TrustPoint
THE MAGAZINE FOR SMART INVESTING AND BETTER LIVING

Live Your Legacy

TIPS FOR A SMOOTH TRANSITION TO RETIREMENT

ALIGN YOUR INVESTMENTS WITH YOUR VALUES

WAYS TO PREVENT A FAMILY FEUD OVER YOUR ESTATE


TRUSTPOINT
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Helping you live for today,
without worrying about tomorrow.
Investors have trusted the expertise of our knowledgeable, independent professionals for more than a century. Whatever your financial goals are, you can count on us to help you reach them.

Stability During Uncertainty

TAILORED CLIENT ENGAGEMENT

SPECIALIZED EXPERTISE

ACCOUNTABILITY & ATTENTION

We have a motto at Trust Point that in doing what is best for our clients, we will be doing what is best for our company. Simply put, we work in your best interest and don't succeed unless you do.

With that in mind, it's incredibly gratifying for us to say that the last two years, for all the hardships, have been the most successful years we have ever had at Trust Point. That means we have continued to grow your wealth, help you achieve your financial goals, and earn your trust and referrals along the way.

We know there is still a lot of uncertainty ahead, largely due to the wide-ranging effects of the ongoing pandemic. This edition of *Trust Point Magazine* is reflective of today's concerns, from inflation to employee retention to making the best investment decisions during times of crisis.

As challenging as some of these topics may seem, remember that we are here to do the heavy lifting. We continue to maintain a positive outlook and hope you will, too. Our top leaders, Chairman of the Trust Point Board of Directors Kent Handel and President and CEO Bill Bosch, offer some of the reasons why.

ADAPTING TO A NEW WORLD

Kent: If you look back at our history, we've been doing this since 1913, and I think that our long track record of producing positive outcomes through historic events speaks for itself. Clients are looking for consistency, but they're also looking for companies that have adapted over the years. We obviously have adapted, or we wouldn't be here, not only surviving, but excelling in this environment.

Stability During Uncertainty

> *"This business is really about people. It's about our clients. They give us life, give us a reason to be here."*

We're often asked how many clients we lose when the market goes upside down. The answer is we don't lose any, because we don't bring clients in here saying we're going to outdo the market in every environment. I think the key with us is we market what we deliver. And I think that clients like that predictability — they like to know what's going to happen when the world turns upside down, which periodically it does.

Bill: To build on what Kent said about adaptability, we have long focused on having the right people here to serve our clients and develop lasting relationships, but more recently we've utilized technology to further enhance our services.

Technology platforms such as Black Diamond Wealth Portal for account viewing at any time, and iJoin, a tool for retirement planning, have taken our services to the next level. Our new Emerj360 division combines on-demand tools and resources with knowledge and insights from our staff. Great people and great technology are the two most important things serving our clients today.

Kent: Bill is right about that and it's about finding the right balance to meet our clients' needs in ways that are most convenient for them. Our services span several generations and each of those have different preferences for how and when they'd like to interact with us and access their financial information.

GREAT EXPECTATIONS

Kent: We've had three years of back-to-back good performance out of the stock market. Are we going to have four? Probably not. And if we had a year that was pretty even, that would be a success. I think in terms of market performance, none of us would have ever forecasted what has happened in the past couple of years. It's a very unpredictable time and we're working with our clients to prepare for inevitable market adjustments.

We can't predict the future, but we can help our clients be prepared for the future. And that's important to us. Our approach has always been long-term.

Bill: In this business, you can always expect pullbacks and volatility in markets and we've seen that at the start of this year. And yes, we have issues like inflation and geopolitical uncertainty. But really, this is not much different from most years when you have ups and downs. It's our job to educate clients, to remind them that these things happen every year, and to stay the course.

Overall, our outlook for the year is good. We have roughly $7.5 billion in assets under management today and we expect more growth for our company and clients. We've never seen more interest in Trust Point from our clients.

GIVING THANKS

Kent: This business is really about people. It's about our clients. They give us life, give us a reason to be here. Their continued trust and loyalty in us is more of a reason for positivity than anything else. When we can help clients understand our approach and they can buy into that, it's a win-win for both of us.

Bill: One of the ways we measure success is by tracking new business that we get from our clients throughout the year. The last couple of years it's just been off the charts. We're grateful for our clients' confidence in us, that they're willing to tell their friends and family about us. That's the best compliment we can receive and a strong indication that the future is bright.


TRUST POINT
TRUSTPOINT
401(k) Plans
TRUSTPOINT
Investment

Community Culture

Recognizing employees who personify our ongoing commitment to civic engagement

Reminder: Fall Luncheon Planning, Women's Fund of Greater La Crosse

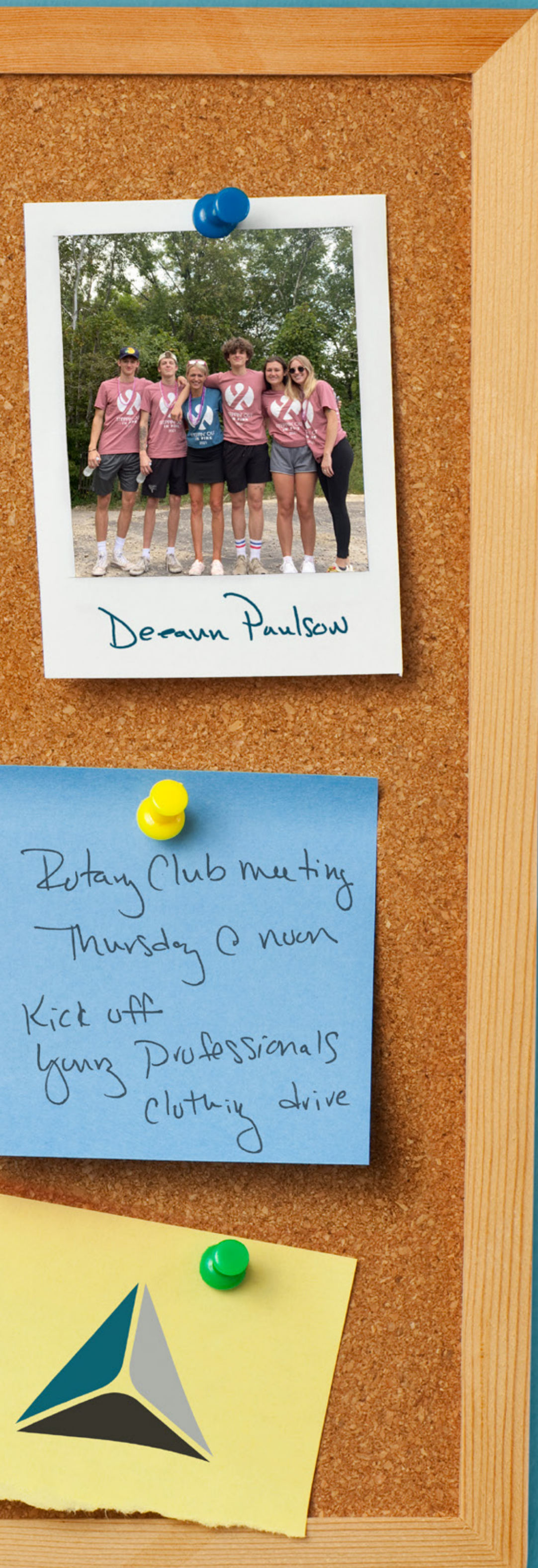
Julie Westbrock

Register team For Parkinson's Moving Day

Regina Siegel

Core Values

CLIENT & COMMUNITY FIRST



FOR MANY YEARS, we have made community involvement a hallmark of our culture at Trust Point. Volunteering with local charities, nonprofits and other community organizations isn't just encouraged, it's something our employees genuinely enjoy.

In many cases, our community-focused identity has been a key attraction for new hires, as well as a reason we enjoy such low turnover. And in a business built around strong relationships, we believe that being better stewards of the places in which we live and work helps us to better understand and serve our clients.

"Our community focus, really, has made Trust Point a great place to work for our staff," says Chairman of the Trust Point Board of Directors Kent Handel. "And what we automatically find is that if people are happy working here, they take really good care of our clients."

Most of our employees are civically engaged in one way or another outside of Trust Point, volunteering their time to more than 90 nonprofit organizations. All of them have a story to tell, but we chose to spotlight three employees who truly exemplify our community culture and how that translates into better service for you.

Scan below to see more of Trust Point's commitment to our community

DeeAnn Paulson,
RELATIONSHIP MANAGER

DeeAnn joined Trust Point after 20 years in the legal community, serving families of all backgrounds and financial situations. In her previous work, she turned to Trust Point for many client needs and became familiar with our work.

"When it was time in my life to make an employment transition, Trust Point was the only place I wanted to go because of their community involvement," DeeAnn says.

DeeAnn traces her philanthropic roots back to her grandmother's 40 years of community involvement in 4-H, which was passed to DeeAnn's mother. The torch was then passed to DeeAnn, who fully embraced the 4-H Club motto "my club, my community, my country, and my world," and still tries to live by those words today.

"Now I'm trying to pass that on to my three sons," she says. "I tell them all the time, just put good out there, because we all need it. For me, personally, every part of life is better when you're working together with others to do good."

DeeAnn's community involvement is expansive. She serves on the event committee of the Women's Fund of Greater La Crosse, which addresses current and critical needs of girls and women in the region and works to improve inclusion and equity. She is also involved in the event committees for both the local Walk to End Alzheimer's and Stepping Out in Pink chapters, both conditions that have touched her family and friends. She is heavily invested in youth programs through the Holmen School Booster Club, as well. She and her boys have made it an annual tradition to deliver meals the morning of Thanksgiving along with 700 other volunteers and to lend a hand to whatever need arises throughout the year.

DeeAnn passes goodwill to her clients through a "little light" effort she developed in the early days of the pandemic, when many people were isolated. She puts a tea light in a candle or mason jar and offers it as a gift.

"It is just a little gesture that I pass out to clients and others that may need a little light in their day," she says. "Or maybe I appreciate the fact that they gave me some light. It is just a reminder that there is someone thinking of you when you're struggling."

Julie Westbrock,

JD, VICE PRESIDENT, DEVELOPMENT

It was clear to Julie when she joined Trust Point six years ago that community service was a priority for the staff. That made it a good fit for her, as she was already volunteering time for numerous causes, and believed in the connection between her job and civic efforts.

"The nature of our business is that we talk with clients on a very personal and intimate level," she says. "And it's important to a lot of our clients to know that we care deeply about them, about their community and just making a positive difference overall."

