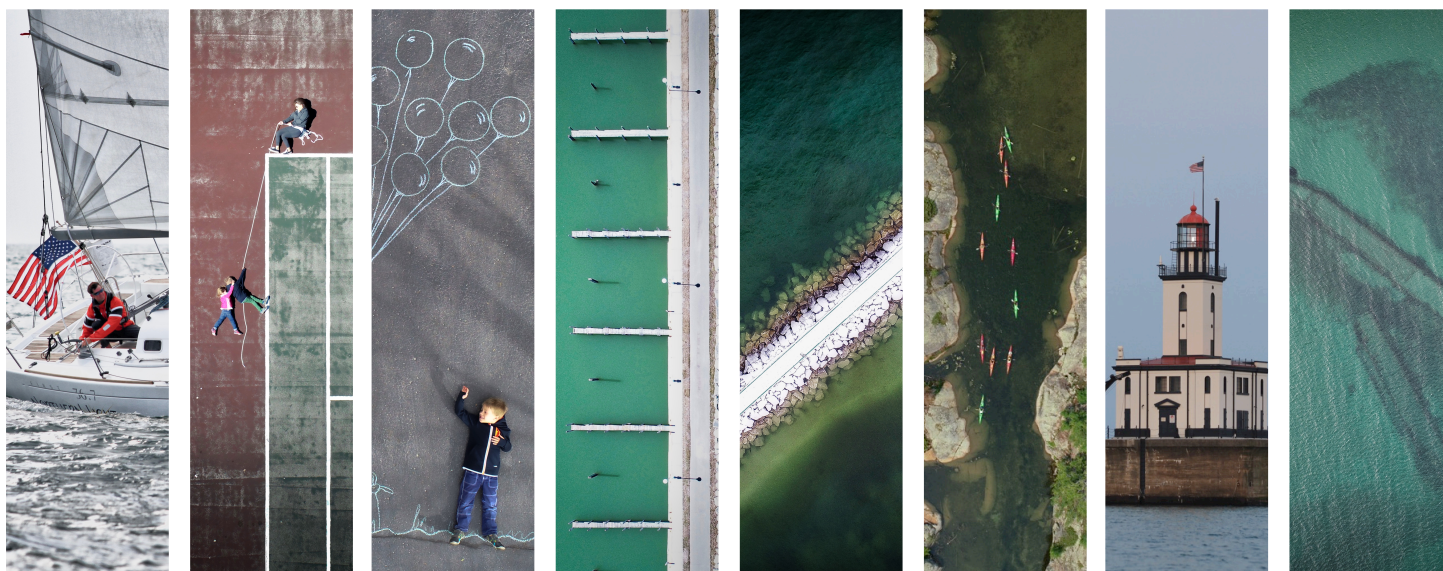


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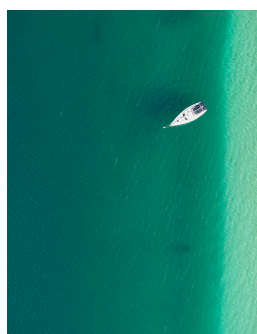
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retirement plan advisory





OLDMISSION CONTENTS

OVERVIEW



Cover Image: Boat on permanent mooring pennant at the natural harbor of Old Mission.

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- 6 Getting there from here**
Sailing as a metaphor for life.

- 8 Lindsay Fitzpatrick**
A new advisor to join Old Mission.

- 10 How Stocks Work**
A look at the mechanisms that drive stock prices and how they are interpreted.

- 14 How Bonds Work**
The structure of bonds, their benefits, and how they function.



18 **Planning for Digital Assets**

Your online photos and digital footprint are assets too. How do you deal with those in your estate and trust planning?

22 **Inheritance Fairness**

Not all inheritances are equal. Varying tax rates can cause a disproportionate inheritance among your family members.

26 **Legislative Intelligence**

Some new tax laws are being discussed. We discuss a few worthy of your time.

28 **Recession Obsession**

With all the talk of a potential recession, what are the traits and characteristics of stocks, bonds, and the economy in general during recessionary time periods.

33 **Defining Risk**

What is risk, how is it defined by different investors, and how does it impact decisions?

36 **Disinheriting**

It happens. A few comments on the why, how, and the various issues to consider in your estate and trust planning.

41 **The Right Stuff**

Not all retirement plans are created equal. Business owners, and self employed individuals have a variety of different options to choose from.

GETTING THERE FROM HERE.

Usually, you pull a copy of any financial magazine, and the shapes of sailboats, their sails, and a picturesque setting will grace more than just a few pages. While some will regard these images as the need for safe passage and skilled navigation, others will see a life filled with calm seas and retirement. What's not visible are the years of building skills that went into understanding the principles of sailing, fluid dynamics, hull shape and the naval architecture that brings everything into function.

