EAGLE WEALTH STRATEGIES FALL 2023

THE EAGLE'S VIEW

EAGLE WEALTH STRATEGIES

AN INDEPENDENT FIRM

IN THIS ISSUE:

Chris Tully, CFP®, RICP®, CIMA®
President

A Word from Chris

As the 4th quarter begins, the year begins to end. By most accounts, this has been another eventful year in the markets, but not in quite the robust positive circumstances we would have hoped. Stock markets are mixed – many are positive, but some are negative as of October 13th – though there is more at play under the hood with a select few companies driving the majority of returns. Similar story on the bond side of equation, with broad markets down globally, but certain segments up slightly. More of our investment/market-specific thoughts and details of recent investment changes can be found within October's "EWS Investment News" that was emailed to clients on October 19th.

As is the case with any wealth management firm or individual investor, there are things within our control and things outside. We cannot control the markets, though we can ensure investors are positioned appropriately given their unique circumstances (time horizon, goals, etc.). Nevertheless, times can be rough – as has been the case for 3 of the last 4 years – though history shows that multi-year periods of ups and downs but a road to nowhere are common. We cannot control tax laws, but we can control how much time is dedicated to tax planning. Tax planning, in our view, is a lifetime goal, not necessarily something that should be reset each year. We cannot control inflation, but we can create budgets and minimize excess spending. We cannot, ultimately, control changes to our health, but we can ensure we have the most appropriate insurances (health, life, and long-term care) and up-to-date estate plans in place.

As a firm, ultimately, we can control our commitment to serving clients, and this commitment is something we take very seriously. As such, over the past several years, we've made a host of changes, large and small:

- **Team Members** – We've brought Ryan, David, and Erin onboard, and created two new positions (Relationship Manager and Director of Financial Planning). Ryan and Erin serve as Relationship Managers, allowing many clients to have two primary points of contact. David, as a CFP, works individually with many clients and will continue to serve as an advisor in much the same role as myself, Paul, and Steffanie. Jess, who has been with us for nearly 20 years, is transitioning further into a financial planning-only role, as Director of Financial Planning, which will allow us to dive deeper on the planning side for clients.

- **Investment Process** – We've invested in our investment process, utilizing Morningstar Direct (research and tracking), FactSet and CFRA (individual stock research), Orion Advisor Technology (portfolio management and trading), and we've retained the services of a highly qualified outsourced analyst to assist with category and manager selection.

- **Clientele** – We've made changes to who we serve, now aiming to take a deeper dive in wealth management for individuals and families. For instance, we have a "new relationship minimum" of $250,000 (lower for younger investors who are just getting started) so that we accept fewer new clients, allowing us to have more time with existing relationships. We will continue to accept family members of existing clients, regardless of asset level.

- **Financial Planning Resources** – After a multi-month search, we made a decision on our core financial planning tool. As we finalize our processes, we will be rolling this out to clients, likely in the 1st quarter of 2024. Next up

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will be additional resources on tax and estate planning. Our goal is to make each client's plan customized, easily understood, and digestible.

- **Cash Management and Credit Capabilities** – As mentioned in this summer's "Eagle's View" newsletter, we're finalizing new options on both the cash and credit side of the balance sheet. If you haven't recently reviewed the interest rates on your bank assets – checking, savings, and CDs – now would be a good time. Further details forthcoming!

- **Independence** – And finally, we went independent this April to give us more flexibility now and in the future. From the outside looking in, things today look much like they did ~7 months ago, though changes – including the "Financial Planning Resources" and "Cash Management and Credit Capabilities" mentioned above – are on the way. Ultimately, we wanted to be in a position to be nimble, as our industry will undoubtedly continue to evolve over the next decade: we want to be ahead of the curve in order to provide our clients with what they need most.

