

Are Your Best Interests Being Served?

By Founding Partner Chris Caldwell,
CFP®, CRC®, MBA

UNDERSTANDING THE DEFINITION OF A FIDUCIARY

A person who holds a legal or ethical relationship of trust with one or more other parties, in most cases involving finances, is defined as a fiduciary. You might have heard the term in the news, read about it in financial literature, or discussed it with a financial professional. Let me give a little history.

In 2010, the Dodd-Frank Act was passed to increase regulations on the financial service industry. As part of the act, the Securities & Exchange Commission (SEC) was authorized to adopt a fiduciary duty and best interest code of conduct rule for investment advisors and broker-dealers when engaging in personalized investment advice. Jump ahead about 10 years and the SEC finally adopted a “Best Interest” rule on June 5, 2019. All broker-dealers must comply with this rule by

June 30, 2020. That is great news for consumers, correct? Well ...

Have you ever wondered the difference between the terms broker and advisor? A broker has traditionally acted under a suitability requirement for client



investment management while an advisor has acted under a fiduciary standard. Suitability, in essence, means as long as a product is suitable for the client then the broker is acting appropriately. However, being suitable does not mean it is the

best product for a client. Many brokers will sell products that pay higher commission to meet goals for a bonus, or possibly even reward trips. Advisors on the other hand (through a fiduciary standard) are recommending strategies, not products, based on what the client needs. The intent over these past 10 years of discussion was to move brokers up to the same standards as advisors. However, the SEC “Best Interest” rule does not accomplish this. Brokers will be held to a slightly higher standard,

but the rule does not require them to act as a fiduciary.

Why should you care? The majority of financial firms you know are likely broker-dealers and do not act as a fiduciary for

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Financial Planning

Defining Priorities and Processes

By Founding Partner Jason Norton,
CFP®

THE COBBLER'S SON HAS NO SHOES

Most of us have heard the saying "the cobbler's son has no shoes." This phrase has been traced back to The Proverbs of John Heywood's (1546). In the book, it was written that "the shoemaker's children go barefoot." At first, the assumption is that the cobbler does not believe that shoes are important for his children or they are just an unnecessary luxury.

However, my belief is that the cobbler is so busy making shoes for his customers that he easily overlooks the needs of his own children. Our lives are busy; we all have our "shoes." The shoes, of course, are a metaphor. In fact, there are many other sayings adapted from Mr. Heywood. For example, "a blacksmith's home has wooden spoons." Or "the baker's children

don't eat cake." The meaning of all of these phrases bears great similarity.

In total honesty, this financial advisor's family had no financial plan, no will, and, specifically, no special needs plan. Wow. Not good. It was last summer that we



made the decision to obtain our planning and legal "shoes."

We organized our family's finances through HTP's financial

planning process, creating balances sheets, cash flow analysis and retirement income planning. We were also able to stress test scenarios and analyze our insurance needs versus our coverage. The process of planning allowed us to work with an attorney to draft our wills, health care directives, powers of attorney, and, finally, the framework for a special needs trust for our son Drew.

As busy as we can be, we all need to take the steps to organize our family's financial and legal framework. This organization starts with defining priorities and processes. Highland Trust Partners is here to help your family create these definitions for all the good things of life as well as the unexpected situations of life's journey.

Retirement Planning

Are You Ready to Try a Dry Run?

Prepared by Deluxe

PRETEND YOU'RE RETIRED FOR A MONTH

Retirement is ideally a happy time of your life, freeing you up to do things you've long postponed. However, the prospect of retirement can also cause stress if you're not sure you have enough money to retire in the lifestyle you'd like. We suggest a dry run: Try living for a month on your projected retirement income. The results might be eye-opening.

Now's the time to calculate your monthly retirement income. You've built your wealth over your career, and it will soon be time to reap your rewards. Social Security is just a drop in the bucket. You have your retirement accounts, your investment portfolio, your real estate holdings,

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Community Outreach

Our Commitment to Local Community

WALK TO END ALZHEIMER'S

For the third year in a row, HTP is supporting the Walk to End Alzheimer's. Every year in over 600 communities across the country, the Alzheimer's Association holds Walks to End Alzheimer's to raise funds for care, support, and research. We have joined this effort by organizing a team to participate in the Walk. The 2019 Athens area Walk is taking place October 26 and we ask you to join our team by making a donation to this wonderful cause at: <http://act.alz.org/goto/highlandtrustpartners>



Information & Tools

Technology Corner



Triposo

Triposo: Triposo is a travel guide app that provides details about destinations all around the world. Whether you are traveling domestic or abroad, Triposo can assist you in finding highlights and hidden gems all along the way. Users can search through popular hotels and restaurants, along with things to see and do. For most spots found on the app, Triposo provides basic details (phone number, address, website, etc.), a description, and some suggestions for other places you may like based on what you seem to be interested in. The app has information on attractions (as well as their history) in over 50,000 destinations worldwide. This app works offline, and it is also free.



Cozi

Cozi: Cozi is an app that's designed to keep a busy family organized. Users can keep track of every family member's schedule with a color-coded calendar and set reminders for themselves or others, so everyone is on time for important events. You can also create shopping and to-do lists. Each member can edit lists that are created, so no items are missed on the grocery trip or when it's time to take care of weekly chores. The basic version of this app is free; however, there is an ad-free premium version which includes additional features for a yearly subscription fee.

MidYear Outlook

Please contact April Giddeons at april.giddeons@highlandtrustpartners.com if you would like a copy of the LPL Research *Midyear Outlook 2019* emailed to you. LPL Financial Research's *Midyear Outlook 2019* helps provide investors perspective on what really matters in the markets based on four primary pillars for fundamental investing. This semi-annual report contains a continuation of the "fundamentals" theme from December's Outlook 2019, a still-relevant theme resonating at the halfway mark of 2019.



