SEIA PRIVATE CLIENT GROUP NEWSLETTER
SIGNATURE ESTATE & INVESTMENT ADVISORS, LLC®
Established 1997

SEIA Report

CELEBRATING 25 Our Twenty Fifth Anniversary

SEPTEMBER 2022 | VOLUME 15 | ISSUE 3

SEIA'S MILESTONE ANNOUNCEMENT'S

FEATURE

Signature Estate & Investment Advisors, LLC (SEIA) is celebrating its 25th business anniversary and we are focused on creating a sustainable firm that will continue to serve you and your family for generations to come.

Our long-term business strategy is built on continuity for our clients, with a renewed commitment to continually enhance our wealth management services platform for you.

In preparing for the future, we need to find the right partners to bolster and augment our evolution. This includes finding the right strategic support for our existing management team and advisors ensuring that we continue to offer a world-class wealth management platform. This will also include future streamlining of our services to make our relationship with you as effective and efficient as possible.

To accomplish these goals on behalf of our clients, we are pleased to announce two recent milestones as part of our long-term business strategy to best serve you.

Founding Partners

Left to Right: **Brian D. Holmes, Gary K. Liska, Paul Taghibagi, Mark Copeland**

SEIA's New Broker Dealer And Strategic Partner

We have established our own wholly-owned Broker Dealer, Signature Estate Securities (SES). Accordingly, we will be transitioning our Broker Dealer relationship away from Royal Alliance Associates and to SES.

Our third party asset manager Signature Investment Advisors (SIA) will now be able to offer our investment expertise to different wealth management distribution channels throughout the country.

SEIA has also chosen to partner with Reverence Capital Partners (RCP) to implement our long-term strategic business plan. RCP specializes in investing in financial services businesses like SEIA to drive sustainability and

continued on page 3

“

I believe successful wealth management is the result of an ongoing collaboration between investor and advisor, built upon trust and maintained according to the highest standards of integrity and expertise.

Brian D. Holmes,
MS, CFP®, CMFC, AIF®, *President & CEO*

ABOUT SEIA

Signature Estate & Investment Advisors, LLC® (SEIA) is a Registered Investment Advisor firm offering Investment Supervision and Financial Planning Services tailored to align the unique needs of affluent individuals and corporations. Fundamental experience and professionalism enable the financial advisors, with SEIA's research and support staff, to design a financial plan or investment portfolio to align the client's goals.

continuity while enhancing our client offerings. We selected RCP because they share our vision of exceptional client service, ethics, and culture and align with SEIA's unwavering focus on you, our clients.

We will be able to further invest in the future of our business and the new broker-dealer will create efficiencies to deliver a seamless client experience and enhanced product offerings. More ownership opportunities will be shared by our advisors, partners and staff. Your current advisors, SEIA management team, and existing custodians will all continue to provide you with the exceptional level of service and expertise you have come to expect.

Thank You

On behalf of SEIA's Partners, Advisors and Employees, we thank you for entrusting us with your financial future. We look forward to continuing our valued relationship with you in the years and decades to come.

SHOULD YOU EXPAND YOUR PORTFOLIO'S BORDERS?

BY **Gene Balas**
CFA®
Investment Strategist

It's an inescapable truth that although still the dominant player, the economic role of the U.S. on the global stage is gradually but steadily becoming smaller. According to the U.S. Census Bureau, the United States' current population estimates of 333.1 million people represents just 4.2% of the world's total population of 7.23 billion people.

Even factoring in the stock market wealth in the U.S. vs. that of many countries globally, if you let “home bias” drive your portfolio decisions, you'll be ignoring nearly 40% of the world's market capitalization, as represented by the MSCI All

continued on page 4

* The MSCI All Country World Index (MSCI ACWI) captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,898 constituents, the index covers approximately 85% of the global investable equity opportunity set. Country allocation information is provided by MSCI as of December 31, 2021, and although deemed reliable, is not guaranteed by SEIA or its affiliates. An index is not available for direct investment. The trademarks, service marks, and copyrights related to the indices are the property of their respective owners. This information is subject to change based on market conditions. Investments in overseas markets involve greater risks than U.S. investments, including political and economic risks, limited liquidity, and the risk of currency fluctuation. DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Country World Index (or MSCI ACWI for short), and as seen in the nearby graphic. This index includes the U.S. as well as both developed and emerging markets. Without at least some international investment exposure in your portfolio, hundreds of other recognizable global leaders will be inaccessible.