Much of Julie's time outside of Trust Point is committed to the Parkinson's Foundation for Minnesota and the Dakotas, for which she is a past president. She is also on the development committee for the national Parkinson's Foundation.

Julie's mother has lived with Parkinson's disease for 17 years, and Julie has been dedicated during that time to helping improve care and advancing research toward a cure for people with the disease. She even has her own fundraising team that walks in an event called "Moving Day" each year.

Working with individuals and families impacted by health conditions — and the financial consequences they create — is a natural part of Julie's work at Trust Point. Her efforts through the Parkinson's Foundation have helped her relate to others challenged by health conditions.

Beyond the Parkinson's Foundation, Julie is involved in the Positive Coaching Alliance, an organization aimed at creating a positive youth sports environment. She was a three-sport athlete in high school and was the first softball player to be inducted into the Hall of Fame at Cornell University. The Positive Coaching Alliance lets her give back to youth sports programs, which were a big part of her life.

"We work with parents, coaches and players to emphasize that it's not just about winning, but gaining life skills that we can take beyond sports," she says.

Julie also serves on the grants committee of the local Rotary.

Regina Siegel,

VICE PRESIDENT OF ORGANIZATIONAL DEVELOPMENT

Regina says that when she and her husband, a captain in the local sheriff's department, decided to have children, they were going to raise a family where giving and service were at the heart of everything they did.

She comes from a long line of dairy farmers and her parents both worked as public educators. She credits her family for her strong work ethic and service leadership mentality. Trust Point's emphasis on giving back to the community was a primary reason she joined the company.

"Gratitude is a key piece of my upbringing and everything I believe in," Regina says.

Regina spent more than two decades working in the field of education before joining Trust Point four years ago. Her experience there made her an excellent fit for the work she does today with nonprofit organizations, private foundations and endowments. She's also a natural in her role of finding ways to enhance and build our company culture, and in coordinating the Trust Point Young Professionals group, aimed at cultivating future leaders.

"Trust Point sees its great success as a great responsibility," Regina says. Part of that is improving the lives of others, a task she takes seriously and encourages internally. Community volunteering makes up about 25 percent of the activities of the Young Professionals group. Those activities range from participating in a landscaping project for a local nonprofit to mentoring area students to creating snack boxes for local organizations, such as the Boys & Girls Club. Regina also routinely leads community involvement efforts company-wide.

Regina is a Rotary member, serves on the La Crosse Community Foundation's Impact Committee, and participates in activities focused on empowering underrepresented groups and individuals. She also serves on the Diversity, Equity and Inclusion (DEI) committee for Gundersen Health Systems in La Crosse.

Core Values

Exploring the journey through the eyes of a Trust Point client

Transitioning to Retirement

Mary Kessens is spending her early days of retirement in a chrysalis.

That's how she refers to this temporary period of incubation following her departure from the workforce in January. It's a time to get a feel for that second cup of coffee in the morning, the extra visits with friends, and the additional time spent with her husband. It's also a time to plan all of the things she wants to do when she eventually spreads her wings.

"I'm giving myself time to rest and recuperate from, really, a very long career of challenging jobs," says Mary, who lives in La Crosse with her husband of 25 years. "I just want to be OK with that for a while, and I am. It does feel great."

Mary Kessens in her role as CEO of Aptive in La Crosse, before her retirement in January.

> ***"Trust Point helped give me the confidence that when the time came, I was ready, I was prepared."***
>
> –Mary Kessens

Mary, 67, enjoyed a rewarding career in business and non-profits, filled with leadership accountabilities. It began in corrections, then management consulting and ended as the CEO of La Crosse-based Aptiv, a regional business that supports people with disabilities. Today, she's finally easing into the retirement she long-planned for during decades of work. Throughout much of her career, she managed her own retirement money, through company 401(k) plans and her own savings.

"That was okay up to a point," Mary says. "But as I got busier and there was more money in my account, I thought that I needed more expertise from someone like Trust Point who could manage that money more specifically and with more robust information than I had time to put together."

Mary started working with Trust Point in 2010 to make sure she was well prepared for this phase of her life. She's still with us today to ensure her retirement goals are met.

Regardless of what stage of life you are in, you probably have your own ideas of what retirement is or should be. But actually making the transition when you want and the way you want can present many challenges, even beyond finances. As a new retiree, Mary shares how she got here, her plans for the future and her advice for soon-to-be retirees.

DEVELOPING A RETIREMENT ROADMAP

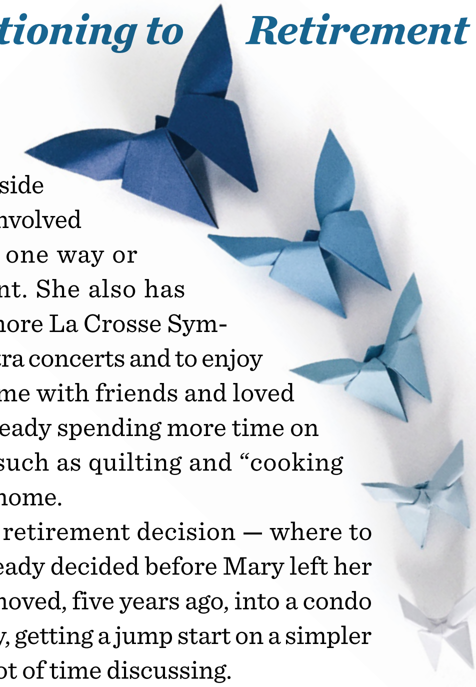
It's a common phrase among financial advisors that it's never too early to start saving and unfortunately, numerous studies have found that many Americans aren't saving nearly enough for retirement. Throughout her career, Mary has been committed to avoiding that problem.

"For the most part, I've always saved something," she says. "I've tried to look ahead and understand what the best options were, to make sure that I collected full 401(k) matches from my employers and set aside as much money as I could pre-tax. I looked at all those options."

After the first decade of her career, Mary went back to school to get a master's in business administration from Drake University. Her finance and accounting classes there inspired her to become a "bit of a geek" about her savings and watching them grow, putting her in a good position before she started working with Trust Point.

When Mary first came to Trust Point, the Trust Point team worked with her to take a deep dive into all of her assets, her lifestyle and expenses, and her retirement goals (and their costs) to develop projections for how much she needed to retire — and the time it would take to get there. Establishing that retirement roadmap, which was adjusted periodically, was a motivator for Mary to increase her savings and stay on track.

In the last decade specifically, Mary and her husband, who is semi-retired, paid close attention to their income and their spending. Her husband runs an



agricultural job placement business and the couple also has an incorporated family farm in Door County, both passive income sources that needed to be factored into Mary's projections.

On the investment side, Trust Point worked to make sure Mary's portfolio was diverse, we stayed on top of market trends, made adjustments when needed and guided her through common questions, such as how to build steady cash flow. As retirement neared, Mary says it became easier to look at income, expenses and revenue projections from investments. She set her retirement year as 2021, and by the time retirement arrived, she had exceeded her retirement savings goal by 25 percent.

"Trust Point helped give me the confidence that when the time came, I was ready," Mary says. "I was prepared."

I THINK YOU NEED TO ASK, WHAT ARE THE IMPORTANT THINGS IN YOUR LIFE?

DISCOVERING WHAT'S IMPORTANT

For Mary, 2021 felt like the "sweet spot" in terms of her financial projection and what she had the energy to do both before and during retirement. She is someone who derived a great sense of purpose from her work. Before leaving, she had to think critically about how that void would be filled and what she needed to accomplish to feel good about stepping away.

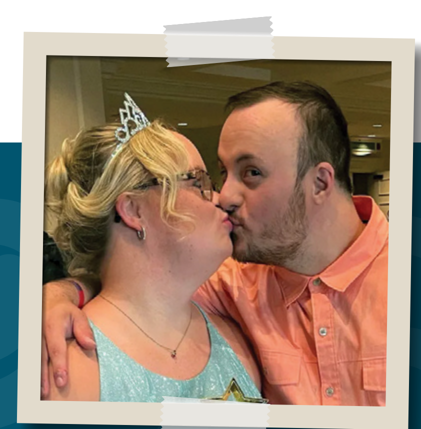
"My company was in an excellent place," she says. "I had built a great team around me. People who I knew — that if I left — would certainly be able to carry on. And we had a great board of directors who hired another experienced person to replace me."

Mary says that being a longtime Rotary International member has shown her that there is no shortage of ways to make the world a better place outside of work. She intends to be involved in further good works in one way or another during retirement. She also has plans to travel, to take in more La Crosse Symphony Orchestra concerts and to enjoy more social time with friends and loved ones. She's already spending more time on hobbies, too, such as quilting and "cooking creatively" at home.

One critical retirement decision — where to live — was already decided before Mary left her job. She and her husband moved, five years ago, into a condo in their current community, getting a jump start on a simpler lifestyle that they spent a lot of time discussing.

Mary suggests that understanding what's important to you can be a big step toward enjoying a fulfilling retirement. The only thing that has surprised her so far, after the long road to get to where she is today, is how good it feels. She does plan to leave the chrysalis soon, but she's not going to rush it.

"I think it's good to give yourself a grace period to really think about what you want to do next or to experiment with new activities," Mary says. "I worked so hard to get to this goal of retirement, but this isn't the end. It's really a new beginning, the start of the next phase of my life."



CATCHING UP WITH MAGGIE

Checking in on last year's featured client, Maggie Erickson Kilgannon

IN THE PREVIOUS EDITION of *Trust Point Magazine*, we included a feature about supplemental needs trust established for Maggie Erickson Kilgannon.

The trust was established by Maggie's mother, Cathy Erickson, who has since died from pancreatic cancer. Maggie, who has Down syndrome and depends on the trust for financial stability, was going through big changes at the time of the story, having just been united at a commitment ceremony to Aiden Kilgannon.

Today, Maggie and Aiden are happily navigating life together. Maggie works at Finley's Barkery (maker of all-natural dog treats) in Eden Prairie, Minnesota. Trust Point, as trustee, helps Maggie navigate the use of the supplemental needs trust. She also receives tremendous support from her professional guardian, Kim Opat, her best friend, Karisa, her family, and friends, including Cathy's friends who know Maggie well.

To read the original story about Maggie and to learn more about supplemental needs trusts, go to **trustpointinc.com/caring-for-clients**.

by Yan Arsenault
CFA®, CAIA®, and Chief Investment Officer

ESG INVESTING

Your Portfolio *Your* Values

Tailoring your investments to reflect your environmental, social or governance values does not mean you'll sacrifice returns

Human rights. Climate change. Public health and safety.