Passing on Your Values

By Senior Financial Adviser Amy Parrish,
AMWA®

CREATING A FAMILY LEGACY THROUGH PHILANTHROPY

Have you considered that your legacy is more than just assets left in a will? There are ways to pass on not only your physical assets but also your values and integrity, having them endure across future generations. Engaging the next generation in family philanthropy creates an excellent opportunity to begin building your legacy and sharing these less tangible but, nevertheless, priceless assets. Philanthropy opens up conversations about values, passions and money, providing opportunities for deeper family bonds. Parents and grandparents can launch the next generation of philanthropists by allowing kids to help decide where to donate money. An easy way to do this is using a donor-advised fund. With a donor-advised fund, you can contribute cash, stock or other investments and get an immediate



charitable tax deduction on the donation. After that, you'll have an unlimited amount of time to decide which charities will receive grants from the fund.

Some families work together to decide which charities to support, but the parents or grandparents still maintain control of the fund and make the grants themselves. Other families add children or grandchildren as account administrators as they get

older, so they can access all the resources and make grants on their own. Many donor-advised funds have online access, making it easy for family members to participate from any location. Some people keep control of the fund while they're alive but designate a successor and start to work with him or her to talk about charitable giving and the future of the fund.

Talk to us about how a donor-advised fund can support your family legacy.

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UNDERSTANDING THE DEFINITION OF A FIDUCIARY *(continued from page 1)*

you. Highland Trust Partners and our advisors are fiduciaries. If you have relationships with other firms, here are three questions you should ask them:

- 1. Are you a fiduciary?**
Listen for answers such as, "the firm is one" or "we act in your best interests." These responses provide solid indication that they are not an actual fiduciary.
- 2. What professional designations do you hold?**
Make sure they are registered with programs such as Certified Financial Planner™ which have their own strict fiduciary standards. You should also ensure that these programs (and their standards) are implemented and not just being used as marketing tools to attract customers.
- 3. How are you compensated?**
Ask if it is by commission or fee based on product, and if they are rewarded bonus money or trips for their sales.

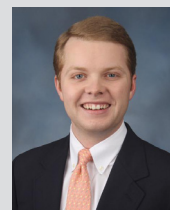
If you are not satisfied with their responses, or they do not know how to respond, Highland Trust Partners can assist you with our services that are solidly based on real fiduciary principles.

HTP News and Reminders

New Additions

Highland Trust Partners is growing, and we are excited about the addition of two former interns accepting full-time positions. These additions to our team serve two purposes: 1) to improve how we serve our clients' financial needs, and 2) to provide opportunities for new college graduates to develop their careers. Please read more about them on our website under Meet Our Team.

Ben Butler: Ben is a 2019 graduate of the University of Georgia with a degree in Finance. Ben has interned our team since 2014 and has been instrumental client management and portfolio research. Ben's position is Trade and Portfolio Operations Manager. He has passed his Series 7 and is looking to further his financial acumen/knowledge/experience.



Miranda Lee: Miranda is a 2019 graduate of the University of Georgia with a degree in Financial Planning. Miranda has interned for Highland Trust Partners since April 2018 assisting with client reports, 401(k) retirement plan management, and financial plan preparation. Her position is Financial Planning Assistant where she will continue with her prior roles and expanding to more client interaction while looking to further her financial acumen/knowledge/experience.



Retirement Planning

Are You Ready to Try a Dry Run?

PRETEND YOU'RE RETIRED FOR A MONTH *(continued from page 2)*

and any annuities and other income arrangements you've made.

You deserve a full, rich lifestyle when you retire.

Living a month as a "retiree" will quickly bring home how your financial resources match your dreams. Perhaps you want to travel, or buy a yacht, or move to an elegant retirement community. Or maybe you'd like a pied-a-terre in a large city where you can enjoy fine restaurants and cultural amenities. It's your choice, but that choice might be constrained by your income.

Retirement is a time of choosing. You might find that your monthly retirement income will require some hard choices. Seniors often want to simplify

their lives, but many may be forced to make sacrifices they haven't contemplated. On the other hand, many might be intimidated by inflation and the prospect of a long life, wondering whether the money will last.

Planning early can give you an idea of your future retirement income and help prepare you for inflation.

Ideally, you'd like to begin planning your retirement at least a decade in advance. Living a month on your projected retirement income will reveal any gap between what you want and what you can afford. The sooner you start planning, the narrower the gap. You might be retired for a long time. Planning helps address the worries of outliving your money, or having to hem in your lifestyle.

Market Index Returns*

Fixed Income	Current Yield 8/1/19
90-Day T-Bill	2.07%
5-Year T-Note	1.68%
10-Year T-Note	1.89%
30-Year T-Bond	2.44%

Source: Bloomberg

Index	2019 (1/1/19–7/31/19)	2018 (One Year)
Dow Jones Ind.	16.69%	-3.48%
S&P 500	20.24%	-4.38%
NASDAQ	23.21%	-2.84%
MSCI EAFE	12.58%	-13.79%

Source: Morningstar Research

*The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors. Bond yields are subject to change. Certain call or special redemption features may exist which could impact yield. The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market. The market value, the last sale price multiplied by total shares outstanding, is calculated throughout the trading day, and is related to the total value of the Index. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI EAFE Index consists of the following developed country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK. Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

Not FDIC Insured | Not Bank Guaranteed | May Lose Value
Not Insured by any Federal Government Agency | Not a Bank Deposit

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