

CLIENT MEMO

Your Vision.
Our Priority.

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FINANCIAL
SERVICES



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WELCOME

As we wrap up the first half of 2021, there has been record growth in the broader markets, the COVID-19 pandemic continues, digital assets continue to move into the mainstream and the government has passed record amounts of spending. Also, in the past 18 months, there has been an unprecedented digital pivot. We have seen both businesspeople and students working remotely, increased digital services and the emergence of interest in digital investments such as NFTs (nonfungible tokens) and cryptocurrency.

We expect that the near term will continue to see strong growth in the broader equity markets as the economy continues to reopen and government spending enters the system. M2 money supply is the highest in more than 25 years. M2 is a calculation of the money supply that includes all elements of M1, plus "near money." M1 money includes cash and checking deposits, while "near money" includes savings deposits, money market securities, mutual funds and other time deposits.

We believe there will be increased volatility, and ultimately corrections, in both the equity and fixed income markets as we experience higher inflation, higher taxes and increased regulation in the coming years.

OUR TWO BIGGEST RISKS REMAIN THE SAME

As a financial professional for more than 34 years, I see investors facing the two biggest risks that we always face: 1) making decisions based on emotion and 2) inflation.

Based on the increased information coming from both social media and traditional media, we feel like things are constantly bad. Emotions run high, especially when the markets are

fluctuating, but trying to time the markets can result in significant loss.

Those who pulled out of the markets in 2002 after the tech crash, in 2009 after the subprime crisis and in 2020 after the COVID pandemic missed the largest rallies in history. We believe you should leave your money where it is during significant downturns. But we don't believe you should simply buy and hold; it's important to take a proactive approach to rebalancing and tax management. This is different from trying to time the markets.

No doubt, as new things happen in the coming year, we will hear the familiar refrain, "This time it's different." Well, the circumstances might be different, but the basic scenario will be the same — and the way we invest should not change.

In fact, having some volatility is a good thing; our Personal Vision Planning® process allows you to do tax swaps, rebalance to lower-priced assets and shift

from taxable to tax-exempt structures. The monitoring and rebalancing technology we introduced last July is particularly well suited for this environment.

It has been said that history doesn't repeat itself, but it often rhymes. In February 1627, there was the so-called "tulip mania," when tulip bulbs were sold for more than gold and cost about 10 times a skilled artisan's annual wages. But the prices collapsed in the next few months. This type of volatility will always be a part of our financial markets.

In February 2021, NFT prices peaked before dropping by more than 70 percent by early April. We believe there are opportunities in the digital world; however, chasing hot trends is not, in our opinion, the way to build and maintain long-term wealth. In any gold rush, you can be a miner, or you can be the person selling picks and shovels — we believe you are better off doing the latter.

Inflation — the risk that a dollar tomorrow will not buy what a dollar buys today — remains a risk as well. We all know someone who paid more for the last vehicle they bought than they paid for their first house! That's inflation. And now, with people living longer, it's more important than ever that your assets keep up with inflation.

We believe inflation will increase, perhaps significantly, in the coming years. So it will be very important to focus on a core portfolio of equities and real assets, as opposed to too much fixed income. As interest rates increase, the value of bonds will go down. Tax-exempt bonds may be less volatile as tax rates go up, and the supply of bonds continues to decrease. However, fixed income will not keep up with inflation.

Some people will be retired longer than they worked, so it is critical that their portfolios grow faster than inflation and that they minimize taxes, which reduce the value of the funds in those portfolios. Working with your financial advisor team, you can come up with a plan that will meet both your current needs and those in the future.

OUR TEAM AND RESOURCES HELP YOU MINIMIZE THOSE RISKS

Our team of advisors and the resources we use help you minimize those constant risks.

For example, our GPM (Goal Planning & Monitoring) software can show you expected outcomes based on different scenarios. It allows you to compare various "What if?" scenarios as your advisor and team work with you and go over your plan.