As we look ahead to 2024, we will continue to control this commitment by focusing on additional areas. For instance:

- **Re-Discovery Campaign** – Every so often, we believe it's beneficial in our relationships with clients to take a step back and reassess. We may ask questions we've already asked, but answers can change with time. Goals can change or be adjusted. Timelines can shift. We want to know what's most important to each unique client as we know one size does not fit all. Also, asking questions in a new way can help uncover additional details. What's most important to you? Current income or future income, beating a benchmark or providing stability and security, spending while you can or passing assets to beneficiaries? How do you want to receive information? As in, what's most important during a review meeting and in between? We have clients who love data and charts, others not so much. When markets fall – as they will always do from time to time – do you want to be contacted? If so, what is the best method? To kick off the process we'll be sending several surveys and questionnaires. This, of course, is voluntary, but the more we know about someone, the better we can tailor our investment, planning, and communication approach. Additional topics of conversation, questions, etc. will be a part of 2024 review meetings.

- **Enhanced Website** – We will be unveiling a new website with far more customization and planning tools. For those that love data, your access will have a lot; for those that just want the highlights, your view will be more streamlined. We currently utilize an internal profile system to guide us with each client; we'll be turning this outward so that it's a more visible, leading to a more collaborative approach. Every person has a "plan", so to speak (even if that plan is not to have a plan!), and we've heard more and more that comfort levels increase the more someone knows the specifics and is included in the creation and tracking. Why do you own what you own? How are investments and different account types being utilized? If you own an annuity, what's the primary purpose and how does it tie into achieving your goals? What is the plan if a long-term care need materializes? All good questions, all of which have answers, and over time those answers will be a click away.

As always, we appreciate your trust and confidence. We will continue doing everything within our power to advance our clients' interests and to maintain that trust and confidence. The world is complex and seems to become more so with each passing day. We believe strongly that a dedicated team of experienced and caring professionals is needed now more than ever when navigating the complex world of investing and planning, and we are honored that you've chosen us for that task.

Paul's Perspectives

Paul J. Tully, CFP®, RICP®
Founder

The third quarter of this year was a lot different than last year. We are still not "out of the woods" in terms of inflation, interest rates and a possible recession, but conditions have improved. Though September was the worst month of 2023, we are much better off than we were a year ago.

Interest rates have continued to increase but appear to be at or near a peak. Inflation, though stubborn, has declined by two-thirds since July 2022 and the long awaited recession continues to be just that - long awaited.

Rising interest rates cause all types of personal, business, and government debt to be financed much more expensively than ever, and in the case of US government debt, either has to be paid now or added to the existing $33 trillion debt.

A great example is residential mortgage rates, which have tripled in the past 18 months. Together with increased home prices, I believe housing will slow as wages have not kept pace. On the other hand, unlike 2007-2008 when there was a significant oversupply of new construction, today there really is a large shortage in many areas and that should help mitigate any decline in prices.

My Outlook

As legendary New York Yankee Yogi Berra was quoted as saying, "it is difficult to make predictions, especially about the future".

We try to imagine future developments while not getting carried away with too much optimism or pessimism. It is one of our more difficult challenges.

I do a lot of reading, at times maybe too much reading, but I am very diligent about knowing all that I can because our clients depend on it for their peace of mind and financial wellbeing.

In the long term, I am really very optimistic about our economy, markets, and health advances. I see a very exciting future after we right size some parts of our economy, including borrowing.

Our past has been nothing short of spectacular economically, clearly the envy of the world, even though in the past 18 months, we have had the steepest interest rate increase in the 110 year history of the Federal Reserve and the worst inflation (hopefully behind us) in 40 years. With Covid, we had a 34% stock market crash in 33 days.

We have had 3 stock market declines of 50% in the past 50 years, but still have grown 35X in market value! Amazing.

What I see coming in the relatively near future is a mix of good and bad. I hope the good is better than I expect and that the bad is not as bad as it could be, so here goes.