These are just a few examples of areas in which many people today would like to make a positive impact. An increasingly common way to do it: environmental, social and governance (ESG) investing.

In a general sense, ESG investing is aimed at sustainability, as it relates to environmental, health and wellness, and economic viability. Whatever your values and motivations, taking an ESG approach can help ensure you invest with businesses and organizations that align with your principles — and you don't have to sacrifice returns to do it.

A REAL-WORLD EXAMPLE

We recently had a client, who was eager to learn about how she could support her life's mission of protecting animal rights and how Trust Point could assist.

Her vision was to establish a corporate foundation, which we did, with Trust Point as the agent for investment management and all administrative and tax reporting. We then began working on an investment strategy for this client, which is when she asked about ways to ensure her investments did not contribute to companies that tested on or harmed animals in any way — a form of ESG investing.

Broadly speaking, there are three ways to help achieve a client's ESG goals.

1. Exclusion

This approach is the easiest method if the investor knows what they'd like to avoid in their portfolio. Our technology at Trust Point can screen companies for specific factors important to our client's values and exclude them from their investments. For this client, we could exclude any company directly involved in denying animals their basic rights not to be exploited, abused and/or killed.

2. Best practice

For investors who want to do good with their money, but don't know exactly what they'd like to exclude, we would use the best practice approach. We have the ability to seek out and look at companies that operate best around various environmental, social and governance factors to ensure that the investor's portfolio is sustainable and socially responsible.

3. Social impact

A newer approach for investors who aren't necessarily looking for exclusions is called social impact investing. This is for individuals who intend to support a specific segment of the market. For example, advancing the clean energy transition. In this method, we would focus their portfolio on companies tailored to this cause.

FINDING THE RIGHT FIT

Because we knew our client wanted to avoid certain companies, using the exclusion approach was the best option for her.

We screened companies for animal welfare, and in doing so, we excluded all companies from the foundation's portfolio that were involved in animal testing or exploitation, such as zoos or marine shows.

In the end, we were able to create an investment portfolio that was diversified and also reflected the values and mission of the client's foundation and life's work. It was a win-win.

What Are *Your* Values?

Here are a few common examples of ESG factors investors consider.

ENVIRONMENTAL
(conservation & the natural world):

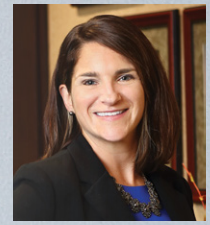
- Carbon emissions
- Air and water pollution
- Green energy initiatives

SOCIAL
(how a company treats people):

- Employee gender and diversity
- Data security
- Fair labor practices

GOVERNANCE
(how a company is run):

- Diversity of board members
- Political contributions
- Lobbying




by Jill Taylor & Allyson Krause
Chief Administrative Officer / CRPP™, Managing
Director, Retirement Plan Services

OVERCOMING the Great Resignation

USING YOUR COMPANY'S 401(K) TO HELP ATTRACT AND RETAIN EMPLOYEES

The last two years have brought many changes to our way of life, perhaps none more noticeable than the way we work.

Businesses across most industries adjusted to different ways of operating to ensure the safety of both staff and customers during the COVID-19 pandemic. Remote work, hybrid schedules, strict new protocols and in some cases, completely new business models, took hold. The pandemic ultimately caused a massive workforce shift as employees reevaluated their jobs and altered their careers for reasons ranging from intense new demands (frontline workers, for example) to a need for greater flexibility or a simple belief that they can do better.

The U.S. Bureau of Labor Statistics reported that an average of about 3.9 million Americans left their jobs each month through November of last year, a phenomenon that has been nicknamed the big quit, the great reshuffle, and more commonly, the great resignation.

It's not all grim, though. Today's pool of job seekers is large, diverse, and looking for companies with flexibility, shared values and more to offer than a paycheck and nondescript 401(k). That latter piece is something we have a wealth of experience in, as we provide comprehensive retirement planning services for hundreds of companies across the upper Midwest.

As the great resignation has unfolded, we've worked with clients to reevaluate their 401(k) plans, to optimize their offerings to attract and retain talent. Here's a look at some considerations based on the successes we've seen.

ADJUST YOUR VESTING PERIODS

401(k) plans often have provisions to incentivize employees to stay long-term. Vesting schedules, which determine how long an employee has to work for a company before becoming eligible for a percentage of their employer's 401(k) contribution, have gradually become shorter over time. The pandemic has sped up that trend.

Many employers are moving to a Safe Harbor Plan Design and removing vesting requirements altogether. All Safe Harbor contributions are 100% vested when contributed. There are other added benefits to a Safe Harbor plan, so this is an attractive option.

The six-year graded vesting schedule, in which an employee's ownership in the company contribution would increase by a certain percentage each year, used to be the norm. We're seeing that shrink to five years or less.

Some employers have started "cliff vesting," in which employees receive no vesting the first year, but are fully vested the next year or the year after that. The idea, of course, is that employees have the opportunity to start earning retirement benefits more quickly, which can give a business an edge over one with a more traditional vesting period.

With so many plans offering shorter and therefore more attractive vesting periods, your current vesting schedule is not likely to be the "golden handcuffs" that it used to be in terms of retaining employees.

FACTOR A 401(K) INTO OVERALL COMPENSATION

Rather than looking at a 401(k) as a benefit separate from employee compensation, it's helpful for both employers and employees to consider it as part of a total compensation package.

A CULTURE OF CARING

There are many things beyond a 401(k) plan that employers can do to attract and keep good employees in today's changed world. Based on what we have experienced internally and seen from our business clients, here are a few tips.

1. Listen and respond

It's important to recognize that no employer will be able to please every employee or prospect, nor should they have to. But it is important to listen, to get a good understanding of what employees are looking for and to consider how your business might be able to adapt. Make sure your employees feel not only heard, but understood.

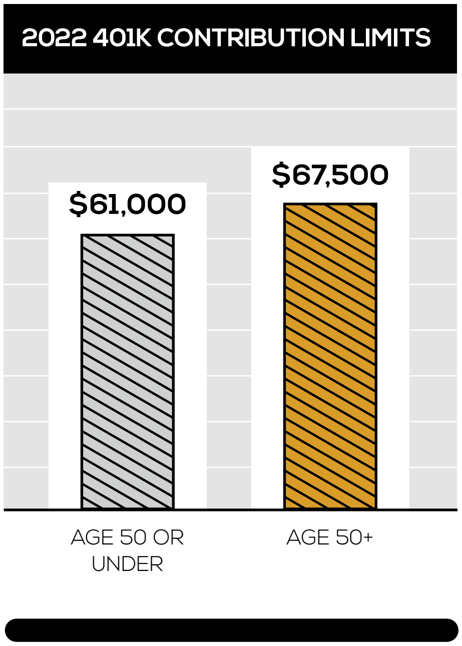
A lot of today's employees, especially younger generations, would rather see a higher salary than an equal or even greater benefit in a 401(k) plan. We have seen some companies offer a bonus, then let employees decide whether to put that bonus into a 401(k) instead of giving it as a profit sharing contribution.

While this can be an attractive option for employees, we still believe that a profit sharing contribution is a greater benefit in the long run. Focus on educating plan participants as to how a profit sharing contribution is a valuable component of their compensation.

Some of our clients have also found value in providing employees total compensation statements, so they can get a visual of the total value of their rewards package.

INCREASE YOUR CONTRIBUTIONS

Company contributions (matching and/or profit sharing) are a significant incentive for employees to join and stay with a company. There's an incentive for employers as well, as both matching and profit sharing contributions are tax-deductible. For tax year 2022, the total employee plus employer contribution limit is $61,000, or $67,500 when you include catch-up contributions for workers 50 or older.



ENHANCE EDUCATION

This is perhaps the most important thing you can do to retain employees. Your company's 401(k) is not a set-it-and-forget-it program. Employees need to be reminded of it, encouraged to participate and educated about how to do it and why it's beneficial to them.

We provide both in-person and virtual training sessions covering 401(k) programs and related topics, such as personal finance, budgeting and estate planning. We make education fun and relatable and encourage employees to take action, whether that's increasing their contribution percentage or making an investment change. We always see a bump in employee engagement with their plans after an education session.

LEAN ON AN EXPERT

Like everything else that's happened in the past two years, we don't know how permanent some of these trends are going to be. When times are difficult, it's important not to make hasty, emotion-driven decisions. The long-term implications of any changes to your company's 401(k) plan need to be carefully considered, as some changes are difficult to reverse.

As a fiduciary, we will always work in your best interest. In fact, the 401(k) investment options we offer to our business clients are the same investments offered to our team at Trust Point. If you're thinking about making changes to your plan, give us a call. We'd be happy to help guide you to the best decision for your success now and in the future.

2.

Find flexible solutions

Consider what you can adjust to meet the changing needs of staff without sacrificing business productivity. Trust Point is a relationship business, both internally and externally. Communication is crucial and, like so many other businesses, we found new ways that met the needs of our team and clients alike. An example is bi-weekly all-company meetings via Zoom. That's also an example of our emphasis on maintaining organizational transparency.

3.

Focus on wellness

It's not always easy to keep tabs on your staff's well-being, but the last two years have been difficult for many. We've paid closer attention to mental health in the last year, bringing in speakers to increase awareness and address stigmas. We also find fun ways to keep our team engaged, such as our pay-it-forward campaign. Each month, a team member is given $200 to use toward a random act of kindness or charitable donation of their choice. Little perks can go a long way toward employee satisfaction.

Bottom Line

Understanding **Today's Inflation**

A look at significant differences between historical and contemporary inflation

by Steve Brudos
Investment Analyst

For most of us, the term "inflation" doesn't stir a positive reaction. It means a higher price tag for goods or services and brings to mind all sorts of other associations, such as higher interest rates and lower real returns on savings.

For better or worse, inflation is part of the U.S. economy's natural rhythm. Historically, the U.S. has endured high inflation rates in wartime eras, such as World War I, World War II, and the Vietnam War. As it has been widely reported in the last year, we are also in a period of inflationary pressure today, for reasons that go beyond the current conflict between Russia and Ukraine.

Although there are some conditional similarities between today's inflation and that of the past, there are some notable discrepancies that should alleviate investor concern.

HOW WE GOT HERE

Inflation is measured by the Consumer Price Index (CPI), which is used to monitor overall price pressure in the U.S. economy. It is one number that reflects a diversified basket of goods and services. Inflation is caused by a number of factors, such as increased government spending, excess demand, supply shortages, and wage pressure.

