THE EAGLE'S VIEW

AN INDEPENDENT FIRM

IN THIS ISSUE:

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

April 1st Business Transition

This quarter's edition of The Eagle's View marks the first since our April 1st transition to become a fully independent Registered Investment Advisor firm (RIA). My father, Paul, founded Eagle Wealth Strategies in 1989 (pictures on page 8!), and for the last 34 years we have been affiliated with a specific division of Raymond James Financial (RJFS). While this arrangement has given us a high degree of autonomy, certain responsibilities, decisions, and controls have been driven by folks at RJFS who are responsible for overseeing thousands of advisors, all with different business strategies and needs. With our firm's evolution and the ever-changing landscape of our industry, we found that it was time to be "one of one" instead of "one of thousands". This transition marks the biggest change to our firm since our founding many years ago. RJFS has been a wonderful partner for over three decades, and as such, will continue as the primary custodian of client assets.

During the transition period, we were asked a host of questions, but the main themes came back to: Why did we initiate this change, and why now?

"Why?" The rationale was based on our view that complete independence was the key to providing both a higher and a more extensive level of service. Looking ahead, we believe that over the next 20 years and beyond, advisors will be called upon to serve clients in more ways and the stakes will be even greater than they are today. The world is changing and proper management of not only investments, but of overall wealth, taxes, healthcare, spending, etc. will be key. Pivoting to serve more as a wealth advisor as opposed to an investment advisor will be crucial. This is a progression we embarked on long ago, but the added flexibility that the RIA structure provides will allow us to take everything a few steps further.

Navigating the coming decades will be more challenging, and newer and better tools and strategies will be needed. This transition will put us in a better position to redefine and grow our firm; we'll have more flexibility and more freedom, tailoring our services and client experience specifically for you. Enhancements to the technology we use daily is already underway, with more to come over the remainder of the year. Additional areas of focus will include enhancing our ability to better communicate both on a mass scale (more frequent writing as our wait time for compliance approval will diminish) and on a one-on-one basis (a compliant texting system, for instance). Access to a broader array of investment options will follow, as will access to additional lending strategies.

"Why now?" Our firm has grown in size and scope over the past decade and, with additional staff and skills in tow, we believed that we were now better positioned to navigate the added responsibilities of being an RIA. The time is right to have more control over our resources so that we can deploy them to areas we feel we need to focus on.

To the outside looking in, things will look and feel very similar in the beginning stages: statements, online access, and reporting will remain the same, and your dedicated team at EWS will not change. Over time, we will be able to introduce new items, and as they are rolled out, we will be sure to let you know.

Our ultimate job is to add value in both quantifiably measurable ways (financial) as well as psychological ways (as in, let us do the worrying for you, so you can enjoy what's most important in your lives). This is an exciting step that will allow us to do just that, and we're excited for what's to come!

Investment Markets / Portfolio Positioning

Across the board, the first quarter of 2023 was positive: the MSCI ACWI Index (representing stocks around the globe) increased 7.31%, while the Barclays Global Aggre-

...continued from page 1 (Chris—Investment Markets / Portfolio Positioning)

gate Bond Index (representing bonds around the globe) increased by 3.01%. It's always nice to get off to a good start for the year, though the road ahead may prove to be long and bumpy.

Conditions are very fluid and could change quickly, as we've grown accustomed to over the last three years since the COVID crash low. We're finally starting to see some real consequences of the Fed's "late to the party", ultra-aggressive rate hiking campaign over the past 15 months. Layoffs and bank failures have begun, and a slowdown in overall economic growth is likely to follow. The quest for lower inflation continues, with March's reading now bringing the rate down to 5% on a year-over-year basis. While elevated, and still much higher than the Fed's target, the figure is significantly lower than June's peak of 9.1%. It may take many more months, but the trajectory is a welcome relief to markets and consumers alike.