The political landscape continues to evolve, as does the tax and regulatory environment. We continue to monitor these things. We speak directly to experts and decision makers to help you navigate the changes and take advantage of them for you. This is a partnership, and we rely on your feedback about what's

important to you. We will continue to reach out for regular planning meetings. As always, please contact us with any questions, concerns or changes in your plans between meetings.

Now is the most important time in history — the present always is. The past is done and can't be changed, and the future hasn't happened yet. It is important to enjoy today while understanding that our actions will impact our future personally, professionally, and financially.

I believe that life in general, and wealth management specifically, is all about balance. It's about enjoying today while preparing for tomorrow; appreciating what we have, yet striving for more; and being courageous in our choices while not being reckless.

WE LOOK FORWARD TO UPCOMING OPPORTUNITIES

Our office never closed during the pandemic because we are an essential business. More importantly, we believe it is critical to be here for you. We continue to follow all CDC and state guidelines and rules while meeting with folks in the office. We can meet with you in our office if you choose to do so, or we can always meet virtually.

We have a number of exciting events and a great trip coming up for you; details are included in this client memo and on our website (www.carverfinancialservices.com). The trip and other events are open to any of your family or friends, whether they are our clients or not. We are also happy to provide a second opinion for any friends of yours, without cost or obligation, and continue to take on new clients by referral.

I hope you have a great summer and look forward to speaking soon. Your vision is always our top priority, and we are here for you.

Best,
Randy Carver



CARVER QUARANTINE

COOKBOOK

DEADLINE FOR RECIPE SUBMISSION JUNE 30TH

With everyone sheltering in place, a lot of us have had time to try old family recipes or test out new favorites. We thought it would be a fun project to create a Carver Quarantine Cookbook, featuring favorite recipes from our clients and friends. These cookbooks will be professionally published and are sure to be a treasured keepsake.

WHY NOT SUBMIT YOUR FAVORITE RECIPE?

We hope that you will consider sharing some of your favorite tried and true recipes. Please submit copies of no more than 2-3 recipes via email to **carverfinancialservices@raymondjames.com** or you may drop them off at our office by June 30th.

One copy of the cookbook will be provided to each person who submits a recipe. For all others who would like a copy, we ask that you reserve it in advance so that we can gauge how many to print.

Deadline for recipe submission is June 30th and cookbooks are scheduled to be completed in October, just in time for holiday gift giving!

Meet the TEAM

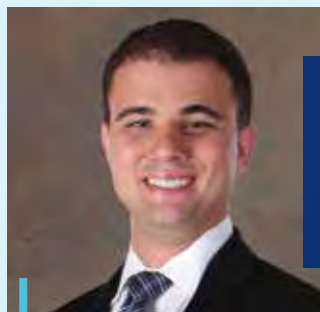


CONGRATULATIONS
to Ryan for passing his
CFP® exam and on
passing his series 63!

RYAN BENNETT, CFP®

Paraplanner, RJFS

ryan.bennett@raymondjames.com



CONGRATULATIONS
to Josh for passing his
CFP® exam!

JOSH CROYLE, CFP®

Paraplanner, RJFS

josh.croyle@raymondjames.com

Legendary EVENTS & EXPERIENCES

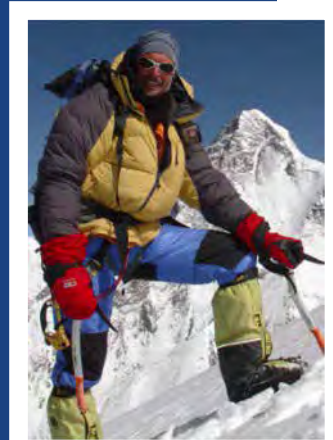
WEDNESDAY, JUNE 16TH, 2021

Chris Warner, One of America's Most Accomplished Mountaineers

Join us to hear **Chris Warner**, one of America's most accomplished mountaineers, share stories about when he reached the summit (*on his third attempt*) and became just the ninth American to summit K2 and Everest. By comparison, only 12 people have walked on the moon!

