

Regency President Bob Longatti Retires... Again



Bob Longatti

Bob Longatti, a founding member of Regency back in 1993, came out of retirement last year to serve as company president. Now, he's heading back to his home in the hills to enjoy his official retirement.

"After more than forty-five years in executive bank management, I certainly was not looking for more challenges," he says. "I considered myself a recovering banker rather than a retired one. But when Regency asked me to serve as president while remaining on the Board of Directors, my respect for the company, the owners and associates was such that I could not say no."

Bob, who retired for the first time in 2015, retiring — again — with the arrival of new CEO Tony Fazio.

Tony stepped into that position August 1st.

"I accepted (the position of president) with the understanding the company would soon need to replace me with a younger person who could build on my initiatives and make greater contributions on a long-term basis," Longatti says. "I found that person in Tony Fazio. I have full confidence in his ability to lead Regency, so now I can resume my retirement efforts."

Bob is humble about his career at Regency. His biggest accomplishment?

"I had none," he says. "Rather, the associates at Regency had them. I was only the decision-maker that allowed them to excel."

That decision-making ability made Bob the ideal leader for the Regency team. A graduate of Cal Poly, San Luis Obispo, he brought nearly a half-century in bank management to the table. His skills helped create the kind of insight and dependability that Regency's clients have come to rely on.

"I was so fortunate to end my business career surrounded by outstanding professionals who sincerely consider the best interest of their clients and our community in every decision they make," he says.

Bob's not leaving public life. Far from it. He'll continue to serve on the Regency Investment Advisors board, among others, including the Central California Blood Center board. He also volunteers with the Red Cross, setting up shelters as needed during fire season.

Bob plans to spend time in retirement with his wife, Holly, enjoying their five grandkids. He looks forward to catching up on projects around the house in the Sierra foothills, and at their cabin near Bass Lake.

"The entire staff at Regency Investment Advisors greatly appreciate Bob's hard work and dedication to the organization," Fazio says. "We wish him the best in his retirement and the future."

Client Corner:

Every year in October, Regency contacted many of you explaining that we would ask Charles Schwab to process any Required Minimum Distributions ("RMDs") that were still outstanding for the year. Due to the CARES Act, RMDs for everyone with IRAs and 401(k)-type accounts (but not defined benefit plans) are suspended in 2020. Therefore, Regency will not contact you to initiate any RMDs, but any automatic distribution you have set up thru Charles Schwab will be processed as usual. Please call us at 559-438-2640 if you need to take a distribution for any other reason.

REGENCY MARKET COMMENTARY: THROUGH JULY 31, 2020

Key Indexes Source: Morningstar	YTD Base Currency	1 yr Base Currency	3 yr Base Currency	5 yr Base Currency	10 yr Base Currency	20 yr 2000-08-01 to 2020-07-31 Base Currency
DJ Industrial Average TR USD	-6.14%	0.83%	9.02%	11.05%	12.48%	7.27%
S&P 500 TR USD	2.38%	11.96%	12.01%	11.49%	13.84%	6.29%
Russell 2000 TR USD	-10.57%	-4.59%	2.69%	5.10%	10.07%	7.01%
MSCI EAFE NR USD	-9.28%	-1.67%	0.63%	2.10%	5.02%	3.25%
BBgBarc US Agg Bond TR USD	7.72%	10.12%	5.69%	4.47%	3.87%	5.17%
USTREAS T-Bill Sec Mkt 3 Mo	0.33%	1.06%	1.63%	1.14%	0.60%	1.51%
IA SBBI US Inflation	0.05%	0.20%	1.65%	1.50%	1.66%	2.01%

Market Commentary



After a historically fast decline in equity markets, the recovery has been just as historic.

At the end of July, the S&P 500 index was less than 4% away from reaching the all-time high set in February. Fixed-income markets followed the same pattern: a steep decline followed by a strong recovery.

The overall economy, on the other hand, has not been quite as fortunate. U.S. GDP declined in the second quarter by an annualized rate of nearly 40%. Unemployment skyrocketed from historic lows to just over 16% as businesses closed their doors and sent workers home to shelter-in-place.

It appears the worst of the economic decline is behind us:

- Unemployment has steadily declined from the April high to 10.2% at the end of July, not great, but an improvement.
- Manufacturing has been expanding for three straight months, both here and around the world.
- The service sector has been resilient, with the sector's PMI — Purchasing Managers Index — reaching 67.1 at the end of July (any measure over 50 is expansionary).
- Consumer spending has recovered, rising 8.6% in May and 5.6% in June.
- Retail sales are rising, but at a slower rate: The Wall Street Journal reported a 1.2% increase in July from June, after a dramatic 8.4% increase the previous month.
- Small business sentiment and consumer sentiment have improved.

The Federal Reserve and central banks around the globe plan to keep rates low for the next few years. Also, U.S. and

EU bond-purchasing programs will continue to support liquidity in fixed-income markets.

This monetary support is a catalyst for investors to venture into risk assets. In fact, the riskier segments of the equity and fixed-income markets have led the rebound.

The government has acted to support the economy as well, releasing trillions of dollars to aid small businesses and consumers. This stimulus has helped keep the economy from sliding into a free fall.

