



Accumulating Interest

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THE OFFICE WILL BE CLOSED ON THE FOLLOWING DAYS:

July 4
Independence Day

September 5
Labor Day

November 24-25
Thanksgiving

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Mon-Thurs 8:30am - 5:00pm
Friday 8:30am - 4:00pm
Sat-Sun CLOSED



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Is there a specific topic you would like for us to discuss? Don't be shy.

Contact us:

info@bandcfinancial.com

A Word from the Investment Department

What Should I Do in a Bear Market?

by Sean Guldi, Chief Investment Officer

We get this question often, especially in down markets like we are experiencing now. "What do I do when the market is correcting?" "What do I do if we are in a bear market?" "If there is a recession, what does that mean for me and my planning and investments?"

We strive to construct an all-weather portfolio for our clients to ensure they are prepared when the bear market happens. We spend time constructing the asset allocation that is appropriate for each clients' situation and cash needs. Most clients are not 100% invested in the stock market, and while bonds are not without their risks, they provide for certainty of cash flows and income when clients need them. If circumstances have changed in your life, we should review and adjust your allocation accordingly. However, if your situation has not changed, we would recommend staying the course, sticking to discipline, and not reacting emotionally to a drop in the value of your portfolio.

Bear markets have historically lasted from a few months to a bit longer than 19 months. We have no "crystal ball" and thus are not willing to trade in and out of the market to "time" the bottom (or top). We have a defined risk management process, whereby we constantly review and adjust the portfolio (taking profits when the market is up and reallocating to stocks when the market declines). We work proactively to understand your cash needs and timeline for investing so we do not have to sell at inopportune times. If your needs change and you require funds, we own highly liquid publicly traded securities and can generate cash despite the market dynamics and volatility.

You may say, "I understand I should stick to plan, but what else can you do for me? Can I do anything proactively to take advantage of the decline in the markets?" There are a few strategies to employ when markets are down.

If you are sitting on unproductive cash, you may consider contributing to your taxable account, maxing out a Roth IRA, using your cash fund for expenses and diverting more of your paycheck to your company retirement plan (if applicable), or fund your (grand)children's college funds.

(continued on next page)

If you have required minimum distributions (RMDs) and do not have a need for the cash, you may be able to journal assets that have declined in value from your IRA to your taxable account to allow for them to grow and be held for long-term capital gains, which in many cases is a much lower tax bracket than your regular income tax rate.

If you are performing Roth conversions or have considered Roth conversion strategies in the past, this may be a great opportunity to take advantage of the lower asset values to convert assets for future long-term, tax-free growth.

Another strategy is to harvest capital losses in stocks (or in some cases bonds) and use the losses to offset capital gains or build up some losses to use for future gains. Perhaps you sold real estate this year and have a gain; we can aggressively harvest losses in your investment portfolio to offset some of that capital gain. Perhaps you have a low basis stock (or index fund) we have been holding for tax purposes; we may take losses and offset the gains from liquidating the low basis position.

Ultimately, market drops and volatility, especially if you are near to or in retirement, can be daunting to confront. We strive to create a proactive investment and retirement plan for our clients to be able to withstand the emotional toll a bear market can take. We implore our clients to reach out if they have questions, are worried, or want to review strategies to take advantage of the current situation.

DID YOU KNOW?

Health Savings Accounts (HSA) have a unique triple tax advantage: Your contributions reduce your taxable income, growth within the account is tax-free, and qualified withdrawals (i.e. ones used for medical expenses) are tax-free.

Investing in a Good Night's Sleep

by Jessica Schmidt, Investment Manager



B&C prides itself on being a preservation of capital money manager and managing money in a way that allows our clients to sleep at night. When the world seems too chaotic and unsettling, most people want to know that they—and their portfolios—are in good hands. We accomplish this goal by building a diversified portfolio tailored to your individual needs and goals.

As a preservation of capital money manager, we preserve assets by limiting downside risk. Preservation of capital money management is not investing to avoid risk; we still invest in the stock market, which can at times be volatile. We employ asset allocation, diversification, and rebalancing strategies to keep clients' risk in line with their needs. The combination of bonds and stocks helps us take advantage of volatility. Volatility can be scary for individuals attempting to navigate these waters by themselves, which can lead to panic selling. Typically, this happens when stock prices are declining. Remember: buy low, sell high. So, how do we take care of our clients along the way?

First, no one at our firm sells any type of financial product. All decisions about our model and which stocks and bonds to invest in are decisions made in-house by our investment committee, which includes those on our team directly responsible for implementing and managing clients' investment portfolios. We invest in solid companies that often pay a good dividend and are more well-known names, such as Johnson & Johnson or Microsoft. These companies have a good track record and strong balance sheets. They have navigated recessions and stock market declines and continued to generate profits for their shareholders.

Second, we review every individual stock account every 60 days. We pride ourselves on giving our clients financial discipline. This means we rebalance your account to make sure we are taking gains as the market goes up. The opposite is also true: when the market corrects (as it does 30% of the time), we rebalance and add to the stock allocation. This constant review process allows us to not give back profits when we take gains and reallocate into the safer side of your portfolio—bonds.

