

OLD MISSION

An aerial photograph showing a large concrete dam with a series of buttresses, stretching across a deep green reservoir. In the foreground, a building with a prominent red roof and a white cupola sits on a snowy, rocky slope. The scene is captured from a high angle, looking down towards the dam and the building.

publication of old mission investment & trust
fall & winter 2020/21

trust administration
wealth management
investment services
retirement plan advisory

COMPANY

Privately owned and independent, Old Mission Investment and Trust is a fee only wealth advisor and private trust organization. Old Mission works with families and investors through comprehensive wealth management services to achieve peace of mind for all clients.



Jo Ann B. Hudson

Client Service Specialist, Operations leader. Focus on firm operations, account service and administration, and client relationship management. Firm member since 2006.



Christopher M. Lamb, CIMA®, CTFA®

Managing Partner, Principal and Trust Officer. Focus on trust and estate planning and administration, and member of the Old Mission Investment and Trust Investment Committees. Founding member of firm.



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Kendra R. Rasner

Vice President, Investments, Investment Officer. Focus on portfolio management, investment analytics, and wealth management. Firm member since 2020.



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Vice President, Investments and Financial Planning, Saginaw. Serves as lead advisor for Old Mission Financial Planning services. Firm member since 2019.



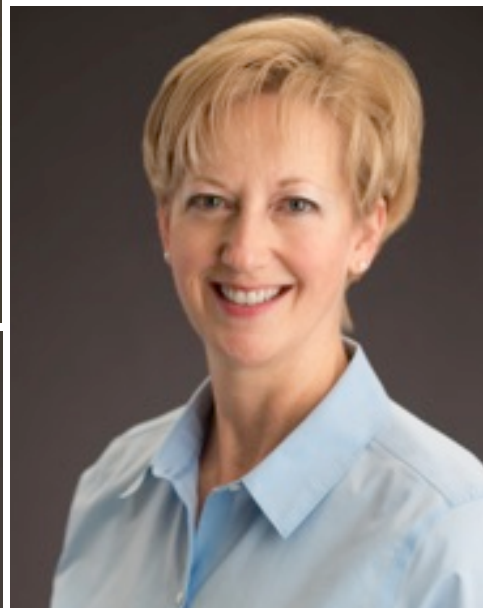
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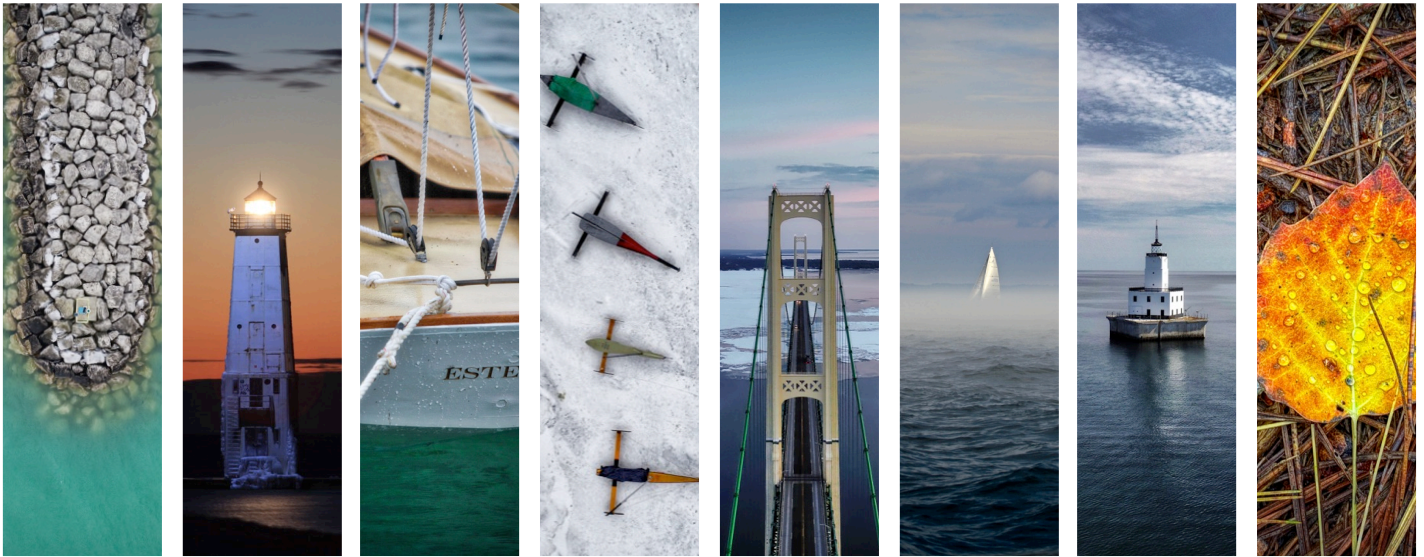
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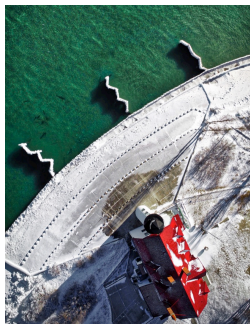


