



Welcome to *Trust Connection*, our monthly newsletter highlighting Trust news and information. Each month we will feature timely articles of interest.

## About Us

At Halliday Private Trust, it is our mission to assist our clients in the process of providing solutions, specifically through a wide range of financial advice.

Since 1982, we have utilized a full spectrum of financial services to help our clients navigate every major hurdle in their financial lives. Because we are an independent financial services firm, we utilize an open architecture approach to locating the most suitable investment options for our clients.

Our role is to help clients make smart decisions about their money. We understand that each client has unique needs and requires personalized solutions based on their goals, objectives and concerns.

## How Estate Planning Can Help Advisors Survive in the Comprehensive Wealth Management Space

The financial services industry was developed around delivering products and services to clients. The products are fairly easy to define, but the services run the spectrum from investment management only to full-family office services. The definition of comprehensive wealth management certainly includes more than one service, such as investment management; however, advisors do not necessarily have to directly provide the full suite of family office services in order to provide comprehensive wealth management.

Advisors who offer comprehensive wealth management are like financial concierges. Their goal is to find solutions that meet their clients' needs. The three practical areas involved are investment management, financial planning, and wealth management.

### *Investment Management*

Investment management lies at the core of wealth management. Fee-only financial advisors earn their fee on investment management and may provide some "value-added" services at no extra cost. Whether or not the advisor's fee is justified by the investment management alone is the subject of much debate, with the conclusion most often reached that it is not. As advisors move toward comprehensive wealth management, that conclusion starts to shift the other way because comprehensive wealth management offers greater value. This solves the inherent problem in charging a fee while providing less than what you perceive as valuable – a discussion that more and more clients are having with their advisors.

### *Financial Planning*

Surrounding investment management is financial planning, which can range from college planning to retirement. Long-range financial planning turns on a host of assumptions, variables, and random market noise. Much of financial planning is trying to ensure that the money, if all goes according to the assumptions used, will be there when you need it.

Retirement planning consists of a wild array of assumptions and projections. Navigating successfully through possible outcomes requires regular adjustments. Without constant course corrections, financial planning is like walking blindfolded. The chance of random success is small. And the calculations are not easily done on the back of a napkin.

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## A LOCAL TRUST SOLUTION

### *Wealth Management*

Wealth management is based on the idea that very small changes can yield enormous gains in a family's finances. Periodic and frequent monitoring of progress is imperative.

Surrounding financial planning is actual wealth management. You may have built enough wealth that you don't feel the need for financial and retirement planning, but that wealth needs to be properly allocated, properly protected, prudently invested, and monitored regularly.

Comprehensive wealth management often includes the specialties of both tax planning and estate planning. Although most comprehensive wealth managers are neither CPAs nor estate planning attorneys, they need to be familiar with both disciplines. Comprehensive wealth managers must understand the issues, be able to bring in specialists, and know how to implement any recommendations from those specialists.

### *Comprehensive Wealth Manager Insights*

As a comprehensive wealth manager, advisors do not need to be experts in every field, but they should have insight and knowledge about the following:

- Opening the right accounts and using them correctly
- The multiple types of investment accounts ranging from health savings accounts to Roth segregation accounts
- Executing a Roth conversion and figuring out how much to convert
- How to keep the assets segregated into different accounts and when to recharacterize some of those investments and undo part or all of the conversion
- Assisting clients with IRA required minimum distributions

A comprehensive wealth manager should advise which accounts to take money from first and how much to take each year. They should have skills such as the following to sort through the intricacies of maximizing Social Security benefits:

- Philanthropic planning by using appreciated assets for charitable giving
- Advising the investment in a home, deciding whether you should pay off a mortgage and advising when and under what terms you might refinance
- Reviewing and advising on all insurance needs from life insurance to umbrella coverage
- Making sure titling and beneficiary designations are correct
- Implementing estate planning

Ultimately, comprehensive wealth management is a high-touch service that provides the solutions necessary for achievement of your vision for your life and your wealth. It incorporates these various topics discussed above: Financial Planning, Investment Management, Charitable Giving Strategies, Income, Liquidity, Estate, Tax and Insurance.

Obviously, this type of wealth management involves many moving pieces to manage and coordinate. Assuming an advisor is not an expert in all of these areas, it makes sense to bring in an appropriate team of experts.

## A LOCAL TRUST SOLUTION

Call us today at (800) 786-1598  
to learn more about working  
with Halliday Private Trust.

For information and  
assistance, please feel free  
to contact one of our Trust  
Advisors:

- Michael F. Fleming, Esq.
- Sean S. Mohammadi

For example, if you are a business owner who is planning to retire and pass your wealth to the next generation, it would make sense to create a team consisting of a CPA, an estate planning lawyer, a life insurance agent and a commercial banker, or some combination thereof. This team-building and tapping into resources in different fields both obviates the need to be an expert in all of these fields as well as puts the advisor in the position of the leader in delivering comprehensive wealth management solutions. In order to be a comprehensive wealth manager, it is not necessary to have all of these services in-house, but it is imperative to be able to coordinate experts and execute any agreed-upon plans. This will operationalize the delivery of advice and solutions and create the added value that makes an advisor a comprehensive wealth manager.

True comprehensive wealth management encompasses all of these areas. It is extremely important to understand how it all works together and to be able to build a team of experts to address the various disciplines. Your advisors are here to be the true steward of your wealth: to add value, skill and insight for a truly effective comprehensive wealth plan.

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