His expedition was epic. Twenty-five climbers set out for the summit. Eighteen would reach the summit. Two would die. On a mountain with a death to summit ratio of 35%, it was the most successful day in K2's epic history. Leading an international expedition, and filming it for NBC TV, Chris Warner captured the mountain, in all its brutality. Now he is bringing his Emmy nominated footage, and tales of heroism and partnership, narcissism and cowardice, for us to experience and enjoy.

There is neither a cost nor any obligation to attend this event. You are encouraged to invite family and friends. If you have questions, feel free to contact our office at carverfinancialservices@raymondjames.com or call 440.974.0808.



**TWO
WAYS
TO ENJOY!**

- 1 WATCH AND LISTEN VIA LIVE STREAM : [LIVESTREAMLV.COM/LIVE/CFS](https://livestreamlv.com/live/cfs)
- 2 📞 DIAL IN TOLL-FREE : **(877) 773 1268**

SAVE THE DATE! FRIDAY, AUGUST 13TH, 2021

Annual Client Appreciation Event - Captains Baseball Game

Plan to join us on August 13th when the Captains take on West Michigan. Gates open for our clients at 5:00pm for a special opportunity to watch batting practice.

Game time is at 7:00 pm.

Make sure to mark your calendars! More details to follow!





Escape in 2022!

We are beginning to plan the client trip for 2022 and would like your feedback. Visit our carverclienttrip.com website for more details and to take the survey on your top destination choice.

Referrals & RELATIONSHIPS

We appreciate your referrals, especially during the pandemic, and look forward to helping any of your family, friends or business associates who can benefit from our services. If you know of someone we could help, we are always happy to meet with them without cost or obligation and regardless of assets. Simply ask the person contacting us to let us know that you referred him or her. In 2021, we are accepting new clients only by referral from our existing clients and local professionals.

People often ask us if we have an investment minimum. Our relationship minimum is generally \$500,000; however, this minimum is waived for family members of our existing clients. If you have friends who do not meet our minimum but whom you feel we could help, we are happy to speak to them — even if they would just like a second opinion.

The investment minimum for new clients does not apply to any existing client. The purpose of the account minimum and referral practice is to enable us to continue providing our existing clients with the highest level of service and attention. We are proud of the fact that we have a large, highly trained and credentialed staff, so we can continue to provide the highest levels of personal attention that you need and deserve.

We are honored that there has been an increase in the number of referrals by our clients for family and friends who may be able to benefit from our Personal Vision Planning® process. So that we can provide you and your family with the highest level of personal attention, we continue to add to our team while also being selective with the new clients we take on. We value referrals, and we value lasting relationships with the clients we serve.

We continue to provide customized, holistic wealth management rather than the “one size fits all” approach of many firms today. Our entire team is here to serve you, your family and your friends, and we appreciate the trust you place in us.

Your Vision. Our Priority.



Financial Planning is like Preventative Medicine FOR YOUR FUTURE WEALTH

The value of a great doctor is not just in treating symptoms or responding to problems but in preventing them from happening in the first place. It's better to never get sick than to treat an illness. Likewise, the true value of trusted financial advisors often is not in the problems they solve, but in the ones they prevent altogether.

Clearly, you could treat your own medical conditions, do your own taxes or handle your own wealth management, and there will be no fee. Yet the actual cost of doing those important things yourself, in terms of both time and money, can be extremely high. If you do your own taxes and end up in an audit with a penalty, the expense (and stress) can be much higher than paying a CPA to do a proper return. If you have a major medical condition that could have been prevented,

the cost of the doctor's visit is minimal.

Likewise, a trusted financial advisor can help you minimize taxes, reduce volatility, decrease stress and help you grow wealth consistently.

It's hard to see the value of something that didn't happen — the heart attack you never had or the huge market loss you avoided. A trusted advisor is a resource to help provide solutions, answer questions and ultimately make your life better.