Today's high inflation is mainly a reaction to the extreme shutdown that happened in 2020. During this time, consumers received stimulus checks, government spending skyrocketed, interest rates plummeted, and people saved

Today's high inflation is mainly a reaction to the extreme shutdown that happened in 2020. During this time, consumers received stimulus checks, government spending skyrocketed, interest rates plummeted and people saved significantly more than they would have otherwise.

significantly more than they would have otherwise.

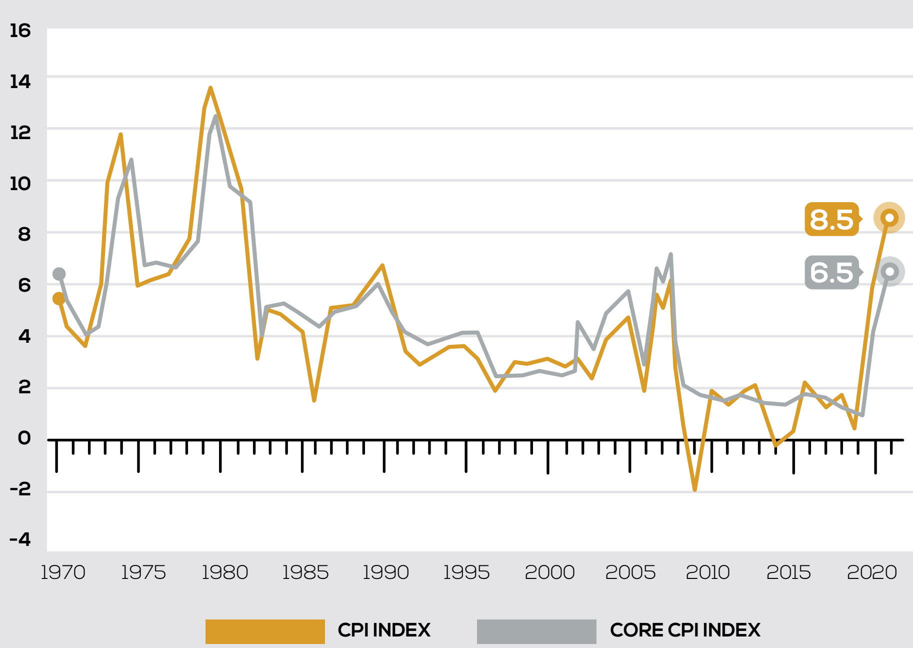
After vaccine rollouts, the economy experienced a quick reopening. The demand for goods exceeded the supply, which caused the supply chain disruptions that we've experienced. On top of that, labor shortages resulted in corporations having to pay higher wages to their employees. The combination of these factors, among others, effectively produced the inflationary pressure we feel today.

The current crisis in Ukraine has continued to increase energy prices and put upward pressure on CPI, further prolonging a higher-than average inflationary period. Only time will tell how this conflict will shape our history. However, as we see it now, we are not expecting runaway style of inflation, like we did in the 1970s. Today's workforce is less unionized and has less bargaining power than in the past. Also, baby boomers created massive demand in the 70's, while today's demographics of consumers in prime spending years is much lower relative to the population — largely due to Baby Boomers reaching retirement age. This means the surge in demand is likely to subside over time as supply shortages ease.

Additionally, in past periods of high inflation, the Federal Reserve may have received executive pressure to keep interest rates low, despite high inflation. The Federal Reserve raised interest rates once already this year and expects to raise the Fed Funds rate six more times in 2022 (as of the March Fed meeting), and an additional four times in 2023, with a focus on quickly mitigating a significant portion of the price pressure we're seeing. The Federal Reserve has also indicated they may act quicker if necessary to keep current levels of inflation from becoming entrenched.

Inflation Through the Years

By the end of 2021, the U.S. had reached inflation levels not seen since the 1980s.



Source: U.S. Bureau of Labor Statistics, Federal Reserve; 12/31/1970 - 1/31/2022

INFLATION PROTECTION

At Trust Point, we have proactively structured investment accounts to take advantage of today's high inflation in both the equity and fixed income portion of our portfolios.

Equities perform well during inflationary periods and are the ultimate hedge against rising inflation rates. We have allocated to real assets, such as commodities and real estate, which tend to do well when inflation is rising. On the fixed income side, we've had dedicated exposure to inflation hedges. Additionally, we have had less exposure to interest rate risk as interest rates typically rise with higher inflation expectations. As such, our portfolios haven't been as negatively affected as the overall market from higher interest rates.

Bottom Line


MANAGING BENEFICIARY EXPECTATIONS

by Christine Schmidt & Julie Westbrock
CFP®, Managing Director, Family Office /
JD, Vice President, Development

Ways to prevent a family feud over your estate

For many families, death and money are two of the most uncomfortable topics to discuss.

Numerous studies back this up, including a 2019 survey by Lincoln Financial that found nearly half of all Americans have a hard time talking about personal finance with family members. Based on the survey, the only more challenging topics to discuss are sex and — you guessed it — death.

So it should be no surprise that when a loved one dies, lack of communication is a primary reason for family arguments over the estate. Aside from damaging family relationships, these fights can lead to lengthy and costly legal battles. The good news is that those outcomes are preventable.

Our Trust Point team is well versed in estate administration, having worked as a trustee or personal representative for many families. From our experience, the best way to make sure your estate transitions smoothly and without family conflict is to plan ahead and set clear expectations with your beneficiaries. Consider these steps and remember, we are ready to help you at any stage of the process.

HAVE YOUR DOCUMENTS IN PLACE

No estate plan can exist without the proper documentation in place. We won't take a deep dive into everything here, but a few key documents you need to have in order include:

- Financial power of attorney, which allows a loved one to make financial decisions for you if you are incapacitated. This terminates at death.
- A health care directive or living will, which allows a loved one to make medical decisions if you are unable.
- A will or trust with clearly listed beneficiaries and terms.

Wills and living trusts are the most common estate planning tools and should be drafted in consultation with a licensed and reputable attorney. A key difference between the two is that a will requires validation through probate court, whereas a trust does not. Another important distinction is that a will takes effect at death, whereas a living trust can be funded and administered immediately.

Wills are administered by a personal representative or "executor" named in the document and approved by the probate court. Trusts are administered by a trustee(s) appointed in the trust document. Trust Point can serve families in either capacity, which is often beneficial as we are a third party without a vested interest.

LEAN ON US

If you're using a third-party facilitator like Trust Point to handle your estate, set up a meeting to walk through your will or trust, to determine whether it works the way you want. Clients often have a vision for how their estate will be distributed, but it doesn't always match the document. A meeting is also a great opportunity to ask questions about the distribution of assets.

Did You Know?

The Baby Boomer generation, born between 1944 and 1964, is expected to transfer more than **$30 trillion** in wealth during the next few decades.

Start the conversation early, continue it often, make sure there are no surprises, and you should be in good shape for a smooth estate transition.

Also keep in mind that your assets will change over time. Maybe you have sold a business or gained some new real estate or personal property. Your will or trust may need to be updated to incorporate those changes, which should again be reviewed with your facilitator to quarterback the conversation with your attorney.

NOTIFY BENEFICIARIES

Once your intentions for your estate are documented and you understand how your plan will work, it's important to meet with your beneficiaries to share your plans. Family feuds often arise when sibling expectations aren't met upon a parent's death. Do your children expect an even split of assets? Do each of them expect to get the house, the family business, or cherished possessions? Keeping your will a surprise means each beneficiary has different expectations, which typically does not end well.

Ease into the conversation by saying you're developing an estate plan and there are some things you'd like to see happen when you're gone. You might also ask them what they think is going to happen, as a way to begin the discussion. Or sometimes sending a written letter to beneficiaries is a good way to kick off the conversation. The talk doesn't need to happen in one sitting, nor does the initial discussion need to involve dollar amounts. You know your family best — just be sure to get the discussion started and continue it until everyone is on the same page.

Though it can feel awkward, it's best to have all of your beneficiaries (and sometimes other family members who might expect to be beneficiaries) in the same room for estate planning discussions. Even if your comments are identical, family members tend to hear different things in individual conversations, which could lead to arguments later.

INTRODUCE YOUR FACILITATOR

It can also be a good idea to introduce your beneficiaries to your facilitator and even schedule a meeting to talk through your estate plan as a group. At Trust Point, we are happy to meet with our clients' family members to explain our role and how estates are administered. Developing that relationship after a client's death can prove challenging, especially in situations where beneficiaries are unaware of assets staying in trust, or of our role as trustee or personal representative.

GO WITH YOUR GUT

Estate planning can be a challenging task, especially when striving for equality among family members. But remember, fair isn't always equal. It's your estate and you can distribute it as you see fit. You can even decide to sell certain assets or make a donation to charity. Whatever you decide, be prepared to share your plan with your family. Start the conversation early, continue it often, make sure there are no surprises, and you should be in good shape for a smooth estate transition.

Brandon E. Hellenbrand
CFA®, Senior Investment Analyst

Harvesting:
Not Just for Farmers

How tax-loss harvesting can help you maximize your after-tax return

Sometimes the best way to grow your investments is to harvest them. You can reap the benefits of your labor by taking advantage of tax-loss harvesting. Tax-loss harvesting is the process of selling investments at a loss in order to offset gains realized from other investments — either in the current year or in future years. It's essentially a strategy that may help reduce your tax liability and possibly even strengthen your portfolio.

Whether it is because of a market downturn or just an underperforming investment, investment losses can and do occur. Tax-loss harvesting is using the realized loss to reduce taxable gains from other investments, potentially reducing your tax liability, or bringing you to a lower tax bracket.

The term itself can sound daunting to someone who's not heavily involved in their investments, but tax-loss harvesting can really benefit anyone who has assets invested in a taxable account — regardless of the size of their portfolio. The only caveat is that tax-loss harvesting can be applied to taxable accounts, but not to tax-deferred accounts, such as an IRA or a 401(k), or to non-taxable accounts.

TRUST THE PROCESS

When we work with clients, we want to be sure they understand that selling an investment at a loss doesn't have to be a bad thing. Tax-loss harvesting offers a silver-lining to those losses. If a client has an investment that is losing money, we may sell that investment and use the loss to reduce taxable gains on other investments in the client's portfolio.

Tax-loss harvesting is a strategy that may help reduce your tax liability and possibly even strengthen your portfolio.

The investor can potentially use up to $3,000 of the losses harvested to reduce ordinary income in the current year. If the losses are greater than $3,000, they can continue to use the losses as a tax benefit in future years. The IRS sets the $3,000 limit which, is also dependent on the investor's tax-filing status. Even if you don't have capital gains to offset, you may still be able to use the loss to reduce your tax liability.

