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Written by Alex Meehan,
Wealth Management Associate

VIRTUAL MEETINGS WITH ZOOM

With our office working from home over the past few weeks, we have had the opportunity to stay connected utilizing Zoom Video Communications. Compared to traditional conference calls, we have found Zoom keeps us more engaged and is easier to share our thoughts with the team. It's also a form of communication now available to our clients for meetings with any of our associates.

WHAT IS ZOOM?

It's a secure online meeting platform allowing its users to simultaneously view and speak with each other from the comfort of their home or office. In addition to videoconferencing, one of Zoom's key features is allowing its users to share their computer screen to walk through documents and presentations. We have used this feature to share financial planning data and investment recommendations much like an in-person meeting.

HOW DOES ZOOM WORK?

To begin a Zoom meeting, we will send an invite to you via email including a link to the secure meeting. You simply click on that link to join the meeting. If you have not used Zoom in the past, it will prompt you to download their latest software. Once the software download is complete, you will be able to join the meeting. Keep in mind, Zoom does require a webcam in order to share your picture with the others on the videoconference. If you do not have a webcam, you will still be able to see us and view the information we are sharing on our screens, we just will be unable to see you. For the audio function, you can choose to either use the audio on your device or call in to the conference number provided in the email.

IS ZOOM SAFE?

Zoom exemplifies Raymond James' commitment to keeping your data secure. Raymond James has an enterprise level contract with Zoom that goes above the public version's security features. Each meeting utilizes a specific meeting ID paired with a custom URL that only Raymond James users have access to. We also have the ability to add a secure password to each meeting which requires each participant to enter prior to joining the scheduled meeting.

Although we are planning on limiting our face-to-face meetings this summer, Zoom offers a great alternative and enables us to stay connected during this time of social distancing. If you would like to take advantage of Zoom but still have questions, please reach out to our office. We are happy to help anyone get started using Zoom.

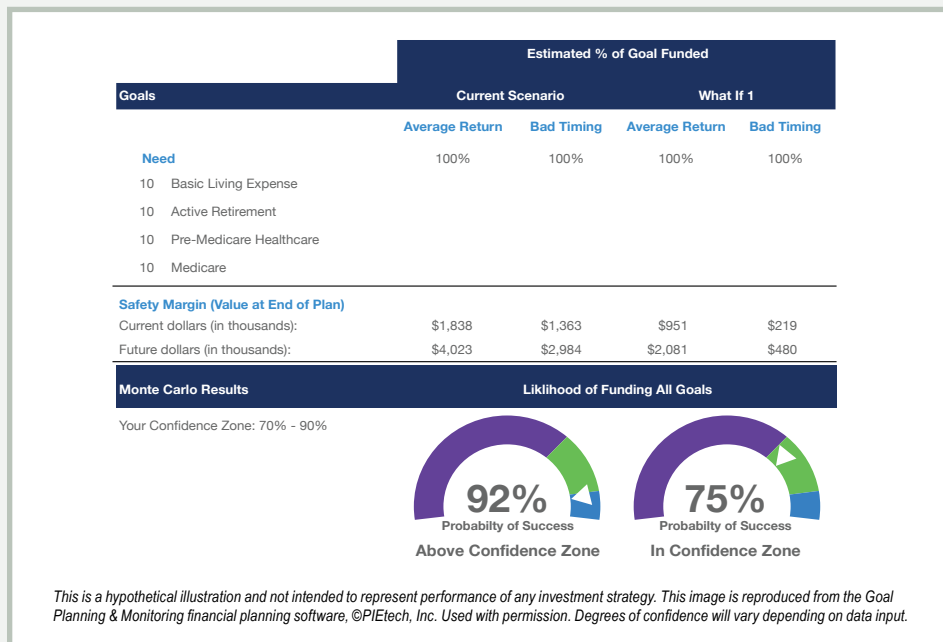


CONGRATULATIONS!