When you are selecting a doctor, a CPA or an advisor, their technical expertise should simply be a given. The most important thing is how comfortable you feel with them and their teams. A key question to ask is, "Do you work on your own or as part of a comprehensive team that can provide a long-term relationship for me, and ultimately for future generations?"



Have you recently dropped your LANDLINE?

Are you no longer using a landline? Make sure to let our office know if you have dropped your landline, have a new cell number or changed any other contact information. We want to ensure that we are always able to reach you in order to better serve you!

Studies have shown that individual investors consistently under-perform markets. Average investors continue to under-perform the general market indices over short and long time frames.

Dalbar, Inc., a company that studies investor behavior and analyzes investor market returns, found that for the 20 years ending December 31, 2019, the S&P 500 Index averaged 6.06 percent a year. The average equity fund investor earned a market return of only 4.25 percent. Dalbar's researchers concluded that one reason for this under-performance is that investor behavior is illogical and often based on emotion. This does not lead to wise long-term investing decisions.¹

For example, investors often buy high — they put more money into the stock market when it goes up. And then, when the market goes down, they pull money out. Dalbar notes that this is kind of like running to the mall every time the price of an item goes up and then returning the item when it goes on sale. But you are returning the item to a store that will only give you the sale price back!²

This is one way in which our team can prevent you from making costly mistakes. We keep you focused on your long-term goals.

I have helped people build and transfer wealth for more than three decades. Our team has developed and refined a process focused on each client's personal vision. Ultimately, the true value we add is being here to listen, to guide, to advise and to

help chart a course through uncertain times. Often, the most important thing we do is preventing things from happening.

Being proactive is always better than being reactive. Understanding what we can control and what we can't, and then planning accordingly, are the keys to success. The value a trusted advisor brings goes beyond peace of mind. Often, that value lies in what did not happen versus what did.

The political, tax and economic landscape continues to evolve, and the pace of change continues to accelerate. Our Personal Vision Planning Process® takes into account both what we know today and also the unknown. This process does not rely on market timing or forecasting. The goal is not to beat a general index; rather, it is to help you meet your needs and wants today and reach your vision for the future.

Ultimately, what you earn is not as important as what you keep, net of taxes, fees and expenses. Taxes, market losses and expenses are all things we may not see; minimizing them is key to long-term success.

It's hard to see what didn't happen, yet that may be the most important thing a great doctor or trusted advisor does for you: prevent problems from happening in the first place.

1. "Why Average Investors Earn Below Average Market Returns," Dana Anspach, the balance, updated April 5, 2021, <https://www.thebalance.com/why-average-investors-earn-below-average-market-returns-2388519>.

2. Ibid.

Protect Yourself from IDENTITY THEFT

By **RoseAnn DiVincenzo**, FPQP™, CRPC®
RJFS Registered Principal Compliance Operations Manager, Branch 71U

The internet has been a major convenience since its creation in 1983. Back then, it was used by government departments, educational institutions and the military. The creation of a new communications protocol called Transfer Control Protocol/Internet Protocol (TCP/IP) led to the creation of computer networks that enhanced the end user's experience and allowed for a path to greater convenience.¹

A vast new world of opportunities opened up in areas such as online banking, online tax filing, email messages, online dating, online shopping, and secondary and post-secondary virtual education. Students could attend their college classes while vacationing. Executives could work from their oceanside suites. It was all sunshine and lollipops until nefarious parties realized that a treasure trove of information was floating in cyberspace, just waiting to be stolen.

The era of stolen identities on cyber financial fraud had begun. Our broker dealer, Raymond James, has an incredible Cyber-Security Department. It is staffed 24/7 with highly experienced and well-trained team members who defend the Raymond James network — and your valuable information and identity — against cyber-threats.

Carver Financial Services' team members are an integral part of the defense to keep our clients' information and assets safe from cyber-threats, but we need your help, too! One way we do that is to require two-factor authentication to access your Raymond James accounts.

WHY WE REQUIRE TWO-FACTOR AUTHENTICATION

Two-factor authentication (2FA) is a security system that requires two specific forms of identification to access online accounts, smartphones or physical structures like doors.