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Cover: Drone image. Pointe Betsie Lighthouse, Lake Michigan. Located north of Frankfort in Benzie County in Northern Michigan. Construction began in 1854, but it was not completed until 1858, and began service in the shipping season of 1859.

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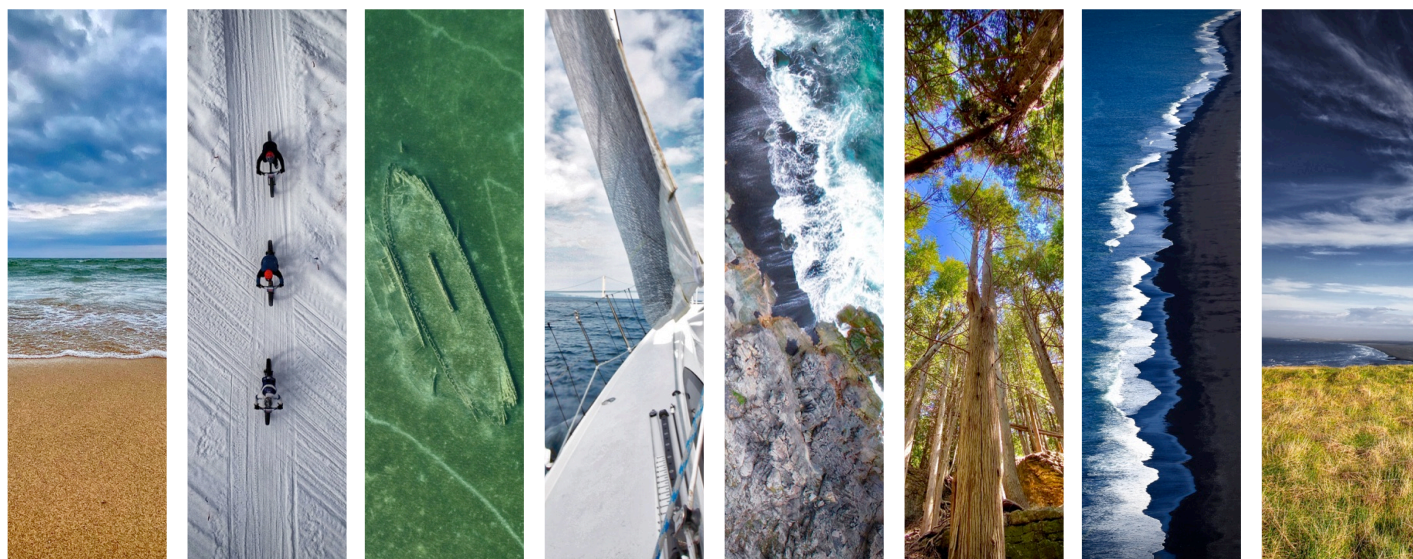
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DEEP BREATHS

This is an odd year of masks, social distancing, Facetime, Zoom calls, working from home, and washing our hands and using sanitizer like it's going out of style.

In the markets, and with client portfolios for that matter, we've endured a few bumps in the road. Thankfully, we were able to exit the other side without too much of an issue. Of course, it's not over yet. While many had hoped the pandemic would be gone by now, it's clear that it will be with us for at least a little while longer.

Our normal spending habits and our desire to shake hands and exchange hugs have gone on temporary hiatus. We don't have as many trips on our calendars. We don't spend mealtimes inside bars and restaurants as much because our health is more important than having dinner and drinks at our favorite places. It's been a big adjustment, but we'll be back. Habits are hard to change.

We've seen companies struggle during this time, but we've also seen others flourish. Families have opted for take-out vs. dine-in. Municipalities have found ways to create open spaces that allow businesses to move operations outdoors. It's all been about being flexible and being open to new ideas in order to achieve the needed result.

