before leaving health care, took a flying leap and said I'm going to give this a try."

More than two decades of hard work later, Dan Ray is an accomplished Client Advisor and CFP®, and has served as Regency's President since 1999. And how does Karen feel about the career change now? "She's satisfied," Dan said. "At the time, it wasn't the obvious smart thing to do. But I've never looked back, and I've enjoyed it. It feels like I'm in my element, with something that fits my talents and temperament."



Karen, Aaron and Dan Ray

Dan is, of course, being humble. With helping people as the common thread between nursing and being an Advisor, we at Focus 360 would offer more his nearly two decades of experience at Regency as evidence that Dan made the right decision.

Giving back, from the beginning

"I was raised in a home where you want to give back and make a difference. I don't always speak about that, but that's where I come from," Dan said. "We've had plenty of times in our lives where it was necessary that we band together and help each other. There is that saying about 'It takes a village.' Well, when you have a child born with a disability like our son Aaron who has Down syndrome, you really start to understand that. Sometimes it's really basic, like parents knowing and helping each other out. And sometimes it's just plain old community."

Today, Dan and Karen have carried that value of helping people forward a generation. Along with their two grown daughters Sydney and Lau-

ren and 16-year-old son Aaron, the Rays provide their hands-on support to any number of local organizations that help people, many of which have been profiled over the years right here in the pages of Focus 360. I Can Bike. Exceptional Parents Unlimited (EPU). Break the Barriers. And more.

Along with that hands-on support, Dan has served on the boards of many of these organizations, lending his professional experience and expertise to help each fulfill its mission and thrive. But he admits he may sometimes take it too far. "I need to do the math someday, but I'm 52 and I've probably got 62 years of experience serving on boards," he joked. "There was a time I was on five nonprofit boards at once. Karen had to tell me to cut it out."

So what makes Dan tick? "I think I'm a creative thinker. I'm analytical and I like to figure out solutions to problems," he said. "I'm not sure where it comes from, but I guess I'm a pretty driven person. I have high standards, and a talent for finding multiple solutions to problems. I won't stop until I figure something out."

And how does Dan feel about making a career and lifetime out of helping both clients and community? "That's the fun thing. My family always believed you should do whatever your gifts and talents are, and whatever turns your crank," Dan concluded. "I love the phrase, 'Doing well while doing good.' So I suppose I'm doing what I was meant to do."

With great success, we might add.



INVESTMENT ADVISORS™

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Hot Topics: Why REITs?

By Steve Guinn, CIMA®, AIFA® and Client Advisor

With all of the volatility in today's stock market, people are asking about ways to lower that volatility. When that happens, investors typically start asking me about asset classes outside of traditional stocks and equity instruments. They'll ask me about categories like commodities, gold, and even real estate.

I usually offer a reminder that Regency's well-diversified portfolios contain exposure across all of those asset classes, and are designed to help investors ride out that volatility according to their individual risk tolerances. Regency investors are even exposed to real estate within our portfolios, in the form of something called a REIT.

So what's a REIT? It stands for "Real Estate Investment Trust." A REIT is a company that owns or finances income-producing real estate, which is another way of saying commercial properties. For example, in a REIT you might see ownership investments in warehouses, hospitals, apartment complexes or even school buildings. Many REITs are diversified through their investments in different types of commercial properties in different states, and by law a REIT must return at least 90 percent of its taxable income from properties to its shareholders.

But unlike conventional real-estate investments requiring escrows and individual purchase-and-sale agreements, REITs are liquid and traded on exchanges, so investors can buy and sell them every day on the open market. Their values fluctuate, they pay dividends to their shareholders comparable with those of blue-chip stocks, and their performance is similar to the S&P 500.

On their own, REITs tend to be bought and sold by institutional investors. Regency provides exposure to the REITs through mutual funds comprised of diversified REITs, allowing our clients to take advantage of their benefits.

So other than dividends and the potential for appreciation, why would an investor want exposure to REITs? It's because REITs act as a diversifier, an investment with performance not very correlated with the performance of stocks. That means when stocks are stepping down, REITs might step up, providing a possible way for investors to ride out those times when stocks are more volatile.

Want to know more about how REITs can help you to diversify? Contact your Regency Advisor.