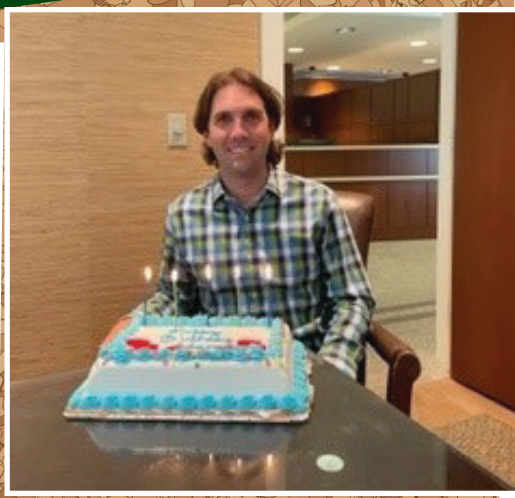
The third way we take care of clients is the bond side of the portfolio. Given the current interest rate and inflation environment, bonds and interest rates are on everyone's mind. Interest rates are inversely correlated to bond prices. That is, as interest rates decrease, bond prices go up, and vice versa. This type of risk is called interest rate risk. A way we combat interest rate risk is with a laddered bond approach. We mainly hold bonds until maturity, so as bond prices fluctuate, clients are still getting paid the interest and the par value at maturity. Having a laddered approach means we have bonds maturing regularly in each year, which allows us to use the funds to fund clients' cash needs or rebalance their portfolios throughout the year. We can capitalize on the higher interest rates as the environment changes or preserve capital for the cash needs of our clients.

As fiduciaries to our clients, B&C is here to educate on how we manage money and put our clients' minds at ease knowing we are taking care of them in all market environments. Our clients' best interests are our priority when investing their hard-earned money. We are here to preserve capital and get a competitive rate of return. This management style has helped our clients for over 25 years to have a good night's sleep. We are proud of our ability to navigate good and bad markets and encourage all of our clients to reach out to us if they would like to understand more about our management style.

Keeping up with B&C



Kathy and President/CEO Allan Cohen attended the Jewish Family & Community Services Annual Event with clients Alan & Ellen Rosner.



Investment Manager Adam Howard celebrates his July birthday!



Kathy and President/CEO Allan Cohen with clients Steven & Lauren Rose in London!

"Wealth, like a tree, grows from a seed. The sooner you plant that seed the sooner shall the tree grow!"
--George S. Clason



CCO Jacque Bos and her fiancé Paul in front of the Eiffel Tower.



(from left to right) Client Relationship Manager Robin Phillips, Administrative Assistant Caitlin Howard, Administrative Assistant Ginny Stephenson, and Investment Manager Jessica Schmidt went to the beach!



Chief Investment Officer Sean Galdi enjoys riding his bicycle to work.

Old School Kingfish Shootout by Investment Manager Adam Howard

B&C recently had the pleasure of sponsoring one of the largest king mackerel fishing tournaments in the world, The Old School Kingfish Shootout. This tournament is run by Paul and Lauren Dozier, a local family to North Florida. Paul and Lauren run multiple tournaments throughout the year and are no strangers to the fishing community. They pride themselves on creating a tournament that is for the fishermen, which in turn brings out a large showing of supporters and competitors.



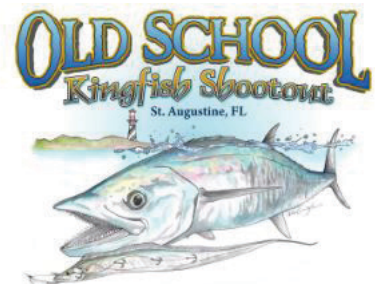
The typical turnout for a king mackerel tournament is between 75-150 boats. The Old School Kingfish shootout had over 500 boats in their tournament. What would cause this tournament to have such a large showing of competitors? In this case, it was the rules of the tournament and prize structure. Most tournaments do not have restrictions on where competitors can fish. This tournament, however, has a northern, southern, and eastern boundary, meaning everyone must fish within a certain distance of land and cannot travel too far north or south. This gives all boat classes (single engines, twin engines, triple, quads, etc.) an equal advantage. As technology has advanced, so have the boats and the engines that power them. This format gives a single engine boat a comparable advantage towards a triple engine boat. It also attracts entrants from numerous areas in the southeast. Not to mention, a \$100,000 first place prize is also a nice kicker for the winner.

*Investment Manager Adam Howard
with his catch.*

Paul and Lauren are stewards of the fishing community—there is an emphasis on conservation in each of their tournaments. They encourage adults to take their children fishing and pass along these practices so future generations can enjoy the great outdoors. They do a fantastic job of getting kids involved and even have a nice prize structure for their accomplishments.

B&C is proud to be a sponsor and supporter of a tournament run by a family who cares about the community and future of the great outdoors. They are family friendly and go above and beyond to get kids excited to experience life on the water. Children are our future in every aspect of life and practices like these help with the awareness and continued health of our environment. We look forward to supporting them in years to come!

To learn more visit: <https://www.oldschoolkingfish.com/>



B&C in the Community Continued



RSVP St. Johns
Lead with Experience



B&C was honored to donate and attend the 29th annual Chocolate and Beyond, presented by Retired and Senior Volunteer Program (RSVP) of St. Johns County on Saturday, March 5, 2022, at the St. Augustine Classic Car Museum. The event showcases locally made chocolates, with some of the area's finest restaurants and specialty shops participating by offering samples of their delectable chocolate creations.

The event also included a silent auction, a "Guess the Number of Chocolates" contest, prizes and a 50/50 chance raffle. The event is produced by Teacher's Aid for Student Knowledge (TASK) and benefits RSVP of St. Johns County.

The 30th annual Chocolate and Beyond will be Saturday, February 25th, 2023 at the Classic Car Museum of St. Augustine.

To learn more or donate, please visit:

RSVP: <https://rsvpstjohns.com/>

TASK: <https://www.taskstjohns.org/>

Searching for our Next "Client for a Cause"

Do you volunteer? Help raise money or awareness for something you are passionate about? We want to hear about it!

Please email info@bandcfinancial.com with the details. We would love to feature you and your cause in our next newsletter.



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