

BE INFORMED OF YOUR RETIREMENT INCOME PROCESS

As a chartered investment manager at Raymond James, I can say the world of investment is a topsy turvy business. From geo to domestic politics, industry to personal family issues, what is the right course of action to take when it comes to your family capital? I counsel folks to focus on their own objectives. Do you need more income? What types and formats of securities best match your objectives? From a client experience a disciplined, consistent process to manage your money is critical to help you reach and measure your financial goals. What should that process be?

The Advantage of Discretionary Money Management

In today's mature financial markets, I feel that discretionary money management is your most efficient and lowest risk method to help you increase your monthly income, enable proper levels of diversification, lower your portfolio risk and help you attain the correct investment style to match your portfolio objectives. Why is this so? How do you hire a discretionary investment counsel firm and what are the advantages of doing so? Let's start with a historical progression of financial service offerings.

In the 1980's, clients requiring income could have a portfolio of individual bond or equity securities

providing income yields, which could include the use of mutual funds. The most common format account was a commissioned based account. Over time, portfolio designs evolved in the mutual fund industry to include one fund code which held a variety of mutual funds but typically with one key objective, be it growth or income. As technology improved, new offerings of funds were "wrapped" according to investment style and asset allocations separate from one fund code, but the technology was expensive to deploy resulting in common investor costs in excess of 3% of gross assets. By the late 1990's security firms offered clients fee - based brokerage accounts holding ETFs, various funds and individual bonds and equities. Sophistication to the retail investor had arrived. These forms of accounts enable suitable clients with added time and effort to learn about their portfolio constructions.

By the late 1990's separately managed accounts in discretionary formats arrived, which remain prevalent today and are structured to hold individual securities. The selection and portfolio management is typically performed by a 3rd party, independent committee-based advisory group. These portfolio teams are most often seen at Investment counsel firms managing large sums of foundation, pension, family office, or other larger pools of institutional capital.



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If you are a family office, senior citizen, widowed, elderly and retired, I prefer this method of money management for several key reasons:

1. Money is managed by an impartial committee(s) - based decision making giving careful attention to business valuation before security selection. What is the point of achieving high dividend income if your principal value falls precipitously due to an over - valued security?
2. Your portfolio is carefully audited for qualitative as well as quantitative money manager metrics not typically seen at a retail level. This directly impacts the safety profile of your retirement income
3. Tight weightings instead of subjective weightings of securities improves the quality and visibility of your return.
4. Your advisor can share in a neutral fashion how your money behaves

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against proper benchmarks instead of leaving things to chance. Risk and return are carefully measured, while your money derives its return from careful asset allocation and style instead of relying on subjective securities to outperform.

At Raymond James, our discretionary portfolio program, known as our Partners Service, is a valuable tactical method to increase the safety profile of your

money, whether it be to enhance your income, offer diversification from physical real estate holdings, enable portfolio tax efficiency, or help align your money with your financial objectives.

Call our team today to learn more about our Partners Program discretionary services and its advantages for your money.

Talk to us at 647-696-0140

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