Selling investments at a loss can not only offer a tax benefit, but often times we can reinvest the funds into a different investment that may align better with your asset-allocation strategies and investment goals.

INVESTING WITH A PURPOSE

Tax-loss harvesting can be a complex concept not fully understood by investors — making it easy to ignore or overlook. The nice thing about working with a company like Trust Point is that tax-loss harvesting is a part of our normal investment review process.

We'll look for those opportunities for you and identify specific accounts where tax-loss harvesting makes sense on a regular and proactive basis. That means you won't have to worry about it or monitor it throughout the year.

Our goal is to make it as easy as possible for our clients. Like with any tax-related topic, there are certain rules and limitations. This is just one example where our expertise is your financial advantage.

by Christine Schmidt & Dustin "Duke" Cunningham
CFP®, Managing Director, Family Office / CFP®, Regional Team Lead - Development

Preparing to Cash Out

Business owners looking to sell should use a team approach and seek guidance before selling

Today's economic environment yields great conditions for selling your business. Generally, for businesses that came out of the COVID-19 recession successfully, valuations are up and buyers are interested. We're hearing about business owners receiving multiple offers with many buyers wanting to move quickly.

Selling your business is a complicated process and we've seen sellers make avoidable, and sometimes costly, mistakes because they didn't have guidance from the very beginning of the sale.

If you're considering selling your business, get help before you start the process. You need to understand the sale holistically in order to come up with the best plan for your needs and to make sure the sale is structured in a way that is most beneficial for you. Here are some of our basic recommendations when selling:

GET AN ACCURATE VALUATION

We've seen people come in with an offer looking for advice on putting their proceeds in trust or investments. We'll ask, has your accountant looked at this offer? Are you sure this is what your business is worth? Before you think about purchasing your next business, a new house, or investing the sale proceeds, make sure you're working with the right numbers. Even with a large offer, you could be leaving money on the table if you skip this step.

ASSEMBLE A TEAM

Selling your business requires a team approach; you cannot do this alone. All parties need to collaborate to determine the best structure for your sale that will reduce your tax implications and support your financial security. Here's a dream team roster:

- **Business advisor** – This could be your business attorney, or the person helping you to market and sell your business.
- **CPA** – This could be your personal CPA or it could be your company's CFO, but it should be someone who can look at this deal from a business and individual tax perspective.
- **Business broker** – This person can market to other types of investors that you may not otherwise find or consider.
- **Appraiser** – This could be an independent appraiser or your accounting team; whoever can help you get an accurate valuation and has knowledge of the business and current market.
- **Estate attorney** – This attorney is different from a business attorney. They will help you consider your long term plan and determine the best way to shelter your proceeds in a variety of trusts or charitable options.
- **CERTIFIED FINANCIAL PLANNER®** – You need someone who can evaluate the moving parts of the deal and ensure that the sale meets all your financial goals. A CERTIFIED FINANCIAL PLANNER® can look at what your expected lifestyle really costs you when you have to buy services or products outside of the business and help determine the best way for the proceeds to be received. They also can help with cash flow planning to ensure funds are available when needed for lifestyle and taxes.

CONSIDER YOUR 401(K) OPTIONS

Before going into negotiations, make sure you get good advice about your company's 401(k) plan's options, which include merging the current plan to the acquirer's existing plan, terminating one of the plans, or keeping both of the plans separate. These options depend on the type of transaction — whether it is a stock or asset sale. Many people overlook the company 401(k) plan when they sell their business. However, it is an important consideration, since any decision you make will not only impact your employees, but you as a plan participant.

REACH OUT

A Trust Point professional can help your business sale go smoothly. Consider us your quarterback with respect to tying these parties and decisions together. We can help ensure that you understand all your options and that the financial, tax, and estate plans are all in your best interest.

PREPARE FOR EMOTIONS

Selling a business is a complex emotional process as well as a financial one

One thing we'd like to emphasize is that selling your business will involve emotions. Many clients feel as though their business is an extension of their family, and it may sound like an exaggeration, but we've seen individuals go through a grieving process throughout the sale. We can help ease the transition. Having conversations with your Trust Point advisor about what you envision for yourself and your family as well as your proceeds – whether you keep them in trust or use them to start a foundation – will help you ensure that your legacy will transfer in a way that aligns with your values and wishes.

L

Living Well

HOME • TRAVEL • LEISURE

THE GIFT TAX ANNUAL EXCLUSION AMOUNT PER DONEE FOR 2022 IS $16,000 FOR GIFTS MADE BY AN INDIVIDUAL, AND $32,000 FOR GIFTS MADE BY A MARRIED COUPLE.

by Kirsten Kimball & Travis Ida
JD, CFP®, Relationship Manager / WMS™, Regional Account Executive

Be Gifted at Gift-Giving

Using the annual exclusion gift is a powerful and tax-efficient option for gifting

MOST WOULD AGREE that the old adage is true — it is better to give than receive. Being at the point in your life where you have the ability and willingness to share your wealth with others can be very rewarding. However, before you provide a gift, whether it is to a child, grandchild or a charitable organization, there are some things to consider.

Many of our clients often ask for our advice regarding the best ways to give to their children or grandchildren without having to pay an unexpected tax bill. Each situation is different, so the best way to give depends on your intention. This article will touch on some of the more common approaches you can take.

GIFTING BASICS

To explain, let's start with some definitions. A person who gifts property to another person or entity is known as a "donor." Whereas the recipient of a gift is known as the "donee."

Regardless of how you decide to give, there are some gift tax implications to be aware of. In 2022, a donor can give up to $16,000 gift-tax free to an unlimited number of donees. They can be family members, friends or neighbors. This is known as making an "annual exclusion" gift.

Annual exclusion gifts can be a powerful, but simple tool. Some of the benefits to the donor include:

- No gift tax will be due.
- Gift tax reporting will not be required.
- It can reduce the donor's taxable estate.

If you are married, you can double the gift up to $32,000 annually per donee utilizing a technique called "gift splitting." Gift splitting does require that the donor report to the IRS in the year it is done.

For most people, if a gift exceeds the annual exclusion amount, it simply means that you have an obligation to report that gift to the IRS. You will not have to pay a gift tax unless you have given away more than your lifetime exemption limit, which currently is $12,060,000.

There are numerous ways to give to your family and friends, and depending on your gift's purpose, some strategies will work better than others. Let's take a look at some different ways to give.

COMMON GIFTING STRATEGIES

Below are some common techniques to consider:

- Make annual exclusion gifts of up to $16,000 (discussed above).
- Make tax-free medical gifts if the payment is made directly to a medical service provider for a person's medical care. This type of gift is not limited to the sum of $16,000.

Gift-Giving

- Make tax-free educational gifts if the payment is made directly to a college or school for a person's education. This type of gift is also not limited to $16,000 and does not use any of your gift or estate tax exemption.
- Make contributions to a 529 College Savings Plan. This permits the money contributed to the plan to grow free of federal income taxes. Additionally, withdrawals are also income tax free if used for qualified expenses. Donors can frontload a 529 Plan with five years' worth of annual exclusion gifts for a total contribution of $80,000 per donee.
- Make gifts to minors via a Uniform Gifts to Minor Act account. A custodian holds title and has control of the UTMA account for the benefit of a minor until they reach of age of majority (18–21 years of age depending on state regulations). For income tax purposes, the assets held in a UTMA account are treated as owned by the child, so earnings are typically taxed at the child's lower income tax rate.

529 Plans can be used for K-12 education expenses and higher-education expenses.

Another important idea to understand is that when you choose to give money, you are letting go of it. A "gift" has no strings attached. If you have specific intentions for how you would like gifted funds to be used, then you should explore creating a trust.

If you have specific intentions for how you would like gifted funds to be used, then you should explore creating a trust.

TRUSTS

For a variety of reasons, creating a trust can be a better option than making an outright gift. Trusts give the donor control over how and when funds are distributed and may also provide additional tax benefits. Gifts in trust can be beneficial for relatives who may not be financially responsible or when giving to younger children or grandchildren.

Trusts are traditionally used as an estate planning tool to distribute inheritance, but they can also be used as a gifting strategy to your family while you're still alive. There are many different types of trusts, and we can help you decide on the best option.

TYPE OF ASSETS TO GIVE

While almost any type of asset can be gifted (real estate, jewelry, artwork, etc.), the most common is still cash. It is the easiest and cleanest way to give. Cash also gives your recipient complete freedom as to how it's spent.

STOCK GIVING

Another great option for giving to your child is to gift stock, which has some significant benefits. Stocks have historically outperformed cash, as they continue to appreciate until the recipient decides to sell. If you trust your kids to leave the funds untouched, or if you intend for this gift to be a learning experience to help them understand investing better, then gifting stocks is a great option.

Although there are benefits to gifting stock, there are a few considerations to keep in mind. First, the value of the

stock gift is the fair market value at the time the gift is given. Second, the $16,000 annual exclusion amount applies to gifts of stock as well, and should be a consideration in determining the amount and timing of such a gift. Third, it's important to remember that stocks are only worth what they are selling for at that particular time. They will appreciate or depreciate according to the market. Finally, if the recipient decides to sell the stock, this could result in capital gains or losses. This could create tax implications, because the recipient of the gift receives the donor's cost basis in the stock (what the donor originally purchased the stock for). This is why we recommend working with Trust Point to determine if this is the best option for your situation.

BOTTOM LINE

Most individuals who are financially able to give do so to support those they love and care about. Overall, if you are in the position to give, there really isn't a wrong option. Consider who you are giving to, the purpose of your gift and if there are tax benefits or considerations.

Giving a "gift" to charity

We have several clients who want to do good with their wealth and are interested in giving "gifts" or donations to charitable causes that they care about. One of the most powerful ways is through a Qualified Charitable Distribution or QCD.

Clients who are at least 70 ½ years old can make a QCD from their IRA. The QCD will not be taxed on amounts up to $100,000 annually per taxpayer. If you are subject to Required Minimum Distributions (RMDs), you can use a QCD to satisfy your RMD. QCDs require a direct payment from the IRA to a qualified charity.

An additional benefit is that the QCD excludes the amount donated from inclusion in your taxable income, which is unlike regular withdrawals from an IRA. Keeping your taxable income lower may reduce income taxes on your Social Security benefits and income-related monthly adjusted amounts for Part B and Part D Medicare. Finally, QCDs don't require that you itemize, so you may take advantage of the higher standard deduction, but still use a QCD for charitable giving.

THE ROTH *Conversion*

Three reasons why a Roth conversion is an important part of your retirement strategy

by Dustin "Duke" Cunningham
CFP®, Regional Team Lead - Development

There are many strategies to consider when planning for retirement. Everyone's blueprint may look a little different, but a Roth conversion could be an important component.