Congratulations to Alex and Sara who are getting married July 11, 2020! We wish you a lifetime of happiness together!



Written by Kristin Rognerud, Financial Advisor



Retirement is an exciting time, full of mixed emotions due to the huge lifestyle change it represents. The early years of retirement, when bucket list items get checked off, tend to be the most active. As a result, spending is typically higher at the front end of the retirement period than in later years. In addition, if you retire before becoming eligible for Social Security or Medicare, costs can be high and you may find yourself relying solely on your investment portfolio for income. Few people are fortunate enough to receive pensions, so many retirees find themselves spending more money than they did prior to retirement, and their “paycheck” is gone. In this situation, a market correction can cause some significant anxiety.

These concerns are valid given that what happens in the early years of a plan is compounded over the remaining years. This is why we stress test financial plans against both market volatility and higher initial spending. Running these stress tests can provide an added level of comfort as you are making big financial decisions, and revisiting the plan in times of market distress can also help to ease anxiety knowing we planned for such events. When we are evaluating the success of a plan, we look at it in three different ways.

“Average Return”

The simplest way to look at your plan is “average return”. Based on a portfolio’s risk level, a reasonable assumption can be made about how much return it will generate on average over a long period of time. This is primarily derived from historical return and risk data, layered with some forward-looking return assumptions. This method assumes that the average return is achieved every year for the entire life of the plan. It’s a good starting point, but in reality, returns are generally bumpy. While you may achieve the average return figure over time it comes in a very non-linear fashion. We look to have a 100% success rate for the “average return” metric in a plan. This means that based on all assumptions in the plan, you would not run out of money.

“Bad Timing”

Once you have a successful average return scenario, we look to see how the plan responds under stress by looking at “bad timing”. This is having a market correction right at the beginning of your retirement, when it can have the most impact as the effect is compounded through the remainder of the plan. In “bad timing” we apply two consecutive years of negative returns right at the beginning of the plan, simulating a major market downturn. The negative return

assumption is again based on the amount of risk in your portfolio looking at historical averages. After the first two negative return years, the return assumption then reverts back to positive returns for the remainder of the plan so that you end up with the same average return over time. We assume no change in behavior and that the spending goals remain unchanged through the bad timing period.

Stress Tests	
Method(s)	Bad Timing Program Estimate
	Years of bad returns:
	2028: - 19.82%
	2029: - 7.10%

“Monte Carlo”

This is represented by the “speed dial” in the plan results, and tests the assumed spending goals against a thousand possible different sequences of portfolio returns. As we are all aware, market returns generally look more like a roller coaster than a ramp, with a mix of above average and below average periods. This type of analysis better represents that real-world experience. Different sequences of returns can create very different outcomes

due to the effects of compounding. The range of outcomes can be quite large from best case to worst case, so we don't look for a 100% success factor here, rather a rate between 75%-90% is considered "within the confidence zone" or a successful outcome.

In all of these tests, the assumption is that the spending goals in the plan remain unchanged despite market volatility and fluctuation. In reality, most people will adjust their decisions if the market is doing poorly because they are simply less confident. Over time these small adjustments can add up to make big changes in the results of the plan. Having a financial plan with stress tests built in can instill confidence in decision making and should offer some reassurance in periods of market volatility. What other steps can you take to manage anxiety surrounding market volatility and your finances?

Actions to address financial stress in bad times:

- ▶ Review your asset allocation, risk tolerance, and financial plan. Re-visiting these topics in times of uncertainty can offer perspective and help to ease anxiety. Remember also that we have constructed your portfolio and financial plan with a long-term view which inevitably includes market corrections.
- ▶ Discuss your distribution strategy. For those taking regular portfolio distributions,

diversification and risk management are critical. When markets are volatile we can rely on more stable investments to fund distributions. This also offers the other assets an opportunity to recover.