And compounding this over-emphasis on the U.S. stock market (and economy), an over-concentration in U.S. stocks further limits your diversification—especially considering both your job and any real estate holdings are also probably tied to the U.S. economy. However, given extended recent periods of international stocks having generally underperformed their U.S. counterparts, can a strong case even be made for investing overseas? We would suggest that there are three fundamental reasons to adopt a global focus:

- Gaining exposure to world-class companies – wherever in the world they may be;
- Potentially enhancing diversification, including through currency exchange rates; and
- Harnessing the power of growing economies outside of the already-developed world.

Gaining exposure to a world of opportunity

Consider the things you own in your home or garage, the transportation infrastructure and communications services you rely on, the medications you take, or the everyday household products you use. Chances are, many of them were provided by companies domiciled outside of the U.S.

Production, consumption, and investment are all global in nature. What's produced in one country may be consumed in another country and owned by a company in yet a third country. Arbitrarily limiting yourself to only stocks of U.S. companies eliminates the potential to invest in the many companies that make the everyday things we use. Foreign domiciled businesses not only sell a wide range of products we consume, they also employ countless American workers in factories across the country.

Achieving better portfolio diversification

Economies around the world each have distinct economic drivers. Thus, international markets may offer different investment return fundamentals. Some companies currently have (or are developing) large consumer-driven societies. Others are predominantly export-focused—producing industrial or consumer goods, or providing commodities used globally.

As a result of these differences, they do not always move in lockstep with each other; even though they may share common customers. And particularly relevant to the current climate, consider how the trend towards greater de-globalization is becoming a more pronounced theme—which may perhaps result in even less correlation between economies around the world.

Diversifying internationally can also help your portfolio on the currency exchange front. Right now, the U.S. dollar's strength relative to most of the world's currencies is historically high. That means that one may effectively buy international stocks in the current environment at a lower price when the price of those stocks is translated into dollars.

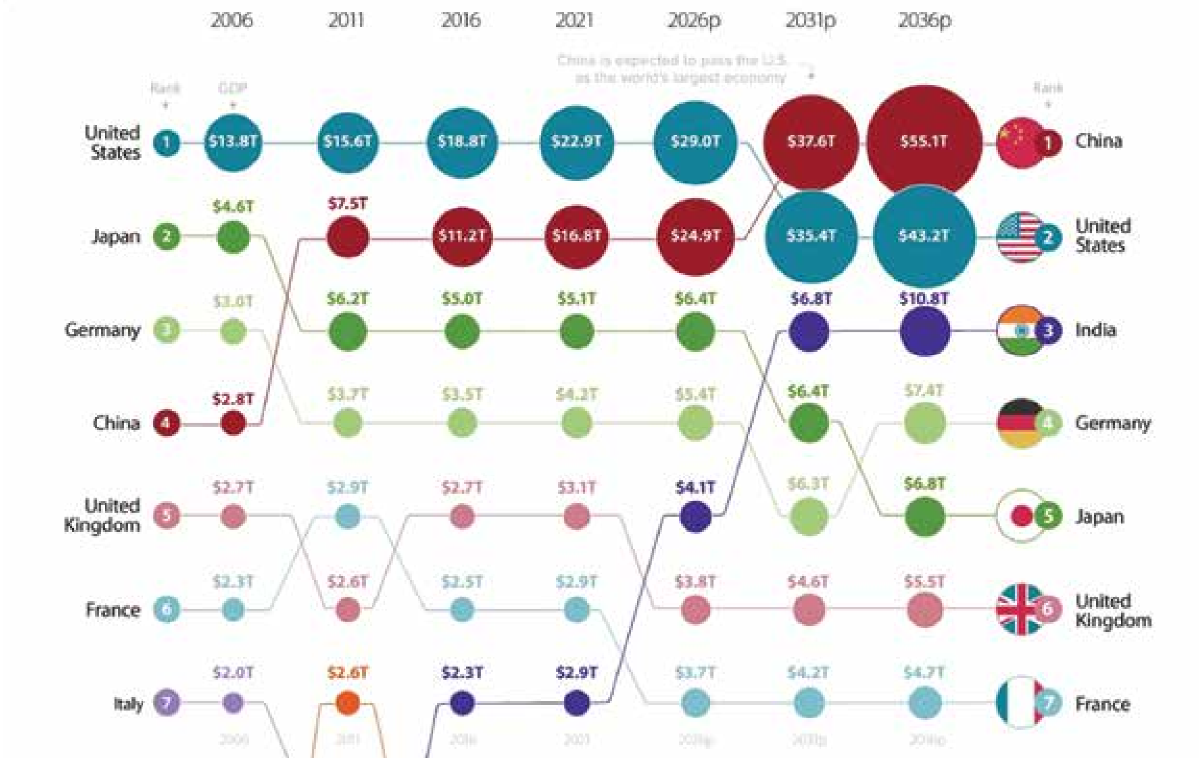
And when it comes to investing, should the dollar weaken from its currently high levels, that would mean that those foreign currencies would be more expensive – and will then purchase more dollars, so owning shares of foreign companies can boost one's portfolio value when the prices of those assets are translated back into U.S. dollars. And it's no coincidence that a weaker dollar may sometimes coincide with periods when the U.S. economy – and investment opportunities stateside – arguably may not be as compelling as those potentially available elsewhere.