A Roth conversion is simply converting funds in a pre-tax IRA or 401(k) to a Roth after-tax investment, which means money in a Roth IRA will grow tax free and can be withdrawn tax free.

Everyone should consider a Roth — younger generations investing or saving for retirement, those nearing retirement, as well as those already retired.

Let's take a look at some of the top reasons to consider a Roth conversion.

1 | TAX MANAGEMENT

First and foremost, the biggest reason to consider a Roth conversion is tax management. If you want to control your taxes in retirement, using a Roth conversion can help by locking in your current tax rates.

If you are just starting your career or even if you have scaled back your hours in anticipation of retirement, you may be in a lower tax rate now. However, later in retirement, you might expect to be in a higher tax rate because you have pension income, because you have large required distributions of your retirement savings, or because you expect tax rates to be higher when you retire. If you convert some of your assets now, you will pay taxes at the lower rate, essentially locking in current tax rates, and avoid having a higher tax rate for those future distributions from your IRA or 401(k).

2 | MANAGE MINIMUM DISTRIBUTIONS

Another important reason to consider a Roth conversion is to manage or help reduce future required minimum distributions from IRAs and other qualified accounts.

When retirees reach age 72, they may have IRAs or 401(k) balances that have required minimum distributions (RMDs). Since the assets are tax deferred, all of those distributions are taxable as ordinary income. A lot of times, retirees have pensions, social security or other income heading their way. A retiree's taxable income could increase substantially when their RMDs start in. An additional benefit of Roth IRAs is that they aren't subject to RMDs.

3 | LEGACY ASSETS FOR HEIRS

When parents pass and leave IRAs or 401(k)s to their children, their children typically have a 10-year distribution window. This is quite a change since the passing of the SECURE Act in December of 2019 which modified the stretch rules for most non-spousal IRA or 401(k) beneficiaries.

Oftentimes, when adult children are inheriting these assets, they're likely at a higher income earning phase of their lifetime. So, the inherited assets could end up being taxed at a higher tax rate — meaning less for your children. This is where the Roth conversions can be built up as a source of legacy assets for your heirs. If you convert IRA funds today to a Roth, you will lock in those funds at your current tax rate. While your children still will have to comply with the 10-year distribution rule, all the earnings since you converted to a Roth and any distributions, will be tax-free.

LOCKING IN CURRENT TAX RATES IS THE PRIMARY BENEFIT OF ROTH CONVERSION.

LEAN ON THE EXPERTS

This can be a lot to sort though. We understand there's a lot to consider, which is why our advisors at Trust Point coach our clients through all of these tax considerations. We also work with our clients' tax professionals to ensure we're being mindful of the costs or implications for each individual situation.

The bottom line is it's important to diversify how you save for retirement, and Roth conversions should be an integral part of your strategy.

Returning to Travel

Ready for a long-awaited getaway? Add these financial considerations to your pre-trip checklist

For most people, the past two years required travel plans to be completely suspended, indefinitely postponed, or reduced to essential trips only. Many of us began to wonder if we'd ever travel again. Now that the world is opening back up, it's finally time to start planning the adventure that's been on hold.

Traveling, especially for longer periods of time, requires some intentional design and foresight. Most of that preparation is obvious and exciting — like deciding when you'll travel, where you'll stay and who will join you. Financial components require a broader spectrum of anticipation and can sometimes be easily overlooked. Here's a checklist to help you make sure your finances are squared away so you can enjoy a stress-free trip.

Stop at the bank before you leave

- Let your bank know you'll be traveling so you don't lose access to your money.
- Set up spending alerts to get a notification when your card is used. This will help you notice suspicious activity.
- Ask your bank about transaction fees if you will travel abroad.
- Get cash — especially if you are heading overseas. Some countries will charge high ATM conversion fees.

Add an international phone plan

- If you don't already have an international phone plan, most carriers have an international text/call option that you can add that will cover the duration of your trip.

Share safely and securely

- Update your privacy settings before posting photos of your trip on social media. Make sure that only trusted friends and family are able to view your posts and see that you are away.
- Avoid public Wi-Fi if possible, or use a VPN if you have one.
- Update your device to protect against malware, spyware or other cyber threats.

by Jason Munz
CTFA, Vice President, Eau Claire

Consider traveler's insurance

○ Since we're still living with some uncertainty, it may be a good idea to consider traveler's insurance. Some credit card companies have a travel insurance option if you book with your card. This is often less expensive than going through a third party.

No one likes to think about this, but have a plan for worst case scenarios

○ Make copies of any travel documents you'll use for your trip (passport, driver's license or rental car information) in case they are lost or stolen.

○ Call your health insurance provider to see what international coverage is available if you are traveling overseas. For domestic travel, ask which hospitals or clinics are in network.

○ If you have life insurance and plan to travel overseas, check to see if it covers an international death.

○ If you don't currently have a will, you should before you travel.

Have a plan for your home while you're away

○ Leave a key with a neighbor or friend. It's important that someone can access your house if necessary.

○ Put your mail on hold, switch to paperless billing, or have someone collect your mail for you. Mail can contain sensitive personal information; the risk of identity theft increases when it is left in your mailbox unattended.

Reach out to your Trust Point relationship manager if you have any questions about an upcoming trip. We're happy to help answer any financial questions you might have about your travel plans.

KEEP YOUR BELONGINGS SAFE:

A body wallet – a small, secure bag that straps to your body – is a great way to keep money, credit cards, passports and other valuables safe while you travel. Some even have an RFID blocking feature, which prevents remote reading of your credit cards' microchips.

Flexible schedule? Save big on travel.

▶ If you are able to travel without having to do extensive advanced planning, you might be able to score some last minute sales.

If you're retired or happen to have the ability to be flexible, you are likely able to save extra on your flights or hotel stays. There are several online travel newsletters that you can subscribe to, such as Scotts Cheap Flights, Next Vacay, TripFate, Jack's Flight Club, I Know the Pilot and Secret Flying. These newsletters will send out notifications to your email when airlines or hotels have good last minute deals. If you have the willingness and wherewithal to drop everything and go, your flexibility can be a financial benefit.

ARE YOU *Retirement Ready?*

Five steps to take in your final year before retiring

AFTER DECADES OF EMPLOYMENT,

you're finally on the homestretch toward retirement. Your last day of work is set and it's only a year away. Are you ready?

It's a question we all need to ask ourselves eventually. The final year of your career can be a busy and emotional time. It's also a time to make sure you're prepared for what's next. Before retirement arrives, it's important to take inventory of some key financial decisions, along with getting ready mentally for the next stage of your life.

Use this checklist to help guide your retirement readiness.

1 CREATE A BUDGET

Once you retire, your steady paycheck will need to be replaced with other sources of income. Those include 401(k) plans, individual retirement accounts, taxable brokerage accounts, Social Security, and pensions.

You've probably budgeted in one way or another throughout your life, but now you need to determine how to draw on those investments in a way that will maximize the life of your nest egg while minimizing income taxes. That will require taking a hard look at your expenses — prioritizing your needs vs. your wants — and carefully choosing how to withdraw funds.

by Mark Chamberlain & Brenda Stuhr
JD, CPA, Senior Vice President / CPA, CTFA, Vice President,
Wealth Management/Learning and Development

2 DECIDE WHERE TO DRAW

The standard rule of thumb for retirees is to take income from taxable accounts first, then from tax-deferred traditional IRAs and 401(k)s next, and letting Roth IRAs compound tax-free indefinitely. This lets traditional IRAs and 401(k)s grow tax-deferred until the required distribution age of 72.

Another goal of retirement distribution planning is to maintain a steady marginal tax rate year over year. It is important to be mindful of the funding source for larger periodic purchases — such as a new car or retirement home — and whether to take from taxable or tax-free sources.

Of course, other factors can change where you withdraw. Your retirement age is a key consideration, along with your estate planning goals, and when you claim Social Security. A Trust Point financial professional can help you make the best decision for your situation.

3 CONSOLIDATE

You might have different pockets of money in different places — an investment account with one advisor, a retirement plan with a past employer, etc. We recommend consolidating assets under one advisor, making investments easier and more efficient to track and manage, which tends to produce better outcomes.

4 MAKE SENSE OF MEDICARE

Once you leave the workforce, you'll also leave your employer-provided health insurance. For most retirees, that means you'll depend on Medicare for your health care needs. Medicare is complex, but it's a good idea to get a good handle on how it works, what you can expect to pay in premiums, coverage gaps, and, importantly, what you can afford. You can get started at **medicare.gov**.

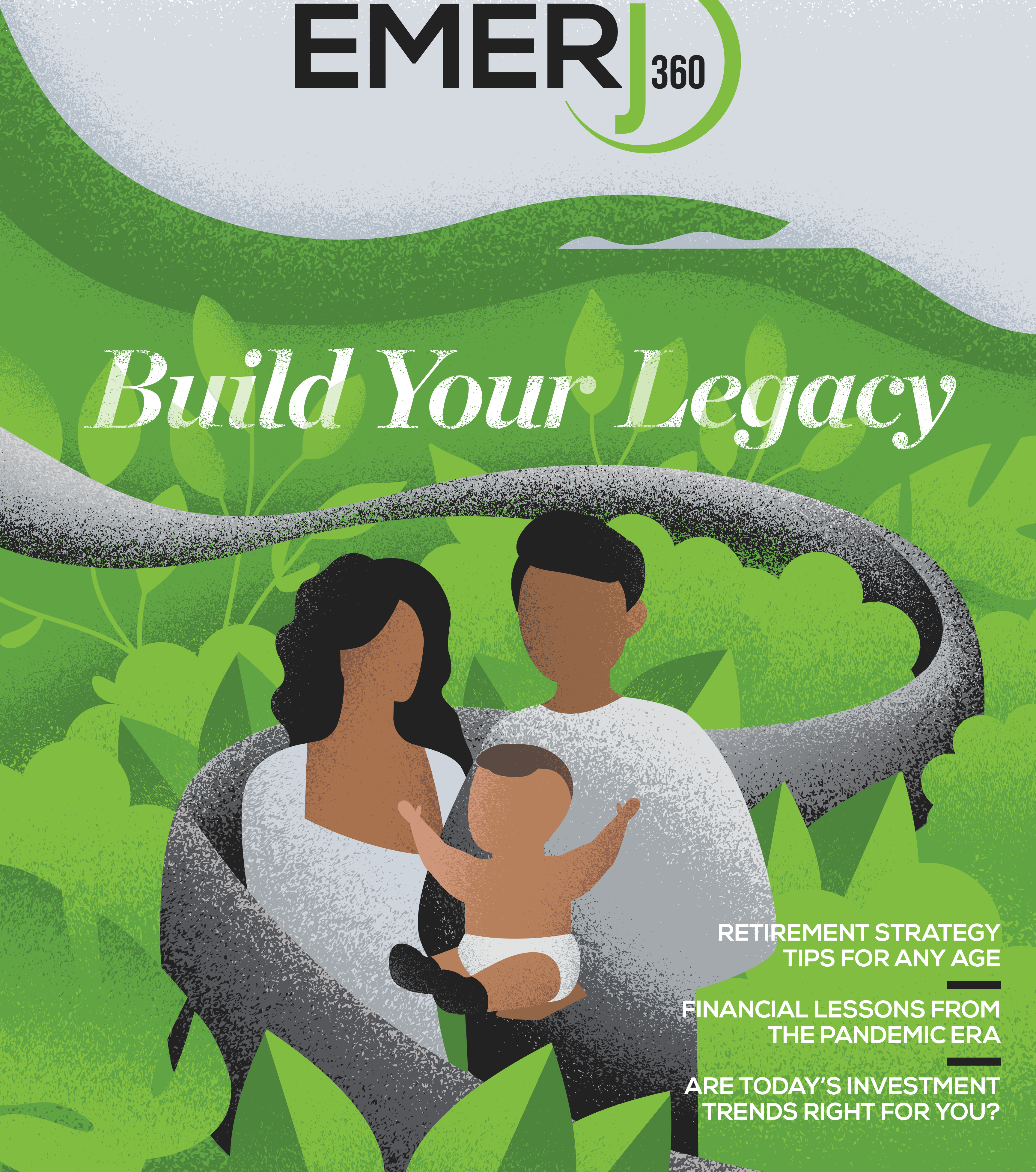
Did You Know?
Most Americans hope to stop working by age 62.*