With 2FA, you are required to submit two types of information before you can gain access. Those two types of ID include passwords, personal identification numbers (PINs), codes sent to your

smartphone, email address, or your fingerprint. More advanced systems even require a user's face or retina to gain access.²

To help ensure that your critical information is protected, Raymond James has made 2FA mandatory when you view your account online. If you log into your account, you will receive a text message on your cell phone or a voice message on your land-line phone, giving you a code that you will need to enter to gain access to your account information.

This extra step takes only a moment, but it could prevent the need to spend hours filing police reports, filing fraud alerts with the credit bureaus and trying to retrieve financial losses.

TIPS FROM THE FTC TO PROTECT YOUR ONLINE DATA

The Federal Trade Commission has a detailed list of steps you can take to protect yourself from identity theft. Here are some of the FTC's recommendations for staying safe online:³



one Always protect your Social Security number and date of birth. Do not share that information with anyone who calls or emails you to ask for it.

two Add two-factor authentication to all financial accounts you view online. Call your financial institution help desk if you need assistance with this.

three Change your email passwords regularly. Keep a record of your passwords in a secure location, and include the date you last updated each password.

four Make certain your mobile devices have the security system enabled. Also make sure you have virus protection for your mobile devices and your home computers. Run the virus scans on a regular basis.

five Do not respond to emails or calls from the IRS or the Social Security Administration unless you initiated the original contact with them. The IRS will never send the local police to arrest you!

six Do not give your credit card numbers to people who call you to sell anything. Robocalls are increasing. Do not respond to them — they are likely from fraudsters. One common type of robocall is from people claiming to be selling extended warranties on vehicles. They tell you they need your credit card number to proceed. Boom! Your identity is stolen, along with your credit card number. If you want an extended car warranty, please call your local dealership.

We hope this information is a starting point for you to make certain your online presence is secure. By protecting yourself, you can continue to reap the benefits of the internet without putting yourself at risk. ⁴

1. "A Brief History of the Internet," University System of Georgia, [https://www.usg.edu/galileo/skills/unit07/internet07_02.phtml#:~:text=January%201%2C%201983%20is%20considered,Protocol%20\(TCP%2FIP\)](https://www.usg.edu/galileo/skills/unit07/internet07_02.phtml#:~:text=January%201%2C%201983%20is%20considered,Protocol%20(TCP%2FIP).).

2. "What Is Two-Factor Authentication?" Will Kenton, Investopedia, updated September 28, 2020, <https://www.investopedia.com/terms/t/twofactor-authentication-2fa.asp>.

3. "Know Your Rights," Federal Trade Commission, <https://www.identitytheft.gov/know-your-rights>.

4. This information has been obtained from sources we deem reliable but do not guarantee; information has been supplied for client convenience only. More information related to identity theft may be obtained from the Federal Trade Commission.

Continuous Improvement in Portfolio Rebalancing, PLUS CONFIRMATIONS

During the first half of 2021, the overall equity markets have experienced growth. As you have been meeting with your advisor, many accounts have been updated using our new discretionary investment management program. Recent market growth might provide us with an opportunity to capture profits in some sectors and rebalance your accounts to your target allocation.

OUR NEW SOFTWARE ENHANCES OUR ABILITY TO MONITOR AND UPDATE YOUR PORTFOLIO

A cornerstone of our work at Carver Financial has always been the mindset of continuous improvement. We continue to evaluate technology and processes that will allow us to create a more personal experience for you and manage your portfolio more effectively. In 2020, we launched new software to assist in monitoring and updating portfolios.

The investment philosophy, process and experience you have received over time will not change. The value of diversification, asset allocation and rebalancing are the fundamental tenets of our philosophy. We will continue to customize your portfolio to your individual goals, objectives and needs. The new technology gives us the ability to add features to our process to maintain this philosophy more effectively.