As to the aspect of currency translation, one reason why many international investments have lagged behind domestic stocks is due to the fact that the dollar has risen quite sharply. You will notice in this nearly 50-year chart, that currencies are not like corporate earnings. They don't grow to the sky. They don't compound over time. They mean revert. What goes up comes down, and vice versa. Given the role of the strengthening dollar in recent periods – which, as noted, will not continue into perpetuity – the underperformance of international stocks isn't just a referendum on the fundamentals of those companies, it is also simply due to the fact that the dollar has strengthened in recent periods.

Source: Bloomberg

continued on page 5

HISTORICAL/PROJECTED GDP



Sources: The Center for Economics and Business Research; The World Bank; Trading Economics

Economic growth prospects overseas

Perhaps most importantly, one may posit that other countries tend to have considerably more economic growth potential than the U.S., simply because our economy is already so developed. Meanwhile, those countries where middle class consumer societies are now beginning to grow larger may provide more attractive investment opportunities over the long term than countries with already mature economies. Consider the adjacent graphic showing the historical and projected size of certain global economies.

Due to the relative size of their populations, formerly smaller economies like China and India are expected to play a far greater economic role on the global stage than just a decade ago. But across the globe, a great many economies (both large and small) are becoming more prosperous—creating greater wealth that is also becoming more broadly dispersed across the population to build a new, larger class of consumers. In other words, a growing middle class in many countries around the world is accounting for a growing share of consumption, production, and investment in companies globally.

Some investment opportunities in these markets are to be found among companies located in close physical proximity to these new consumers. Yet many other global companies will certainly benefit from these trends considering how connected the world is. More and more we're seeing opportunities driven by globalization (e.g., a European company with a profitable customer base in Asia; or a Latin American manufacturer whose commodities are distributed globally) as well as opportunities driven by demographics (e.g., an Asian retailer serving an exponentially growing number of customers in its home country).

Conclusion

Of course, the U.S. remains by far the largest component of the global stock market (refer to the nearby graphic) but by no means do we hold a monopoly on corporate wealth. Consider that about 40% of stock market wealth resides outside of the U.S., according to the aforementioned MSCI ACWI index. Many of those other countries are, of course, other developed markets. But a growing number of international economies may offer a potential for possibly greater investment opportunities than in many mature markets due to both economic and demographic tailwinds.

The nice thing is, adjusting your portfolio to be more globally oriented doesn't necessarily require a drastic reallocation. Often, small strategic additions and substitutions can help you better capture the potential of international markets and harness them for your own financial benefit.

SEIA IN THE NEWS

Barron's Top 100 RIA Firms 2022

TOP 100 BARRON'S RIA Firms 2022

Washington Business Journal - Largest Wealth Management Firms in Greater D.C.

WASHINGTON BUSINESS JOURNAL THE LIST LARGEST WEALTH MANAGEMENT FIRMS IN GREATER D.C. Signature Estate & Investment Advisors LLC 2022

Los Angeles Business Journal - Best Places to Work 2022

Los Angeles Business Journal BEST Places to Work 2022

Financial Advisor Magazine 2022 RIA Ranking

Los Angeles Business Journal - Leaders of Influence: Wealth Managers 2022

Brian D. Holmes, President & CEO

InvestmentNews Best Places to Work for Financial Advisers 2022

InvestmentNews

Forbes Best-in-State Wealth Advisors 2022

Vince DiLeva, Managing Senior Partner
Eric Pritz, Senior Partner
David Johnson, Partner

Forbes BEST-IN-STATE WEALTH ADVISORS 2022 SHOOK RESEARCH

The Barron's Top 100 RIA Firms 2022 is given by Barron's and is based on assets, revenue, and quality of practice. Qualitative factors such as the advisor's experience, advanced degrees and industry designations, size, shape and diversity of the team, charitable and philanthropic work, and compliance records are also considered. RIA firms apply for this award. The firms pay a fee in order to reference this award either upfront to obtain the award or paid on the back-end after the award is granted to obtain plaques, article reprints or similar indicia of the award.