I still believe we will experience an economic slowdown that may be classified as a recession. The rise in interest rates is taking its toll on borrowing for everything and almost every type of credit, from car loans to student loans to mortgages, are seeing more delinquencies. It has slowed housing and we have an all-time record in student loans, credit card debt, and the $33 trillion that the federal government has borrowed. This will take a toll, I'm not sure how soon, but we have run out of road to kick the can down.

I have read reports from many leading asset management firms including Raymond James, Vanguard, BlackRock, JP Morgan, Northern Trust, Goldman Sachs, Morgan Stanley, and others. While they may vary by degree, there is one

Paul's Perspectives *(continued from page 3)*

thing in unanimous agreement: the stock markets, both US and foreign, are likely to see returns considerably less than what we experienced in the last 10 to 15 years over the next 10 years.

As of August 31, the S&P 500 averaged 12.8% per year over the past 10 years, while the bond/fixed income market as represented by the Barclays Aggregate averaged only 1.48% per year.

Obviously, we don't know if they are correct in their outlook, but these are the heavyweights of the global investment industry. Given what I stated earlier about all of the debt, the inflation that helped exacerbate that debt and my outlook on increasing longevity, I believe we are at a real inflection point.

It is possible that at the exact moment we need a really strong equity market both here and globally, we might not get one, at least like we have experienced since the 2008 financial crisis.

That is the bad news, that it won't be easy to just sit there and make money on your investments.

The good news is that there are more markets and investment strategies to invest in than just the stock market. Plus, all stocks that comprise the stock market don't and won't have that same diminished outcome. Some sectors and companies will thrive. The very factors that created such a poor environment for bonds in the past 10 years have flipped and are now a tailwind…for the right mix of fixed income investments.

We would expect to do much better than the bond market's 1.49% of the past 10 years and the negative 4.4% of the past 3 years as interest rates rapidly rose to fight inflation.

For the clients and advisors that we work with, issues of asset selection and allocation, taxes, and costs of investing are going to be more important than at any time in my 45+ years in our business.

There will be people and firms offering easy solutions - quick fixes that I don't believe will stand the test of time. Interest rates on CDs today are very tempting but are unlikely to last. Proof of that is the fact that virtually every entity paying interest rates pays more for a 1 year commitment than a 10 year one.

I have been invited to participate in something called The Wisdom Capture Project. In essence it is people like me, with decades of experience (and I suppose a certain age), tasked with talking about the most important things they have learned working with clients over the years. Not financial issues – "people" issues – and it has been particularly rewarding to share some of those stories. If I get published, I'll let you know!

On a personal note, I had a great Summer, getting more time with family, especially my grandchildren, than a normal Summer. We spent time in Florida, Montana, Connecticut and our home in New Jersey. The time flew, but it was simply great and next Summer will be even better, with a new addition to our family next Spring!

That's it for now. As we enter the last quarter and the holiday season, I want to thank all of you for your trust and confidence.

Thanksgiving is my favorite holiday and I am very thankful to those who have entrusted me with their financial future.

Enjoy whichever holidays you celebrate with your family and friends!

Employee Spotlight - Frank Febbo

Frank Febbo
Client Service Associate

Tell us a little bit about yourself.

I grew up in Washington Township, graduated from Gloucester Catholic High School, and received my associate's degree in fine arts at Camden County College in 2007. I then attended Rutgers Camden for 2 years and then transferred to Rowan University where I got my bachelor's degree in fine arts/graphic design in 2012. I currently reside in Mantua with my wife, Jenna, and son, Frankie.

How did you get into this business?

After graduation, graphic design firms were not hiring many people. I applied to firms for a full year with no luck, so I started doing freelance work, but ultimately it wasn't paying the bills. In 2013, one of my dad's best friends offered me a part-time job at a financial planning firm. I did a range of client service duties and learned about the financial planning/insurance business. I continued to build on these skills after joining EWS in 2019, obtaining my notary and health and life insurance licenses.

What is your favorite part about working with EWS?

I love the people and clients that I work with. It is a complete 180 from what I was used to working in my retail days at Sears!