5 FIND PURPOSE

For many of us, our jobs become part of our identity and life without work can be jarring. It's important to consider what provides meaning in your life. How can you not only fill your days, but maintain a sense of purpose? Whether it's travel, hobbies, spending time with family, or volunteering, it's important to do something you find fulfilling with your newfound time.

*Natixis Investment Managers 2021 Global Retirement Index

EMERJ 360



Build Your Legacy

RETIREMENT STRATEGY TIPS FOR ANY AGE

FINANCIAL LESSONS FROM THE PANDEMIC ERA

ARE TODAY'S INVESTMENT TRENDS RIGHT FOR YOU?


EMERJ 360
emerj360.com
PLAN. INVEST. RELAX.
With a modern, self-serve digital platform and a team of industry experts ready to assist when you need it, you can trust Emerj360 to help you save for all of life's milestone moments.

Introducing EMERJ360

DIGITAL INVESTING

FINANCIAL PLANNING

REAL PEOPLE

This new division of Trust Point is backed by our same long-standing fiduciary values and experienced investment team. Heather N. Jordan, CFP®, MBA, Managing Director and Brett A. Sebion, Financial Coach, share what Emerj360 offers.

HEATHER: We are so happy to introduce Emerj360, Trust Point's new division. It's grown from the belief that expanded services and approachable investing could help more people to plan, save and retire comfortably. We created this new division to be client-driven and responsive to the digital age by using a blend of online tools and personal expertise to manage accounts. For me, helping people to make good financial decisions and bringing them peace of mind up to and through retirement is extremely rewarding and satisfying.

We are trying to evolve the financial industry to serve a broader group of investors by working with people in all kinds of scenarios. Several of our clients are well into their accumulation phase, and some are just starting out in their careers. Others are nearing or in retirement. Emerj360 shares the same fiduciary values, which is always working in the best interest of our clients, and investment expertise as Trust Point, but we use a blended-approach of technology and personal service for our accounts.

BRETT: Emerj360 is Trust Point's solution to people wanting better technology and digital resources. Our clients have access to several online tools and resources on demand that they can navigate on their own. Our clients are able to open accounts online, invest and move money however they'd like. Unlike other online investing platforms, when our clients have a question or need expert guidance, they have us here to help.

Our job is to make people feel comfortable about the financial aspect of their lives. We're here to be the investment expert for them, so they can focus on enjoying the other parts of their lives. We take care of your investments, while you take care of everything else.

EMERJ 360

Retirement Ready at Every Age

Key retirement considerations for all ages

by Brett Sebion
Financial Coach

For some, retirement is a far-off dream; for others, it is urgently approaching. No matter your age, the most important aspects of planning for retirement are education, preparation, and action.

Starting early with small saving efforts can make a substantial difference in the long run, and strategic planning as you near retirement ensures that your golden years will be comfortable. No financial plan is one-size-fits-all, but there are some important general guidelines to follow that are beneficial in the process of retirement planning.

Steady and consistent goals throughout your working years are foundational to creating the lifestyle you envision during retirement. We've outlined some age-range retirement guidelines to help you navigate and prepare as you advance through your working years. Although these goals are separated by age group, they build upon each other and should be carried forward as a best financial practice through all ages.

Retirement Ready at Every Age

AGE 25
START SAVING AND GET CURIOUS

In your 20s, retirement seems so distant that it might be hard to clearly see how small financial actions will affect you down the road. This is the best time to learn personal finance basics, like budgeting, paying down debt and saving. It's also a great time to ask questions and develop a working understanding of your company's retirement account. Here's what you can do at 25 to start getting retirement ready:

- Create a budget, and stick to it. Use it to minimize discretionary spending and to help start building up your personal savings account.
- Start getting serious about paying down any debts (student loans, auto loans, credit card debt) you might have.
- Enroll in your company's 401(k) or similar retirement option. If your company doesn't offer one, open an IRA and set up regular contributions. Any amount you can set aside towards retirement at this age will make a noticeable difference in the long run.

AGE 35
MAXIMIZE

Your 30s often mean a more stable, reliable income. During this time, you might be able to pay off significant personal debts like student or auto loans, or you might benefit from a dual income. Both situations create some financial flexibility. Here's what you can do to build on the work you started in your 20s.

- Max out your company's match. If you only contributed a few spare dollars to your retirement during your 20s, now is the time to optimize your savings. Take advantage of that opportunity for additional savings by determining the amount you need to set aside to meet your company match.
- Assess your account and set goals. Review the balance in your retirement account. You should have approximately 1.5x-2x your salary saved by this age. If you don't, make a plan to get there by adjusting your budget to prioritize your retirement contributions.
- Start a practice of reviewing your retirement account regularly. Watching your savings grow is extremely motivating and helps to contextualize the importance of setting money aside for yourself later.

AGE 45
CLARIFY YOUR NEEDS

Now is the time to get specific about retirement income, taxes, and cost of living. In your 40s, you'll have a better understanding of lifestyle costs and what needs you want to prepare for when you retire. This is the time to look at the big picture of your finances and focus on what you can do now to get you where you want to be when you retire.

- Learn about all forms of income you might have coming your way during retirement, such as a pension or Social Security. These help to refine your retirement savings goals and assess whether your current retirement accounts are on target.
- Factor taxes into your retirement income. Depending on your retirement plan, the money in your account may be taxed at your regular income tax rate upon withdrawal, meaning not every dollar in your account is yours. Adjust your monthly contributions if the actual amount of money after taxes is less than you want or need.
- Put a discerning eye to your mortgage. Could you refinance for a lower interest rate? Could you make a plan to pay it off? Living mortgage-free in retirement, or nearing retirement, means a lot more financial freedom. This is the perfect time to start making that happen.

AGE 55
BOOST YOUR SAVINGS POTENTIAL

Once you're over 50, you can make larger contributions to your retirement accounts. This is the time to get serious and strategic about expanding your savings.

- Max out catch-up contributions to pad your retirement account. Currently, anyone 50 and over can add an additional $6,500 to most retirement plans, such as a 401(k) or a 403(b). Similarly, you can save an additional $1,000 to your IRA (Traditional or Roth) annually. Although intended to help people who got a late start on retirement savings, anyone in this age group can benefit from this opportunity.
- Consider adding an IRA (Traditional or Roth) to your retirement savings if you feel you need or want additional income sources. Speak with your Emerj360 advisor if this is something you'll need, and if so, which option is best for you.
- Work with an Emerj360 advisor to balance your portfolio to reflect your age, tolerance for risk, and investment objectives.

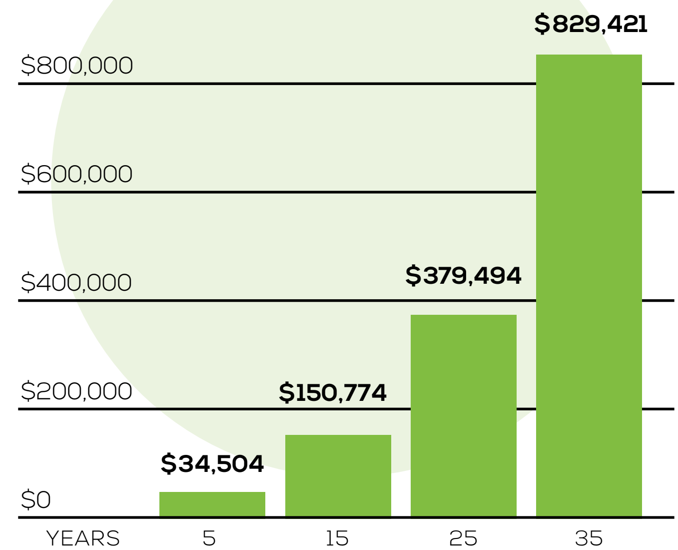
TARGET RETIREMENT SAVINGS BY AGE

AGE	ANNUAL SALARY
30	1x Annual Salary
40	3x Annual Salary
50	6x Annual Salary
60	8x Annual Salary
67	10x Annual Salary

Source: Fidelity

THE ADVANTAGE OF STARTING EARLY

Start now! This chart shows what you would accumulate at 5, 15, 25 and 35 years if you saved $6,000 each year and your money earned 7% annually.



Source: U.S. Department of Labor

AGE 60
MONITOR AND SIT TIGHT

Retirement age is approaching, the main goal is to be patient and smart with your funds.

- Take the time to understand exactly how your retirement savings will become your retirement income. Review your portfolio with your Emerj360 advisor to see if anything should be adjusted. By this age, you should assess your portfolio annually, if not more frequently.
- Leave your money alone, if possible. Once you reach age 72, you have to take required minimum distributions (RMDs) from your retirement accounts. The longer you can let your savings mature to reach their greatest potential, the better off you'll be.
- Wait until full retirement age (66 if you were born between 1943 and 1954) before taking Social Security to maximize your benefits.