The parallels of life and sailing are endless. I've written about this before, but never in as much detail as I will here. But, as a metaphor for life, life and sailing are incredibly similar.

I remember someone mocking the sailing community saying, 'Point to where you need to go, and then go somewhere else,' which is totally correct. Richard Bode, an author, once wrote about sailing saying, 'The shortest distance between two points is a zigzag line.'

Paying attention to the shifts in the winds are important when racing, but deploying a proper strategy of getting up the course as fast as possible is almost always the goal. Strategy considers the large picture - the winds, the tides, and the forecast - while sailing to your goal as fast as possible

Sailing works due to the forces that exist above the waterline - in terms of a boat's sails and rigging - as well as below the water's surface, as water rushes past the keel attached to a boat's bottom. The sails, while many believe are 'blown' from behind, actually 'pull' a sailboat forward as the wind passes over the sails - high pressure on the inside curve of the sail seeks the low pressure on the opposite side. This creates 'lift' and with a keel that prevents the boat from slipping sideways, a sailboat glides forward and ultimately upwind. It's surprising to many that sailboats are able to sail 'up wind' but they do. Through a series of 'zig-zag' tacks, yachts racing from Chicago to Mackinac every summer can sail 333 miles marching toward the direction of the wind as they are 'pulled' north into the Straits of Mackinac and home to the finish in Lake Huron.

A keel, by layman's standards, is about stability. Rarely to be seen unless you've been very unlucky, a keel is meant to provide a trusted balance below the waterline as boats heel from side-to-side. A boat's keel ensures her occupants that the boat won't simply fall into the water when hit by a gust of wind high in her rigging. A keel provides 'righting ability' but, it also provides lateral resistance keeping a boat from slipping sideways in the water, losing efficiency as she sails farther from her target. It's a vitally important part of any sailboat's design, but something that is rarely, if ever, seen. A boat's keel and her sails don't compete against each other for importance. No one element is more important than the other, since each works together for a boat to be balanced and ultimately functional. It's a beautiful thing when the exposure to the risk of the wind through a boat's sails are matched with the balance of the keel below the waterline. It's magic, really.

Sailboats don't sail by pointing their bows into the wind and hoping for the best. You have to sail at angles to the wind for sails to work as they are designed. Designs have been drawn on paper, computer, tested over time, manufactured to specifications, and tested again.

Like a compass on a sailboat's binnacle, a boat relies on a captain and her crew to navigate the rocks and the hazards that exist along the shorelines and under the water's surface. A compass that points north makes no mention of the hazards along the way, something a skilled navigator is tasked to do, looking at the charts, considering the winds, the waves, and gauging the safety of the passage to be made.

This year will mark my 16th Race to Mackinac. I've served on boats - including my own - as captain, crew, navigator, trimmer, and helmsman. The races were tough, with wind, waves, and violent storms that made passage rather treacherous during some years. Systems were put to the test, and boats and their respective designs did a great job of taking care of their crews.

There have absolutely been times racing that you had a legitimate reason to doubt what was real - 2011 was one of those races. We were struck by a violent storm in the middle of the night that ultimately killed two other sailors. Our boat was heeling at such a severe angle by the 100 mile-an-hour winds that it was surprising that nothing was damaged or broken. The keel, rarely seen but always trusted, worked as designed not allowing the boat to capsize no matter the strength of the wind that night. We went to work immediately dousing our spinnaker, reducing sail area, and getting our boat under control. I thought that the 2011 race might be my last. But, the fear I created in my own mind that a good boat would *not* take care of her crew, was largely unfounded. Being fearful of the unknown is very real. But, having faith based on the work of many - including the likes of Bernoulli, Einstein, Newton, Farr, and Johnstone - gave me a basis of trust in their theories, facts, and expertise as I've relied on their principles for my own safety.

Wealth management isn't a straight line. It's a zig-zag, 'go anywhere' sort of relationship between time, money, and other factors, that makes it virtually identical to the sport of sailing. While stocks may have *earned* an 8% average rate of return over the past 40 years, they've *never* earned exactly 8% every single year. Some years are better than others. Even though storms come and go and winds change, it's impossible to point your bow directly into the wind expecting to achieve results by going *exactly* where you want to go. You can, however, 'get there from here' with a little patience, skill, faith, and trust.

Sail on.



Christopher M. Lamb, CIMA®, CFEA®
Managing Partner and Principal



Image: S/V 'Northern Light' zigging and zagging the waters of Northern Michigan since 2004.

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the Old Mission Publication by calling our
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delivered to your attention.*