What's some of your favorite things to do when you are not working?

In my spare time I enjoy working out and keeping in shape. I run about 28 to 30 miles a week, in addition to chasing my energetic 3-year old around! I also enjoy going to breweries and hanging out with friends. In 2012 I earned my first-degree black belt at Underground Martial Arts and Fitness Center (now known as the Growth Dojo). In 2014 I earned my second-degree black belt and in 2018 I earned my third degree black belt.

Employee Spotlight - Maureen Wilson

Maureen Wilson
Client Service Associate

Tell us a little bit about yourself.

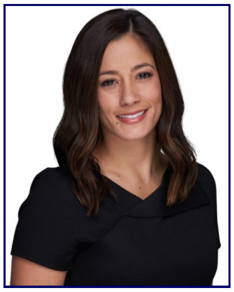
I reside in Finleyville, PA with my husband Rick and daughter Jess. We should be empty nesters again soon! I currently work part time at Eagle Wealth Strategies and babysit my two grandchildren during my days off, which are really not days off - I think any grandparent can relate!

How did you get into the business?

I started working at a large investment firm in Center City, Philadelphia when I was 19 years old. I had always worked for the larger advisors so I stayed with that Company for 33 years working as a Registered Associate. Afterwards, I just couldn't handle the commute anymore and was so very happy to move to EWS in 2017; moving to this company was the best decision ever since they genuinely care about their employees and clients and it shows!

How do you spend your time outside of work?

Rick and I spend lots of time with our family now that we all live in the same area. We love to go to our "happy place" on Lake Erie in the summer months. We will always be avid Philly sports fans, NFL, MLB, college football, March Madness, you name it, we love it all!



Jessica Ortega, CFP®, RICP®
Director of Planning

Retirement on the Horizon? What You Need to Know

The last few years leading up to retirement are a critical time for preparation. Deciding when you can afford to retire relies on the amount of groundwork you laid to this point and the success of those efforts. If you do not already have an action plan in place, here are a few things to consider:

Estimate how much you plan to spend each year.

Knowing how much money you need saved begins with knowing how much you need to spend. If you're unsure, a great place to start is by looking at your current spending. At a basic level, this may simply be tracking the beginning and ending balance of your bank accounts each month while accounting for deposits during that period. We encourage you to dive deeper to consider things you're spending on now that may go away in retirement (such as work clothing and the cost of commuting) and costs that may increase (travel and hobbies). We have tools to assist you in this exercise as well.

Compare your planned spending with your expected retirement income.

Your reliable income sources may include Social Security, pension benefits, annuity income, rental income, or proceeds from property sales. In addition, your retirement savings and investment accounts will be used to fill in the gaps between your spending and reliable income sources. We can help you develop a distribution plan to maximize the life of your assets while minimizing taxes.

Identifying strategies to implement prior to retiring.

After analyzing where you are now, we can help you determine whether there are any strategies we can begin prior to retirement to increase the success of your plan, such as:

- Structuring your savings to provide more tax-free income to avoid increased Medicare premiums.
- Deciding when to collect Social Security. If you have a spouse, are divorced, or are widowed, more complex planning may be needed to determine the optimal strategy for beginning benefits.
- Beginning a Roth conversion ladder to access retirement funds without penalty.

After years of hard work, deciding when to retire can be a daunting decision. You're entitled to a happy, stress-free retirement. We can collaborate to develop a plan in advance so that you can retire confidently and focus on what really matters to you.