What's next for our economy? For a long time, many people have been focused squarely on the election. I hear the same thing every four years — "If a Democrat is elected, the world is going to go to hell," Republicans say, and Democrats say the opposite, "If a Republican is elected, the world will go to hell." I've had the pleasure to listen to both sides during my 28 years of providing wealth management advice. As both a student of the markets and as a wealth management practitioner, I always respond by saying, "It won't matter who's elected or who isn't elected." This isn't just a carefree, cavalier attitude about an important event that happens in our country every four years. Rather, it's a way to express my sincere opinion that elections never have anything to do with the number of iPads our friends at Apple sell, the number of aircraft Boeing produces, or the quantity of *anything* that Amazon ships direct to our doorsteps using UPS or FedEx. The success of the small businesses we support in our downtowns is based on the hard work of owners and employees, not on the political environment. Some things do *not* change, elections and pandemics notwithstanding. From an investment standpoint, it's wise to begin with this assumption.

The markets have a lot of uncertainty in the near term, as they *always* do. No one in the wealth management industry can know with absolute certainty what tomorrow may bring in terms of returns. Fortunately, we have a big advantage on our side: the odds favor long-term investments. The longer investors participate *as investors*, the better their odds get. It's a foundational truth of investing: The longer you participate, the better your chance for success.

Some things *do* change. Certain segments of our economy are improving rapidly. We are quickly changing our spending patterns to favor cashless transactions because people don't want to touch money and coins right now. You can buy a cup of coffee using your iPhone. Owe your friend \$33 for dinner last night? Pay her back with Apple Pay right on the spot, as easily as sending a text message.

Concerning COVID-19, this November, Americans received the good news that two vaccines will be ready by the end of the year. I'm confident that more vaccines will be developed, approved, and widely available soon. Many companies embarked on the mission to develop vaccines at record speed, some through joint efforts. Their work will be just as significant as the technologies that emerged through our nation's space program. Medical, genetic, and science-based companies may come to see this period as their day in the sun. And it wouldn't surprise if the speed with which we developed COVID-19 vaccines will be mind-blowing in hindsight. Compared to polio, smallpox, and other significant diseases, the technological speed with which we'll successfully attack this issue may surprise many people. No doubt, we've had our share of gaffes and missteps. America's appearance on the Do Not Admit list of other countries isn't exactly our finest hour. But, we will get through it.

In the meantime, we'll keep in touch, wash our hands, put on a mask when needed, and expect that the human spirit will once again rise to the occasion and push the virus into the history books as one more hurdle we've overcome. The markets will be fine, too.



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



Image: Drone image. Hammond Bay Biological Station, Rogers City, Michigan. Formerly a United States Lifesaving Station in northern Lake Huron. Lookout tower utilized for spotting stranded ships and endangered sailors.

ADDING STRUCTURE

We welcome Kendra Rasner to Old Mission Investment and Trust. Kendra will serve as a wealth manager and investment officer with our firm. Adding structure is good. Adding younger advisors to the firm is even better.

Bringing new talent into our firm has always been a priority. Whether they are financial planners, trust officers, attorneys, or accountants, the advisors at our firm each fill a specific role. Working as a team, with everyone bringing their special background and talent to the effort, clients are well served across the board.

Kendra comes our firm from a local trust department in the banking environment. She started as an Associate Portfolio Manager within Fifth Third's trust department and rose to become a Portfolio Manager. Wealth management, as Kendra knows, isn't solely about numbers on a spreadsheet or statement. Kendra crafts relationships that rely on her expertise in money management, paying attention to matters involving tax, asset allocation, security selection, and market-based strategies. She works closely with others in her field and is taking her career to a new level as she prepares to take the Chartered Financial Analyst (CFA®) exam in the near future.

Kendra's educational background is diverse. She graduated from Michigan Technological University with a degree in finance and a minor in economics. She went to Michigan Tech planning to pursue a degree in chemical engineering, but immediately

shifted gears after taking her first class in finance. Kendra made her way into the College of Business at Michigan Tech, joined the Economics Club, was President of the Finance Club, and President of the Applied Portfolio Management Program as well.

At Old Mission, Kendra's position includes staying up to date on market information, individual security research and portfolio modeling, and handling our firm's trading and allocation for client accounts. She also enjoys working directly for clients and will serve as a primary advisor on client accounts as her relationships develop. She's familiar with collaborating in a team-based environment, something that has always been a unique characteristic of our firm as compared to other organizations.

