

# Our clients' faith in us and our consistent philosophy has had the natural and happy result of growth.

Let us introduce you to our four newest team members.



**Russ Maltes**  
*Client Advisor*

Russ joins Regency after a 20+ year career in financial services, with 19 dedicated to individual client advising and retirement plan services and is a Chartered Retirement Plan Counselor (CRPC®). Russ will serve as Advisor to both private and retirement plan clients.

Russ is a graduate of California State University, Fresno, and has lived in the Fresno/Clovis area for the last 25 years. He enjoys all things automotive and trying to keep up with the latest technology. Russ and his wife Taryn have two children.



**Karen Kinzel**  
*Client Service Coordinator*

Karen joins Regency after many years of experience serving as head of HR and as 401(k) Trustee for a large, local company. Karen manages the Client Service department to ensure the Advisors are supported and that the team members have what they need to provide exceptional service to clients. Karen ensures procedures and processes related to financial planning and client

service projects are followed. With her extensive background in HR and retirement plans, she assists, as needed, with Regency's retirement plan clients.

Karen is also a graduate of California State University, Fresno, and enjoys spending time with family and friends, reading, sewing, and writing. She also aspires to be a published author.



**Allison Smith**  
*Client Service Specialist*

Allison came to Regency in 2019 after many years of experience working in law firms and large medical offices. She assists the Advisors in meeting our clients' servicing needs, including reaching out to schedule review appointments with the Advisor, managing the review process and handling various aspects of client service.

In her spare time, Allison enjoys spending time with her fiancé and toddler, traveling to the beach and writing short stories.



**Kristen Sims**  
*Administrative Assistant*

Kristen is our friendly voice and face at the front desk. As Administrative Assistant, she will work with the Administration team to take care of client requests and keep the office running smoothly.

Kristen graduated from California State University, Fresno. In her spare time, Kristen enjoys spending time with her family and friends, traveling, and writing.

## Client Corner:

Regency may make non-material updates to our firm Brochure (Form ADV Part 2) to accurately reflect current business practices. Want the latest version? Please call Regency at (559) 438-2640 for a copy.

## REGENCY MARKET COMMENTARY: THROUGH FEBRUARY 29, 2020

Key Indexes Source: Morningstar	YTD	1 yr	3 yr	5 yr	10 yr	20 yr
			ANNUALIZED RETURNS			
DJ Industrial Average TR USD	-10.55%	0.44%	9.42%	9.63%	12.20%	7.25%
S&P 500 TR USD	-8.27%	8.19%	9.87%	9.23%	12.65%	5.97%
Russell 2000 TR USD	-11.36%	-4.92%	3.52%	5.12%	10.41%	6.22%
MSCI EAFE NR USD	-10.94%	-0.57%	3.92%	1.96%	4.83%	2.92%
BBgBarc US Agg Bond TR USD	3.76%	11.68%	5.01%	3.58%	3.93%	5.18%
USTREAS T-Bill Sec Mkt 3 Mo	0.32%	2.23%	1.65%	1.06%	0.57%	1.66%
IA SBBI US Inflation	0.19%	1.86%	1.86%	1.87%	1.74%	2.10%

Going into the second half of January we were getting ready to write how relatively calm and upbeat things had been since our previous letter. Sure, we had impeachment. Sure, we had the Democratic pre-primaries and the concerns about what might happen if one of the ultra-progressive candidates (Senators Sanders and Warren) became the nominee. (Yes, it's early). We had Phase One of a trade agreement with China, with many wondering what that really meant, whether it was the first step in a meaningful pact or just a time-buying charade. And sure, we nearly went to war with Iran over President Trump's targeted assassination of Iran's popular second-in command and Revolutionary Guard commander, Qasem Suleimani. That was frightening, shocked the markets for a couple of days, and probably isn't over, even though Iran seems to have eschewed a major reprisal, and even though Iran came away with its own new problem with its accidental downing of a Ukrainian jetliner. And more North Korean threats are on the horizon, though few probably believed they were ever really gone. Brexit is finally in place as of January 31—what it will really mean will not start to become apparent until next year, since the old rules are still in place this year.

Despite all that, we'd had two and a half months of major gains, low volatility, and a gradual restoration of something resembling a normal yield curve. Through January 17—essentially mid-month—the S&P 500 was up about 10% from its October close, particularly notable for its bounce back from the Iran situation.

**Then came the coronavirus.** It's always the thing you don't see coming that hits you hard, although some might say that the hygiene in Chinese livestock markets had been another disaster waiting to happen ever since SARS in 2003. But these things are impossible to time. As word spread of more cases, investors removed some risk from the table which drove markets down in the final trading days of January. Throughout most of February, the markets have been engaged in a tug-of-war between solid earnings (notably Apple, Amazon and Tesla) and increasing coronavirus worries. Until February 21st, earnings and economic news were winning the battle as prices pushed to all-time highs.

Equity markets declined over 1% on Friday, February 21st and then the sell-off continued through the end of February with a brief respite on Wednesday the 26th.

With the vicious selloff at the end of February, by month end the S&P 500 was down 8.23% in February and down 8.27% year-to-date. The selloff included multiple days declining more than 2% in the Dow, and the S&P 500. The 10-year Treasury yield fell to 1.10% by month-end after spending much of January in the mid-1.80's, and ended the month yielding less than 3-month Treasury bills, though 26 basis points above the 2-year Treasury (We discussed the yield curve in last quarter's letter). This was part of a nearly 2% gain for February in bonds.