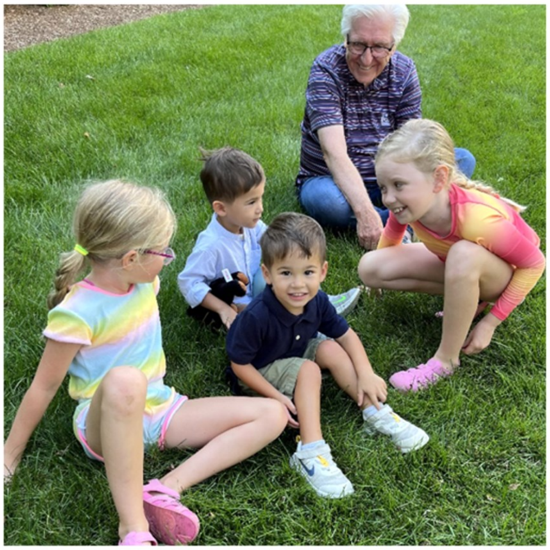
Social Security Benefits will increase by 3.2% for 2024

Each year, the Social Security Administration announces its annual inflation adjustment aimed at helping seniors keep pace with the cost of living. After last year's historic increase and recently moderating prices in consumer goods, the cost-of-living adjustment (COLA) for 2024 will be 3.2%. This means the average recipient will receive a $50-$60 monthly boost in benefits.

Monthly premiums for Medicare Part B will be $174.70 for 2024, an increase of $9.80 from 2023. The annual Part B deductible will be $240 in 2024, a $14 increase from 2023. Medicare beneficiaries who earned more than $103,000 (or couples who earned more than $206,000) in 2022 will be subject to Income-Related Monthly Adjustment Amounts (IRMAA) for 2024. IRMAA is a premium surcharge that is calculated every year based on income from two years prior. The monthly surcharge ranges from $244-$594 depending on your income.

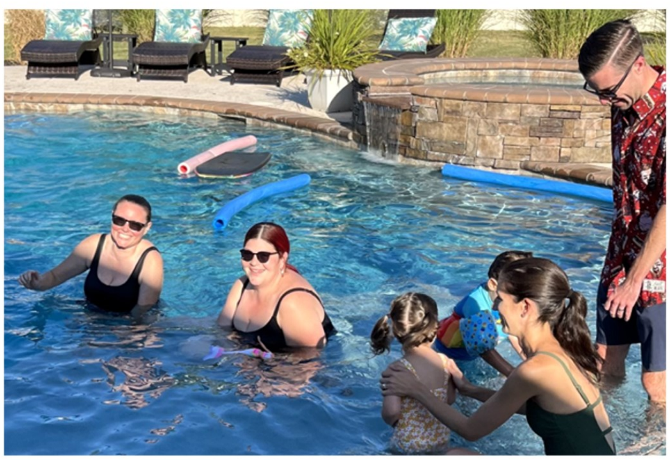
Each November, you should receive your annual notice from the Social Security Administration outlining how much you'll pay for Medicare in the upcoming year. If you have questions about why you're receiving an IRMAA or whether you're eligible for a waiver, you can contact our office.

