

BENCH STRENGTH AND ACTIVE RESILIENCY



TRUXTON TRUST
A PRIVATE BANK



J. Overton Colton
Managing Director, Chief
Administrative & Risk Officer

Attentiveness and depth are needed in wealth management today.

In 2001, a terrorist attack occurred in the United States killing 2,977 innocent people. The threat was known by some, but those in the know could not communicate the urgency of preparation and prevention in light of other competing, more obvious, urgent needs. Senior leadership struggled to comprehend, much less prepare for, an event that had no precedent. The magnitude of the incident was difficult to foresee.

In 2008, a structural failure in the U. S. home financing markets produced a global economic crisis that generated the highest rates of unemployment and home foreclosures since the Great Depression. The threat was known by some, but those in the know could not communicate the urgency of preparation and prevention in light of other competing, more obvious, urgent needs. Senior leadership struggled to comprehend, much less prepare for, an event that had no precedent. The magnitude of the incident was difficult to foresee.

In 2020, a virus surfaced in central China..., and so on and so forth. This is an ubiquitous and timeless exercise. Insert event of your choice.

Decades of research support the belief that appropriate diversification and liquidity coupled with low or no leverage generates the strongest foundation for financial resiliency - most specifically, the best protection against the unexpected.

However, in today's environment, you need a more active effort to limit an erosion of your wealth. Supporting and maintaining wealth requires a team of people working on your behalf both in investments and on structural issues.

You know this. Changes manifest personally, locally, nationally, and globally. You appreciate that your will and balance sheet holdings have to be reviewed and modified every so often. Tax rates change, as do the rules governing trusts and estates. Personal circumstances may require changes in gifting, life insurance and retirement strategies. Investment portfolios always require some tweaking.

Yet I argue that the frenetic economic and political atmosphere of the last few years, having accelerated through the last few decades, will continue and expand. We are no longer living in your grandfather's, or your father's, financial environment.

The word "unprecedented" is used so often today that we are becoming jaundiced to its impact. A modest list of exceptional occurrences over the last several years includes weather extremes, a Nashville bombing, a doubling of federal debt, foreign government sponsored cyber-attacks, nationwide riots, lengthy overseas wars, immense wildfires, economic shutdowns, stratospheric values in equities and residential real estate, political intransigence, cryptocurrencies, ultra-low interest rates, and, of course, COVID. Even if, with a wave of your hand, you believe that many of these conditions were present in past decades, I suggest that the number and magnitude of these events are unparalleled in the last 40 years and their impact often regrettably amplified by instantaneous communications.

Such times as these demand greater attention and intentionality in the administration of your wealth.

Most wealthy families are already behind having postponed financial planning dialogues for a myriad of reasons, not the least of which is the hassle and expense involved with engaging experts combined with the challenge of communicating complexity to affected family members and other stakeholders. The process is intimidating. Moreover, the pace and distraction of recent events has overtaken any normal cycle of strategic review.

Over the past two decades, Truxton Trust has equipped wealthy families with the exact financial

and consultative platform to assist them in these uncertain times. Today, our firm provides comprehensive wealth management for just over 200 families with cumulatively \$1.5 billion in investment assets. To ensure proactive, inclusive efforts in maintaining and protecting wealth, each of these relationships is assigned two primary points of contact. The Portfolio Managers are seasoned, credentialed professionals working primarily with your liquid investments and are the go-to persons for inquiries in that regard. Here, with roiling market events more commonplace, our clients are diversified and less concerned. In many cases, market volatility presents opportunities for the attentive investment manager to strengthen balance sheets and manage cash taxes.

But, unlike the structure in other investment firms, our clients also enjoy the advantages of having dedicated Wealth Advisors who handle, well, everything else – not the least of which is positioning your lifestyle, charitable, and familial objectives with the best financial strategies available.

As this service is an integral part of comprehensive wealth management, all Truxton clients provide documents for review including wills, insurance policies, trusts, financial statements, retirement arrangements, tax returns, etc. to empower our team to recommend ideas for strengthening and improvement. Truxton can then propose and explain in detail the design and advantages of a variety of financial strategies and structures. As conditions change, Truxton is already fully abreast of the intricacies of a client's singular, personal circumstance and can promptly recommend remedial efforts. In addition, subsequent financial conversations with other family members and with

other professionals, such as attorneys and accountants, are streamlined with Truxton available to our clients in a consultative role. This feature of our services is often thought to be the most valuable since it removes a primary impediment for families to initiate discussions on wealth structure and objectives.

The Wealth Advisors also handle other personal administrative needs that are less complex, but no less impactful. These tasks include assistance in lifestyle changes such as downsizing or moving to assisted living, bill pay and trust administration, most often managing distributions and communicating with beneficiaries.

Finally, our Wealth Advisors also serve as estate administrators, work that can be remarkably difficult, complex and time consuming. This role removes this burden from our clients and their families during an emotionally trying time.

The ultra-wealthy have all these services at their fingertips. Their family offices have professionals on staff that spring to action with ideas and suggestions with every economic or legislative change, expected or unexpected. Likewise, Truxton Trust models itself as a multi-family office providing these same services for the wealthy families with more modest balance sheets. So, Truxton clients have the same bench strength and active engagement as their largest peers, each of our clients as ready as they can be for the next unprecedented event. Are you? ■