Retirement planning is a marathon, not a sprint. Intentionally saving and communicating with our experts at Emerj360 when needed will help you build the life you want during retirement. After a lifetime of working hard and being smart about money, a relaxing retirement is well deserved.

Financial Lessons From the Pandemic

The recession caused by the COVID-19 health crisis taught us that proactive measures are the best financial plan

Historically, every 8 to 10 years, the economy experiences a recessionary environment. For many investors, 2020 was the first recession they have experienced. Nobody loves a recession, but there is a silver lining; they provide a unique opportunity to pay closer attention to your personal finances, learn from experience and create a proactive financial plan for the future.

At Emerj360, we always say "control what you can control." Aspects of your personal finances that are within the realm of your control are your budget, emergency funds and asset allocation. Financial lessons emerged in each of these areas during the pandemic.

by Heather Jordan & Brett Sebion
CFP®, MBA, Managing Director / Financial Coach

> Control what you can control. Aspects of your personal finances that are within the realm of your control are your budget, emergency fund, and asset allocation.

LESSON 1:
BUILD AN EMERGENCY FUND

The pandemic taught us to expect the unexpected. Emergency funds were top of mind for most people during the pandemic, due to the fact that several jobs were lost or furloughed. Having a savings cushion allowed people to pivot comfortably when the pandemic became an income-affecting emergency. It may seem like Personal Finance 101, but emergency funds are a necessity, and many people didn't have one. Depending on each individual situation, it is crucial to have three to six months of expenses saved for the unexpected in a checking, savings, or money market account.

LESSON 2:
USE A BUDGET

During the lockdown, discretionary spending plummeted, which helped people to more clearly define the difference between a want and a need. Everybody knows that keeping a budget to monitor spending is important. However, like we saw with emergency funds, many people didn't actually have one. Our clients wanted advice on cash flow management, and how to decide if they should save surplus funds or use them to aggressively pay down debt. Using a budget to manage income and expenses is the most effective way to make your finances work for your needs, because it puts you in total control of your cash flow.

LESSON 3:
STAY THE COURSE

Investors learned they need to keep a long-term mindset. The market naturally experiences periods of recessions and pullbacks. Sometimes, individuals get emotional and want to pull money out because they worry they're going to lose everything.

Stocks generally go up over a long period of time. A younger investor can tolerate more risk in the market because they have a longer investment horizon. Younger investors should never make the decision to pull money out, especially when they are contributing to their employer-sponsored 401(k). As a person gets closer to retirement, their asset allocation should shift towards a more conservative approach, as the investment time horizon gets shorter. Working with a financial professional can assist in these types of changes the closer you get to retirement.

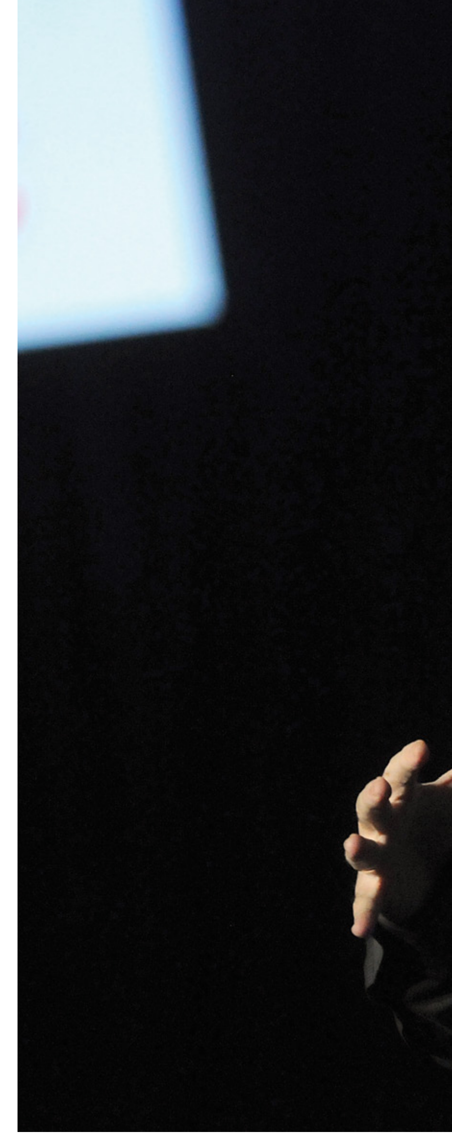
OVERALL:
POSITIVE OUTLOOK

Being systematic and process-oriented by building an emergency fund, following a budget, and staying the course will help you live comfortably when the next recession happens. We see time and time again clients who budget, save, and invest throughout market volatility and recessionary periods come out better than ever.

EMERJ360

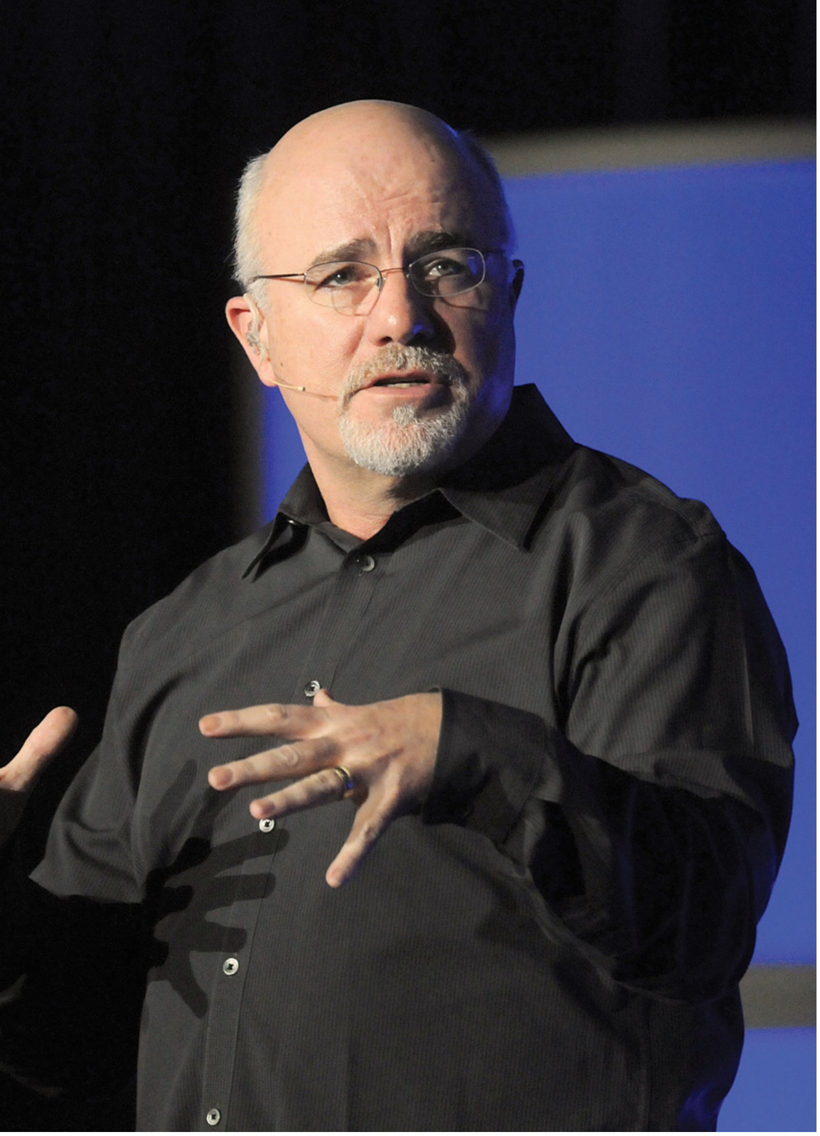

by Heather Jordan & Jason Munz
CFP®, MBA, Managing Director / CTFA, Vice President, Eau Claire

Our experts weigh in on DAVE RAMSEY & the FIRE method to retirement



POPULAR RETIREMENT APPROACHES DECONSTRUCTED

When we talk with our clients about retirement, we frequently hear the name Dave Ramsey, and we are starting to hear more people bring up FIRE (Financial Independence Retire Early). Both approaches have mainstream popularity, but are they right for everyone? Let's take a look at both.



Dave Ramsey is highly regarded for his systematic approach to retirement, which follows a sequence of "baby steps."

DAVE RAMSEY

Dave Ramsey is a financial personality who has authored several books and hosts a radio show. His systematic retirement approach involves following this sequence of "baby steps:"

1: Save $1,000 as a starter emergency fund
2: Pay off all debt (except the house) using the snowball method
3: Save 3-6 months of expenses in a fully funded emergency fund
4: Invest 15% of your household income in retirement
5: Save for your children's college fund
6: Pay off your mortgage early
7: Build wealth and give

Our thoughts on Ramsey's sequence

Ramsey says to focus on one baby step at a time (excluding steps 4, 5, and 6, which are done simultaneously). Focusing full financial attention on paying off debt or building emergency funds ignores investing. There's no reason that a person shouldn't invest while tackling debt or building an emergency fund, especially if they have an employer match.

Paying off debt

Ramsey suggests that paying off debt isn't mathematical — it's behavioral. The snowball method pays off debt smallest to largest, regardless of interest rate. This often means quicker gratification. However, it may take longer. A more mathematical approach is the avalanche method, where debt is paid according to interest rates, highest to lowest. With this method, gratification might be delayed because the first debt can take longer to pay off, but you might be debt-free quicker. Choosing a method is a matter of personal preference.

Paying off the mortgage early

This step is situational and depends on a person's risk tolerance and age. Someone who is 30 or 40 and has a low mortgage rate could opt to invest surplus funds, as there is typically a greater rate of return. For someone closer to retirement or someone with a high mortgage rate, it may make sense for them to pay off their mortgage sooner.

FIRE

This is a newer retirement approach that stands for Financial Independence Retire Early. In this approach, a person aggressively saves as much as 50 percent of their income so they can retire in their 30s or 40s. Once their savings reaches 25-30 times their annual expenses, they can theoretically withdraw four percent of their portfolio annually and live on that through retirement.

Our thoughts on FIRE

This method requires extreme commitment and expert guidance on how you invest your savings. It is possible, but some things to factor in are college savings, daycare, home improvement and travel. Once retired, health insurance and Social Security are also considerations.

Final thoughts

Financial landscapes vary from person to person, so one size doesn't fit all. Both approaches emphasize the importance of budgeting and saving as critical aspects to retirement, and both are heavily structured. Every retirement plan should be created with the guidance of your financial professional.