On a personal note, Kendra is a native of Michigan's Upper Peninsula. She grew up in a small town named Wallace, a little north of Green Bay. She appreciates doing anything outdoors, shares her life with her chocolate Labrador, loves the adventure of a good road trip, and plays a little golf, too.

We welcome Kendra to our firm and know that she'll make a great impression on everyone she meets. Huzzah! **OM**



Photo: John Robert Williams

VALUE AND GROWTH

Shares in growth-based companies have provided superior results against their value-based counterparts. How long can this last, and is there value (no pun intended) in having both?

Written by: Christopher M. Lamb, CIMA, CTFA

Equity-based investment management can largely be broken down into two distinct disciplines: value and growth. While most investors don't really know the difference and tend to look largely at investment returns, the differences between value stocks and growth stocks are like night and day. Most recently, the divergence in returns of the two styles hit an all-time historical record, with growth investments outpacing value by almost 43% over the past 12-month period. This disparity alone might cause people to question the validity of the value investment discipline, but in our opinion, drawing that conclusion would be a mistake.

Value Defined. Value-based companies are organizations that have been around for a fairly long period of time. They've generated tremendous businesses that have survived depressions, wars, and economic slumps. Value-based investments don't necessarily grow their revenues and bottom lines very fast, but they offer a predictable cash flow from the sale of goods and services that have matured from the standpoint of their product cycle. Subtle improvements may be made to their products over time, but their sales are predictable.

Value stocks don't have a substantial need to reinvent and reinvest their earned capital into the business at the same feverish pace that growth companies often must. Value company products produce a predictable cash flow, and due to their modest reinvestment needs, value companies have a higher propensity to provide current income to their investors in the form of dividends. If the company has no need for their capital, they generally prefer to pay a dividend to their shareholders.

JPMorgan, Chevron, Exxon, Johnson & Johnson, and Procter & Gamble are examples of value-based companies. All have products that are predictable, widely accepted, and don't require reinvention in order to keep up with the times. Their products are, in a way, timeless.

Growth Defined. By contrast, growth companies are in the relative infancy of their lifecycle. They are newer and require rapid adaptation of their products to the marketplace. Their level of competition for sales is often more intense, requiring substantial levels of profit reinvestment in order to keep things moving in the right direction. Growth companies also make profits at a faster pace than their value counterparts. This can contribute to the volatility of the growth segment of the market, since fast growth projected into the future can yield poor results when growth targets aren't attained.

Amazon, Apple, Google, and Netflix are examples of growth-based investments. Growth companies pay little to their investors in terms of cash flow through dividends. They have a need to keep their capital "at the ready" so they can change product lines and adapt new processes and technology. They may also require additional investments into new product lines, until the time comes when their product cycles mature. At that point, the former growth company becomes a value investment.

Cash Flow. Dividends can be a significant reason why investors choose value-based investments. Since value investments have a tendency to pay higher dividend payout



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This is an abbreviated version of our firm's client publication.

For the complete copy of our publication, which includes all written commentary and articles, please contact our firm to request a copy to be mailed to you directly.

INSURANCE (ctd.)

THE AUTOMOBILE INSURANCE LAWS IN MICHIGAN HAVE CHANGED. WE REVIEW A FEW OF THE MORE IMPORTANT POINTS.

injured or killed in an auto accident; and \$10,000 for damage done in another state.

The new law also contains several other changes, including the elimination of non-driving factors used in determining auto insurance rates. Michigan insurance companies can no longer use your credit rating, education level, occupation, marital status, sex, or zip code to determine your rates. The new law also created a fraud investigation unit to monitor activity related to insurance and financial markets. This unit will coordinate with the Michigan Attorney General's office to prosecute crimes. Increased fines and penalties can be imposed on insurance companies, agencies, and their licensed agents for violating the law.

So how does all of this reduce your auto insurance bill? The biggest factor is the elimination of PIP insurance with unlimited lifetime benefits. Choosing one of the options noted above with a cap on coverage should reduce your

premium. If you don't change your coverage, however, it will remain as is with unlimited PIP benefits. The new bill also requires car insurance and health care companies to follow a schedule of fees for medical treatments charged under PIP coverage. This is seen as a cost control measure that should favorably impact coverage rates.

Under the new law, your insurance company is required to provide you with information that explains your coverage options. Your agent should be able to help you choose the coverage that is right for you. **OM**

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