It is important to note that the new technology does not automatically trade your account. Instead, it notifies our team of a need to rebalance. Then, after we evaluate the changes, we might make updates based on your specific needs, goals and risk tolerance. This is not market timing, nor does this guarantee against a loss. However, we believe this constant monitoring will help us take advantage of market volatility to potentially provide you with more consistent returns.





By **Raj Chatterjee, CFP®**
RJFS Financial Advisor

OUR “DISCRETION” PROCESS ENABLES MORE TIMELY PORTFOLIO ADJUSTMENTS

Separate from the new monitoring software is a management process we use called “discretion.”

Discretion will provide your advisor with greater flexibility to screen accounts, identify opportunities and make an adjustment efficiently — right when it’s needed, rather than waiting until your planning meeting.

Combining the new software with the new discretionary management process allows us to rebalance your account to the allocation you agreed to with your advisor, in a quicker manner than meeting with your advisor. As always, we customize this solution based on your needs, objectives and risk tolerance.

CONFIRMATIONS OF REBALANCING COMING IN JUNE

In June, we will be doing our semiannual rebalancing of portfolios, in tandem with our ongoing monitoring. You might receive confirmation(s) from Raymond James on updates that our investment committee and your advisor have deemed appropriate for your portfolio.

If you do not receive any confirmations from Raymond James, then that means we feel your current holdings are aligned with your financial plan, and we look forward to going over the portfolio with you at our next planning meeting.

Regular planning meetings continue to be a vital part of customizing your investments to meet your overall planning goals. We continue to manage your accounts and planning based on your personal vision and look forward to discussing any changes in your life.

Updates to your portfolio and the technology we use reflect our commitment to continuous improvement, to better serve you. Please feel free to reach out to your advisor or one of our registered associates if you have any questions about the adjustments we have made to your portfolio, and let us know if we can be of additional service.



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CARVERFINANCIALSERVICES.COM

JUNE 2021 ISSUE



RETURN SERVICE REQUESTED

Service **YOUR WAY!**

Our team approach allows us to deliver individualized service at the absolute highest level. Our goal is to make things as simple as possible for you to enjoy the life you deserve. It is one of the many ways we differentiate ourselves. Even during the pandemic, we have remained open to serve you.

Below are a few of the premium amenities we provide to better serve you, whenever our doors are open:

- Speak with any member of our team immediately, all of whom can assist with answering your questions.
- If your primary advisor is not available, any of our advisors can assist you with questions related to your financial plan, investments or portfolio.

GENERAL CONTACT INFORMATION

CarverFinancialServices.com

440.974.0808 | 800.627.7279 | **fax** 440.974.3371

- Many of our associates can assist you with details such as account changes, copies of statements, appointment requests, event registration, issuing checks or placing trades.
- With advance notice, we can provide space for you to meet with your attorney, CPA, realtor or family members whenever our doors are open.
- We can scan, fax or email documents for you.
- We can notarize or signature guarantee documents.
- Bring in paperwork that needs shredding and we will take care of them.

***Please feel free to contact us any time.
We are here to serve you!***

Securities offered through Raymond James Financial Services, Inc. (Member FINRA/SIPC). Investment advisory services are offered through Raymond James Financial Services Advisors, Inc. Carver Financial Services, Inc. is not a registered broker/dealer and is independent of Raymond James Financial Services.

The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Carver Financial Services and not necessarily those of Raymond James. Past performance does not guarantee future results.

Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

Keep in mind that there is no assurance that any strategy/system will ultimately be successful or profitable nor protect against a loss. Diversification does not ensure a profit or guarantee against a loss. There is no assurance the trends mentioned will continue or that forecasts mentioned will occur. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall and when interest rates fall, bond prices generally rise. Rebalancing a non-retirement account could be a taxable event that may increase your tax liability. Cryptocurrency issuers and other nonfungible tokens are not registered with the SEC, and the bitcoin marketplace is currently unregulated. Bitcoin and other cryptocurrencies are a very speculative investment and involves a high degree of risk.

Every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment. Prior to making an investment decision, please consult with your financial advisor about your individual situation.