The hope of additional stimulus has acted as buoy for the markets the past few weeks. Investors are watching to see the extent of the stimulus, including size and length of time. As of mid-August, however, negotiators remained far apart on a new deal, and Congress left town until after Labor Day without an agreement.

Indeed, the political and geopolitical landscape has been anything but market friendly. The U.S. forced the closure of a Chinese consulate in Houston under suspicion of spying. The Chinese retaliated by closing a U.S. consulate in Chengdu. Multiple Chinese tech firms have come under fire, amid national security concerns, both in the U.S. and Europe.

An approaching U.S. presidential election holds the potential to affect markets, as well. Despite these issues, the market and investors continue to move forward almost unfazed.

The X-factor in the current environment is COVID-19. The past few months have been a roller coaster of headlines. News of increased infection rates and additional hotspots has led to market declines and more volatility. Conversely, positive headlines about potential vaccines or treatments affected not just the companies involved, but the entire market.

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Meet Tony Fazio, Regency's New CEO



Tony Fazio
Chief Executive Officer

August ushers in a new era at Regency Investment Advisors with the addition of new CEO Tony Fazio.

Regency created the CEO position to help manage and facilitate its continuing growth, President Dan Ray says. In Tony, Regency found a great fit.

Tony will focus on running the business, allowing Regency's highly trained group of Advisors to put their entire focus on their clients.

"Everyone at Regency is very happy to have Tony come on board," Dan says. "His goal is to make sure that, as we go forward, we don't lose our focus. His No. 1 job is to preserve what's good about our company, which is client-centered fiduciary service."

Tony's 25 years of experience in agribusiness and management make him ideally suited to serve clients in the nation's most productive farming region. He's a former chairman of the California Fresh Fruit Association and former commissioner of the California Table Grape Commission.

One of Tony's primary goals will be to attract, develop and mentor associates at Regency. He'll also focus on improving client communications by enhancing the company's client services programs.

"The Advisors and staff at Regency understand that every client has different needs," he says. "It is so rewarding to

know that we are able to help our clients and their families with major life decisions that will have a positive effect on their lives, both now and in the future."

Tony graduated from California State University, Fresno, with a degree in business administration/marketing. A Fresno native, he remains active on campus, where he's served as a student mentor for the past seven years. He's also a graduate of the DuPont United Fresh Industry Leadership Program. Prior to joining Regency, Tony served as CEO of Tri-Boro Fruit Company and president of Fazio Marketing, Inc. Most recently, he launched a new line of Warehouse Management Software Products for the agricultural industry at Famous Software LLC.

Tony and his wife, Stacy, enjoy kayaking, cycling, hiking, and traveling to the beach — any beach — to run. He's been a runner for more than 20 years.

He's also an avid photographer, especially of mountain vistas. "I love taking landscape photos in the Sierra Nevadas," he says. "It was a passion of mine in college, and I am enjoying it now more than ever."

Tony and Stacy have two children, Megan and Christian. They also have two dogs, Sandy and Buster.

"I am honored to have the opportunity to serve as the new CEO at Regency," he says. "We share a common passion for client service and a commitment to the community. I have the highest respect for the people at Regency and their dedication to their clients."

Market Commentary continued

In terms of the market and economic recovery, it seems like the worst and best are probably both behind us. The second quarter's cataclysmic decline hit bottom on March 23. But the fantastic returns the market experienced after that have slowed, and they likely can't be sustained in the current economic and geopolitical climate.

Still, none of this means we'll have smooth sailing as the economy returns to "normal." We may experience a series of bumps as we move through the process of reopening the economy in this unprecedented environment.

What does all this mean for investors?

Well, there is an adage that states, "The best diet is the one you stick to." When it comes to investing, we believe the same idea is true. We feel that selecting the appropriate portfolio — which you can stick with no matter what happens — is the best way to reach your financial goals.

If you'd like to discuss your portfolio, please contact your Advisor.

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.



Coronavirus Update:

KEEPING SAFE AND SECURE

Like most of you, we have spent the past few months learning about the coronavirus (COVID-19) and feeling its impact on our daily lives. This also means understanding how it affects our employees, clients, and the communities where we live.

Amid the changing dynamics of this health crisis, our primary focus has been and will continue to be the safety and well-being of the Regency staff, their families, and our clients.

We are fully staffed, operational and available to address any need related to your accounts. Our Advisors are also available to discuss the market, financial planning, or any other questions about your accounts.

Although we have suspended in-person reviews, Advisors continue to hold meetings and reviews via phone or video conference. Video conferences can be scheduled during normal business hours, and our staff is available to answer any calls by phone or email.

Please call our office at 559-438-2640 to schedule an appointment or to speak to one of our Advisors.

The health and safety of our employees and clients will always be our top priority. All employees undergo daily health checks when entering the office, and our staff is required to wear masks. All Advisors and most staff are working in separate, private offices to ensure proper distancing that adheres to CDC guidelines.

Each month, Regency's management reassesses the circumstances surrounding the virus to ensure the continued safety of our staff and clients. We will open our offices again only when it is safe and permitted by state and local regulatory agencies. In the meantime, please know we are always available to help or to answer any questions.

On behalf of everyone at Regency, I wish you and your families good health and safety.

Thank you,
Tony Fazio, CEO