The 2022 Washington Business Journal (WBJ) Largest Wealth Management Firms in Greater D.C. is given by the WBJ and is a ranking by the number of Metro-area financial planners within the firm, with ties broken by revenue. Data used is as of December 31, 2021. Applicants complete a survey to be considered for the award.

The Los Angeles Business Journal Best Places to Work 2022 award is based on a detailed survey conducted by Workforce Research Group. Top local employers participated in the survey. The survey ranked small, medium and large companies on subjects such as leadership, corporate culture, communications and much more.

The 2022 RIA Ranking by Financial Advisor (FA) is a ranking based on assets under management at yearend of independent RIA firms that file their own ADV with the SEC. FA's RIA ranking orders firms from largest to smallest, based on AUM reported to FA by firms that voluntarily complete and submit FA's survey by FA's deadline.

The 2022 Los Angeles Business Journal (LABJ) Leaders of Influence is an annual award that recognizes wealth managers in Los Angeles for "contributions to the local economy and the financial stability of the individuals and families that live here". The wealth managers apply for the award by completing a questionnaire, and recipients are chosen by the LABJ.

The 2022 InvestmentNews Best Places to Work award is determined by the results of an employee survey and recognizes those firms dedicated to providing their employees with a stellar work environment that supports their personal and professional advancement. The 75 firms are presented in three categories: small, medium and large and are selected for their workplace culture, employee benefit programs and employee-focused policies. Participants may pay a fee to InvestmentNews to promote this designation.

The Forbes 2022 ranking of Best-In-State Wealth Advisors, developed by SHOOK Research, is based on an algorithm of qualitative criteria, mostly gained through telephone, virtual and in-person due diligence interviews, and quantitative data. Advisors that are considered have a minimum of seven years experience, and the algorithm weights factors like revenue trends, assets under management, compliance records, industry experience and those that encompass best practices in their practices and approach to working with clients. Portfolio performance is not a criterion due to varying client objectives and lack of audited data. Neither Forbes nor SHOOK receive a fee in exchange for rankings.

Third-party rankings and recognitions are no guarantee of future investment success and do not ensure that a client or prospective client will experience a higher level of performance or results. These ratings should not be construed as an endorsement of the advisor by any client nor are they representative of any one client's evaluation.

SIGNATURE FUND *for* GIVING

Philanthropy in Action (SEIA's $1,000,000 Gift)

From the founding of our firm to present day, philanthropy has been deeply embedded in SEIA's organizational DNA. In fact, giving back was one of the unifying reasons that first brought us together – the desire to pool our resources in support of children's causes.

There's a famous Winston Churchill quote which states, "We make a living by what we get. We make a life by what we give." And to that end, last month we were pleased to announce a $1 million gift from our founding and managing senior partners to the Signature Fund for Giving (SFFG)—the charitable foundation we established to help support local underserved youth who represent tomorrow's leaders and innovators.

"Our firm has a long history of giving," notes Brian Holmes, President/CEO. "We created the Signature Fund for Giving to pool our resources in support of the community – knowing that we could make a much bigger impact collectively than we ever could individually. This million-dollar pledge from our partners reaffirms that commitment. We're delighted that, as the business has grown, our philanthropic efforts have been able to follow suit."

Through supporting organizations such as A Place Called Home, Children's Hospital of Orange County, and Second Story, SFFG helps encourage and uplift local youth who represent tomorrow's leaders and innovators.

We are continually inspired by the partners, advisors and employees at our firm who donate both their time and financial resources to make this world a better place for others.

Thank You

To our Million Dollar Gift Participants

Brian D. Holmes, Gary K. Liska, Mark Copeland,
Paul Taghibagi, Vince DiLeva,
Theodore E. Saade & Jennifer Kim

If you have any questions regarding our fund or how to participate, we invite you to contact Hayley Wood at 310-712-2323 or hwood@seia.com.

SEIA

SIGNATURE ESTATE & INVESTMENT ADVISORS, LLC®

SEIA.COM

HEADQUARTERS

Century City, CA
T 310 712 2323
F 310 712 2345

Newport Beach, CA
T 949 705 5188
F 949 691 3065

Pasadena, CA
T 626 795 2944
F 626 795 2994

Redondo Beach, CA
T 310 712 2322
F 310 712 2377

San Mateo, CA
T 800 723 5115
F 310 712 2345

Tysons, VA
T 703 940 3000
F 703 738 2259

Houston, TX
T 832 378 6110
F 832 378 6109

Beaverton, OR
T 703 940 3484
F 571 444 6249

Denver, CO
T 310 712 2323
F 310 712 2345

New York, NY
T 332 208 7465
F 703 738 2259

Austin, TX
T 512 853 9854
F 626 795 2944

Tampa, FL
T 310 712 2323
F 310 712 2345