The S&P 500, which represents large US stocks, has remained range bound over the past 6 months, oscillating between ~3,700 and ~4,200, and ending Q1 at 4,109 (and at a similar level as of this writing). Michael Gibbs, Director of Equity Portfolio & Technical Strategy at Raymond James views the coming months as a continuation of this trend:

> *"In the short-term, we expect range-bound trading (will stick with our ~3500-4100 potential S&P 500 range for now). We get news daily, weekly, and monthly on the variables impacting markets (i.e., inflation, Fed policy, and economy). The economic normalization process (from excessive easing in Covid to excessive tightening post-Covid) is likely to be lumpy with confusing data along the way. And given investor uncertainty on its path and the stakes being so high, we expect sentiment swings to occur. There will be excited periods where stocks rally and disappointed periods where they pull back. Until inflation is down, it will be difficult for stocks to move sustainably higher."*

Risks ahead include the ongoing "if", "when", and "magnitude" of a potential recession, and maybe more imminently, the logjam in Washington over the debt ceiling. In terms of a recession, while it may now be more probable, many analysts expect the scale to be milder than previous recessions during COVID, The Great Financial Crisis of 2007-2009, and during the tech bubble bursting of the early 2000s. Our eyes will remain focused on both risks, with adjustments always possible if we feel they are warranted. We caution though that overreacting to short-term news and market movements can cause more harm than good in many instances. Even with the risks, we remain more focused on the long-term than the short-term, as we believe the future looks brighter 12-18+ months out as a recession would likely be over and rates would likely be lower at that point.

As the Fed continues to raise rates (though that may be coming to an end sooner than initially expected), we think there is a continued downside risk over the next few quarters so, for now, we plan on remaining a bit more defensive. With this thinking in mind, changes were made across our model strategies in January, with an additional small adjustment in April. In terms of both stocks and bonds, we continue to focus on quality companies, most notably tilting our portfolios more towards "value" stocks (as opposed to "growth") in both our US and overseas allocations. We began repositioning for a new interest rate environment as well, lowering our reliance on short-term bonds, bank loans, and alternative investments, and instead re-investing in longer-term maturities.

As long-term investors, we cannot figure out every twist and turn in the economy. We know that the central banks are there to stop any large crisis. Even though history shows us that there are better times ahead, we are only human. As such, we are hardwired to look at the present times and feel afraid. Let's face it, everyone likes to win, and most of us are afraid to lose. But when we allow our emotions, fear, and greed to enter the investment equation, we do so at our own peril. You have placed enormous faith in us. We understand and accept that responsibility willingly and with our personal pledge to do our best to help you through these difficult times, both financially and emotionally. We understand these are scary times. We continue to monitor your investments, the markets, and our government's actions in this crisis. We also want to do whatever we can to help you feel better. As always, any questions, please let us know!

Paul J. Tully, CFP®, RICP®
Founder

Paul's Perspectives

Benjamin Disraeli, former British prime minister, once said "*There is no education like adversity*." If true, we are all on our way to earning advanced degrees!

January was one of the best months in many years, and then February reversed approximately half of January's gain. March saw the largest bank failure in 15 years. One that was triggered by the fastest rising interest rates in history and exacerbated by a run on bank deposits orchestrated by some of the same people who in recent years were responsible for so many of those deposits.

That may be a bit oversimplified, but a perfect storm of rising rates, few depositors slowing the tech economy, and panic led to some extreme volatility which I believe is short lived. This is not 2008, but at the same time, it's not nothing.

In our world, 15 years of low interest rates and well above average investment market returns seem to have ended, and that is no surprise as I have anticipated lower rates of return for years. As a result, everything is up for reconsideration and that has accelerated since March 2020 (is it possible Covid hit only 3 years ago?) including most business and many personal relationships.

We collectively have had to reassess and adapt or risk our future. I see much more of that coming as artificial intelligence ChatGPT will have a profound impact on American life and business in ways that are both fascinating and frightening. Our profession will be hugely impacted.

So where are we now? In my opinion we are still in the eye of a storm, though perhaps a different storm than just a few years ago. We need to get beyond the current inflation problem. I am confident we will. We need to get the economy on solid footing. I'm also confident we will do that, though I think it will be a much slower growing economy than we are used to.

In the past year or so, my conversations have shifted. Perhaps it's the nature of the people, both clients and prospective clients who I deal with rather than a larger trend, but my conversations are more oriented to risk management, income generation, legacy planning, quality of life issues, and longevity.

I don't want to say that people are unconcerned about market volatility, but that is no longer the leading topic. Maybe that's because we have had a fairly lengthy period when that topic was unpleasant and stressful, maybe it's my clients have gotten older, or because Covid brought mortality right to everyone's attention simultaneously, but it's different than it was. People are focused less on the day to day minutia and more on the big picture.