- ▶ Consider postponing large purchases. Many clients will simply wait to purchase a new car, trip, etc. until the storm has passed just because they are less comfortable spending. Delaying a large draw may be better for your portfolio's recovery as well. Sometimes it can also make sense to explore financing options for major purchases, such as no interest financing on auto purchases. We can help you to weigh your options in such situations.
- ▶ Reduce your portfolio draw if possible. Some people naturally spend less if they are anxious, so if you find your bank account is growing it may be better to lower your draw and leave it invested. As we mentioned before, small changes can mean big results when compounded, so reducing the draw on your portfolio in bad times can be beneficial to both the portfolio's recovery and your long-term plan success.
- ▶ Rebalance periodically. Emotions often betray investors. When things feel good we want to buy, and when they feel bad we want to sell, which can lead to a buy high, sell low experience. This is the opposite of good investing! Sticking to a periodic rebalancing strategy removes emotion from the equation.

Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investment yields will fluctuate with market conditions. The projections or other information generated by Goal Planning & Monitoring regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Goal Planning & Monitoring results may vary with each use and over time.

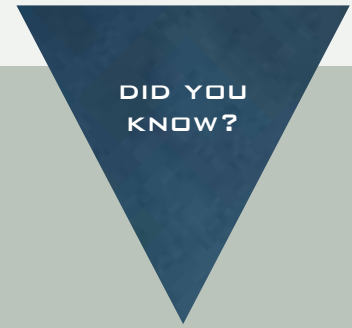
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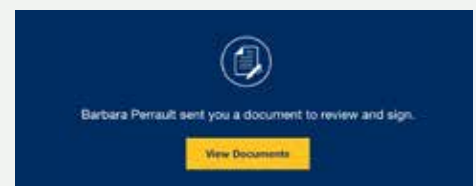
Written by Barb Perrault,
Registered Client Services Mgr.

What would we do in this world of social distancing without technology? We are thrilled to have the option to execute many necessary documents through a remote signing technology called "eSignature." Raymond James has partnered with DocuSign to provide this safe and secure online document-management service. You do not need to be tech savvy to use this system! All you need is access to email, either on a phone or computer, and text messaging enabled on a mobile phone (text messaging rates may apply). Here is how it works:

- ▶ You receive an email from us notifying you that there is a document for your signature. In that email, you click on "**View Documents**".



- ▶ The Secure Act passed at the end of 2019 changed the age for Required Minimum Distributions from 70.5 to 72.
- ▶ The CARES Act passed in March 2020 waived Required Minimum Distributions for calendar year 2020.



- ▶ Then you will be asked to select a phone number that is eligible to receive a text message. If the number listed is not able to receive a text message, contact us. Otherwise select the number and click on "**Send SMS**".

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► Open the text message and enter the access code from the text message into the field on your browser window and click **“Confirm Code”**.

SMS Authentication
An SMS message has been sent to your mobile phone. You should receive it momentarily.

Enter the code you received in the SMS message in the field below and press Confirm Code.

► Now you will be asked to review the Electronic Records and Signature Disclosure, and once you have agreed to that, you will select **“Continue”** and you should be directed into the documents.

 Please read the [Electronic Records and Signature Disclosure](#).

I agree to use electronic records and signatures.

► Click **“Start”** to begin signing. The document(s) will be populated with information for you to review. If anything is incorrect, please reach out to us so that we can fix it and send you a new document. If all is correct, you will be guided through the document by yellow arrows that indicate where you need to sign.

► Once you have completed all required areas, click **“Finish”** to complete the document(s). If there are two signers, both will need to go through the whole process separately.

Should you have any trouble, or if you want assistance through your first signing, we are always here to help. Overall, this system allows for very quick and efficient execution of your requests, eliminating the need for mailing things back and forth. We hope you will give it a try and enjoy the ease of electronic signing!



From left:

Barb Perrault, Registered Client Services Mgr.

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Dave Kohlhaas, Financial Advisor

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