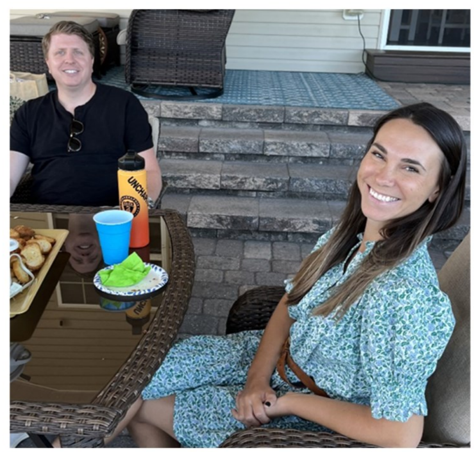
News at EWS

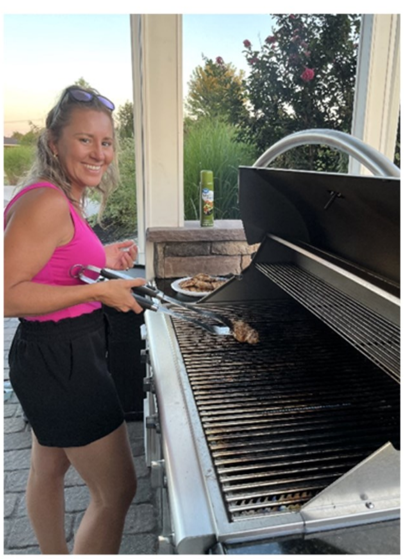


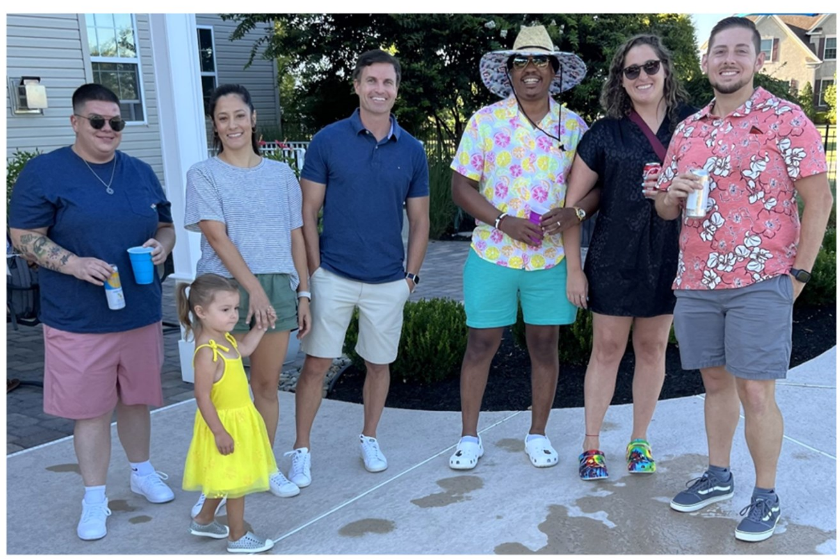
Here is a good one of **Paul** and all four of his grandchildren enjoying a summer day – maybe smiling about the fact that there will soon be a fifth one joining their little crew?

The whole gang plus their families gathered for an end of summer EWS BBQ at Steff's house (we even made her cook for us!). We had a great afternoon swimming, playing yard games, and of course, eating!









Melissa Phillips
Director of Operations
Chief Compliance Officer

Operational Odds and Ends

As we rapidly approach the end of 2023, I thought this would be a good time to add some reminders and information ahead of this busy season.

Required Minimum Distributions (RMDs)

If you have a retirement account and are subject to IRS required minimum distributions this year, we'll be reaching out if you haven't yet met the requirement. The SECURE Act has muddied the rules a bit around beneficiary (or inherited) IRAs, particularly if the original decedent passed away in 2020 or later. If you are unsure how the changes may affect you, please contact your advisor.

ADV Updates

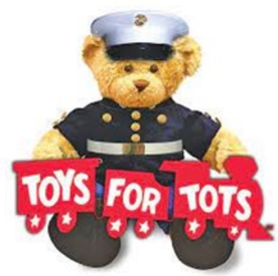
Annually, and throughout the year, you will receive communication notifying you that we have made changes to our ADV. The Form ADV is a required document that is filed with the U.S. Securities & Exchange Commission (SEC) and contains information about us and our business operations. We are required to send out updates once a year and also any time we make changes. It is lengthy, but we will always include a summary of changes in plain English since our last update. Please don't feel intimidated by the document—I do urge all of our clients to read it and welcome a phone call to answer any questions you may have.

Check Deposits

Due to strict SEC custody rules, we are unable to accept a check that is made payable to you, the client, unless you endorse it, payable to Raymond James, with the account number written below. The preferred way is to have the check payable to Raymond James, or Raymond James FBO (for the benefit of) your name.

Toys for Tots

We will be collecting new, unwrapped toys here in the office from **now until December 15th**. If you would like to donate but are unable to get here, give us a call and we will see if we can accommodate a pick up for you. Thank you to our clients for your support every year—we never cease to amaze the Toys for Tots volunteers with your generosity!



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