I continue to work and research in the areas of long-term income planning, family legacy and addressing the amount of one's assets subject to lifetime or estate taxes. We have helped people accumulate assets over decades and today in many cases we have clients in the distribution and preservation mode and not as much focused on accumulation. It is rewarding to see people keep what they have acquired!

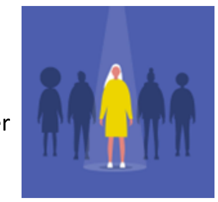
Jessica L. Ortega, CFP, RICP®
Director of Planning

Additional Planning Solutions Coming Soon!

Having the ability to choose the best combination of technology solutions for our clients' specific needs was one of the biggest drivers of the recent changes we made to our firm. We will now have more flexibility and more freedom to tailor our services and client experience specifically for you. While the tools and technology provided to us by Raymond James were adequate, we routinely found them to be behind-the-curve and not nearly as comprehensive or impressive as the best-in-class offerings available to our industry.

Over the next several months, I will be working closely with our advisors to research and select additional technology solutions relating to enhanced financial planning, tax planning solutions, and investment management. We're continuously striving to find more and better ways to serve our clients, and we're excited for what's to come!

Employee Spotlight – Jess



Tell us a little bit about yourself.
I currently live in Pitman, NJ with my partner, Dave and our daughter, Emerson. We're all avid soccer fans, so when we're not playing in the hallway or backyard at home, we enjoy cheering from the sidelines at Philadelphia Union matches.

How long have you been with the company?
I've had the pleasure of working at EWS for over 17 years, which is coincidently the age I was when I started here! Initially coming in to do filing while I was in high school, I continued to work part-time throughout college. I was originally studying to become a math teacher, but I became fascinated with the strategy that goes into collaborating with our clients to create financial plans. Ultimately, I switched to finance and took most of my classes at night so I could work more. They haven't been able to get rid of me yet, and I don't see that changing any time soon!

What does your job entail?
My responsibilities have changed a lot over the years as our team has continued to expand. As our Director of Planning, I serve as the primary resource for our advisors and clients on a variety of financial planning topics, such as Social Security and tax planning to name a few. I work closely with your advisory team to collaborate on ideas and strategies to help you get to where you want to be and keep more of what you have by minimizing taxes. In short, my job is to help you and your advisors make smart decisions about your money so you can focus on what matters most to you.

People would be surprised if they knew:
Dave and I had a surprise wedding. We invited our closest friends and family to what they thought was an engagement party. Shortly after the party began, I snuck away with my mom to let her in on the secret and get into my wedding dress while Dave let the rest of our guests in on the surprise. It was a whole lot of fun to plan and a great memory that our guests still bring up to us to this day.

What do you like to do when you're not working?
I'm an avid reader who enjoys travelling, running, and travelling to run! As you may have seen in past newsletters, I am well on my way to completing a half marathon in all 50 states, recently completing my 35th state at the Little Rock Half Marathon. It has been a wonderful way to visit some parts of our country I may otherwise never have gotten a chance to see. I have several more races planned for this year, including a visit to Anchorage, Alaska.

What are you currently reading?
"The Lazy Genius Way" by Kendra Adachi. Both my mental and physical health are very important to me, so I am always looking for ways to find balance between my various responsibilities, relationships, and interests. In this book, Kendra shares her wisdom about being kind to yourself and making room for what matters instead of trying to do it all. In the words of the author, "*Being a lazy genius isn't about doing more or doing less. It's about doing what matters to you… Be a genius about the things that matter and lazy about the things that don't!*" I recommend this for anyone looking for effortless and hilarious inspiration about the seemingly constant demands life can bring!

Bank Failures - What They Mean to You

David Koehler, CFP®
Wealth Advisor

The recent collapse of several banks has left many savers/investors wondering if something similar could happen to their bank. While it's unsettling to see headlines about any bank failures, it's important to keep in mind institutions like "Silicon Valley Bank" (SVB) and "Signature Bank" had underlying risks well outside the norm of most retail banks holding checking/savings accounts and writing residential mortgages. While we don't see the recent troubles in the banking sector as an industry-wide threat, they may serve as a timely reminder to review account protections available and the safety of your cash/cash equivalents.