Until coronavirus kicked in, things had been going remarkably well, to the point where analysts were starting to worry if we were headed toward bubble territory. November took off like a rocket (nearly 1%) on Friday, November 1st, with benign employment numbers and the tailwind of a Fed rate cut the previous Wednesday. From that point it was mostly full speed ahead for the month, with 14 up days to only 6 down ones, and a gain of 3.6% for the S&P. The down moments involved concern that the Phase One deal with China could be pushed back, a downcast report from Home Depot and a report that when the Fed cut rates on October 30th it had seen risks to the economy as "elevated." But these were not nearly sufficient to keep the market from its appointed course, especially with a "Merger Monday" that featured eBay selling StubHub for \$4 billion to Viagogo (nice sale—eBay had paid just over \$300 million some years back), NVS buying Medicines Co for \$9.7 billion, Tiffany selling to LVMH for \$16.2 billion, and TD Ameritrade and Schwab confirming a previously announced \$26 billion deal.

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### **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.*

## Blood for the Valley

During WW2, there was a challenge of drawing sufficient blood to meet the need of veterans in the combat arena. When doctors returned from the war to the Central Valley, they found there was insufficient blood in local hospitals available to treat their patients. Thus, the precursor to the current organization was founded. The initial Valley Blood Bank was founded in 1953 and then replaced in 1954 by a non-profit organization, the Central California Blood Bank.

By 1971 CCBB had outgrown its Amador facility and moved to N Street, then expanded there. Eventually a Visalia branch opened in 1983, followed by centers in Porterville and North Fresno. In 1985 the organization changed its name to Central California Blood Center (CCBC). Today the main corporate site, which was opened in 2009, is the Jenny Eller Donor Center at the

intersection of Blythe and Herndon. The Eller Center was named for Jenny Eller, a local high-school softball star in the early 1990s who was diagnosed with leukemia and ultimately succumbed to the disease. Her father, Dean Eller, made the availability of blood his life's calling to honor his daughter and ran CCBC from 1999 until 2017.

The Eller Center now also has a "bus barn" to house the organization's five bloodmobiles. There are currently three blood centers in Fresno along with the one in Visalia. CCBC also holds blood drives at locations such as schools and churches in the area. January, in fact, was national blood donor month, though blood is obviously needed year-round. Information about the drives is available at the Home page of [donateblood.org](http://donateblood.org)--just scroll down to see a list of events.

## Leadership



Mr. Christopher Staub has been President of the Blood Center since August 2017. Previously he had been Vice President of Community Blood Services in upstate New York. Mr. Staub holds a master's degree from San Francisco State and a bachelor's degree from York University in Pennsylvania, a state in which he also studied at Temple University and began his blood banking career at Thomas Jefferson University in Philadelphia. Mr. Staub proclaims that "I am looking for contacts and collaborators to help advance the sustainability of blood banking and the advent of new cures and treatments for blood diseases."

Mr. Staub says one of the biggest challenges he faces is finding sufficient healthy donors. 70% of the population can give blood but only 5% does. "We tell real stories of people right here in the Fresno area that needed blood, platelets or plasma, and how that made a difference. There are some really heart moving stories of lives saved of all ages and backgrounds, all because people in their communities donated blood," he says.

Mr. Staub says that CCBC is looking to open a new fixed location in Clovis and to add a mobile unit. In

other growth initiatives, he explains that CCBC is at the forefront of a number of new blood product initiatives. "We have launched production of new trauma transfusion blood products like "low titer O whole blood" (LTOWB) and liquid plasma for achieving faster hemostasis in trauma than traditional blood products. Use of LTOWB is now preferred when a trauma patient enters the trauma center, based on experiences in military surgery in Iraq and Afghanistan. CCBC is one of the first few blood centers in the US to offer these to our local trauma surgeons."

On living in the Central Valley, Mr. Staub tells that "I love the Central Valley because it reminds me of my home town (York, PA) and the upstate New York places where I spent many wonderful years- strong family and community bonds, people who help their neighbors, people very proud of their communities."

*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 those interviewed, and should not be taken as a request for you to donate to any particular organization.*



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### *Market Report Continued*

December was much the same, with only six losing days of 21. It actually started poorly, with a weak ISM Manufacturing report and more concerns about the Chinese trade deal. Moreover, President Trump hit Latin America with some new tariffs. But by December 12, the tone was positive for Phase One with China and the market was making new highs. The S&P 500 ended the year up 29%, NASDAQ gained 35%, and China's CSI300 was up 33% after a bad previous handful of years. (CSI300's losses would, of course, return in January).

The expected effect on global GDP growth from the coronavirus ranges from 0.2% to 1% reduction in previous estimates. The sectors hit hardest are technology, semiconductors, transportation and natural resources/commodities. The coordinated efforts from governments and organizations around the world have been greater than previous disease outbreaks. This caution led to closed factories and decreased travel and tourism. While the economic effects will likely not push us into a recession in 2020 many pundits feel this risk has risen to the forefront of investor's minds causing an emotional reaction and sell-off.

Moving ahead, what will an election year bring, coming right after a year where, as it has often been written, "everything worked"? Few analysts expect returns as good as 2019, but most think the likelihood of a 2020 recession is substantially less than it had been. One sage notes tongue-in-cheek that the Chinese Year of the Pig (2019 was one) has historically brought the best returns while the year of the Rat (2020) tends to bring far more modest ones.

We remind investors, as always, that a long-term strategy is far better than trying to time the effects of world crises and near-crises. After all, the past three years provided substantial annualized returns just below 10% for the Dow and S&P 500. Bonds have earned just over 5% annualized for the past three years. The very times when things seem most scary are usually the best times to stick with your plans.

(Sources: Morningstar, Bloomberg, *The Wall Street Journal*, Treasury.gov, businessinsider.com, RefinitivLipper).

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