Basic FDIC insurance is up to $250,000 per depositor, per FDIC-insured bank, per ownership category. Covered deposits can include checking/savings accounts, certain trusts, money market deposit accounts, and certificates of deposit held with FDIC-insured banks.

For investment products (such as stocks, bonds, and mutual funds), separate protection may apply through the Securities Investor Protection Corporation (SIPC). SIPC protects cash and securities held by customers of a member brokerage firm (up to $500,000 in total value, of which $250,000 can be cash).

Our custodian, Raymond James, offers multilayered protection for both investors and bank depositors. Through the Raymond James Bank Deposit Program (RJBDP), uninvested cash can be automatically deposited into interest-bearing accounts at multiple banks for a maximum of $3 million in FDIC deposit insurance ($6 million for joint accounts). Raymond James also offers account protection through SIPC and various syndicates of Lloyd's of London for protection beyond SIPC limitations.

Our team is here to help answer any questions/concerns related to the latest banking news or account protections in place for you and your family. Please don't hesitate to contact your advisor to discuss.

For more information please visit: fdic.gov, SIPC.org, or raymondjames.com

Operational Reminders and Changes

Melissa Phillips
Director of Operations

Email Addresses:

If you were accustomed to using an email address that ends in @raymondjames.com, be sure to use our @eaglewealthstrategies.com emails moving forward. We will not receive any emails that go to Raymond James addresses, nor will you receive a message that it is undeliverable. If you've recently sent a message with no response, ensure it was sent to the correct address.

Check Deposits:

In order to deposit a check, you may utilize the Client Access mobile deposit feature or send directly to our office for deposit. ***If you choose to mail your check to us, be sure that all checks are made payable to our custodian, Raymond James***. We will not accept checks made payable to Eagle Wealth Strategies or to you, the client, for regulatory reasons.

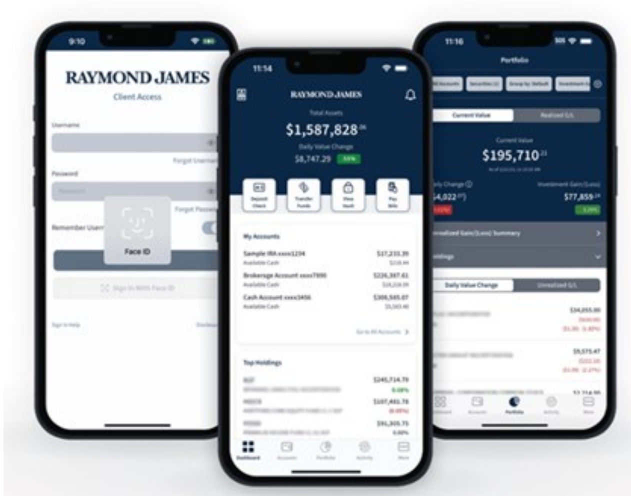
If you must send us a check made payable to yourself, please be sure to endorse the back of it, payable to Raymond James, and include the account number, like this:

x *Client Name*

Payable to Raymond James

Account: 12345678

I highly recommend the ease and convenience of mobile deposit via the Client Access app. If you would like more details or assistance with getting set up on Client Access or the app, feel free to call the office and ask for me – I'll be happy to walk you through the process or even schedule an in-person tutorial.



News at EWS

Erin, Chris, Jess, Frank, Ryan, and Melissa had a blast at Tonewood Brewery to raise a pint (or two) for Frank's birthday in March.

Jess and family visited the 'Friends Experience' at the Franklin Institute and her daughter **Emme** got in on the fun.

True Friends fans would remark in a Chandler voice: "Could she BE wearing any more clothes?!"

Steff and family striking a pose on the slopes during a ski trip earlier this year.

David's daughter **Olivia** was thrilled to meet Mickey and friends on her first trip to Disneyworld!

Then and Now

As Chris promised in his article on page 1, pictured to the left is Paul in 1989, the year he started our firm, and his very first business card below.

Our industry has changed, and our team has grown, but our vision today is as it was when Paul first opened the doors 34 years ago.

And, apparently, Paul's choice of sweaters hasn't changed, either!

EAGLE WEALTH STRATEGIES
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