

How to Increase Income in a Falling Interest Rate Environment

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MICHAEL IS CURRENTLY THE CHIEF BEHAVIORAL OFFICER FOR FAMILY LEGACY FINANCIAL SOLUTIONS, A FAMILY WEALTH OFFICE WITH ~\$140 MILLION UNDER MANAGEMENT.

MICHAEL'S BACKGROUND ON WALL STREET INVOLVED GENERATING RISK-ADJUSTED RETURNS WHILE REDUCING EXPENSES FOR INSTITUTIONAL AND HIGH-NET-WORTH CLIENTS. THIS CONSISTS OF MANAGING MULTI-MILLION-DOLLAR BUDGETS FOR INSTITUTIONAL BANKING FACILITIES, DESIGNING AND IMPLEMENTING ADVANCED TECHNOLOGIES TO IMPROVE INVESTMENT PERFORMANCE, AND MANAGING A BILLION-DOLLAR BOND PORTFOLIO, WHOSE PERFORMANCE WAS IN THE TOP DECILE.

MICHAEL OFFERS BEHAVIORAL FINANCE COACHING, FINANCIAL PLANNING, AND CUTTING-EDGE TECHNOLOGY TO CREATE A FINANCIAL PLAN CUSTOMIZED FOR YOUR FAMILY. MICHAEL DESIGNS COMPREHENSIVE FINANCIAL AND ESTATE PLANS FOR BENEFACTORS THAT LAST A LIFETIME AND THROUGH THEIR PASSING BY DEPLOYING CREATIVE STRATEGIES THAT ENSURE THE DESIRES OF THE BENEFACTOR ARE CARRIED OUT IN A TAX-EFFICIENT MANNER WHILE PROTECTING ELIGIBILITY FOR GOVERNMENT ASSISTED PROGRAMS.

MICHAEL HAS BEEN A FREQUENT GUEST ON MULTIPLE PODCASTS, AND RECENTLY CO-AUTHORED A BOOK ENTITLED "THE CAREGIVERS ADVOCATE".

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TODD IGLEHART
CHIEF INVESTMENT OFFICER
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TODD IS AN INVESTMENT MANAGER AND CCO AT FAMILY LEGACY FINANCIAL SOLUTIONS HOLDING HIS SERIES 7 & 66 SECURITY REGISTRATIONS. CARING FOR HIS ELDERLY FATHER WHO SUFFERS FROM ALZHEIMER'S, MAKES TODD UNIQUELY QUALIFIED TO SPEAK TO THE FINANCIAL AND EMOTIONAL IMPORTANCE OF HAVING A WELL-ROUNDED AND FLEXIBLE PLAN.

TODD'S FATHER WHO HELP HIM GET STARTED WITH INVESTMENTS AT THE AGE OF 18, TAUGHT TODD THAT DISCIPLINE AND PERSISTENCE ARE KEYS TO BEING A SUCCESSFUL INVESTOR IN THE LONG TERM. TODD BELIEVES THAT TOO OFTEN IN FINANCE INDUSTRY CLIENTS ARE LED DOWN THE WRONG PATH BECAUSE OF THE CONFLICTS OF INTEREST THAT ARE INHERENT TO THE FIELD.

THIS WAS THE IMPETUS TO START FAMILY LEGACY WITH ITS CORE VALUES AT HEART. AWAY FROM HIS BUSINESS, TODD ENJOYS COOKING, ASTRONOMY AND SHARING EXPERIENCES WITH HIS FAMILY AND FRIENDS. TODD IS HAPPILY MARRIED TO HIS LOVELY WIFE JESSICA AND HAS TWO BEAUTIFUL DAUGHTERS KATELYN AND SARAH, AND 2 WONDERFUL SONS JACOB AND ETHAN.

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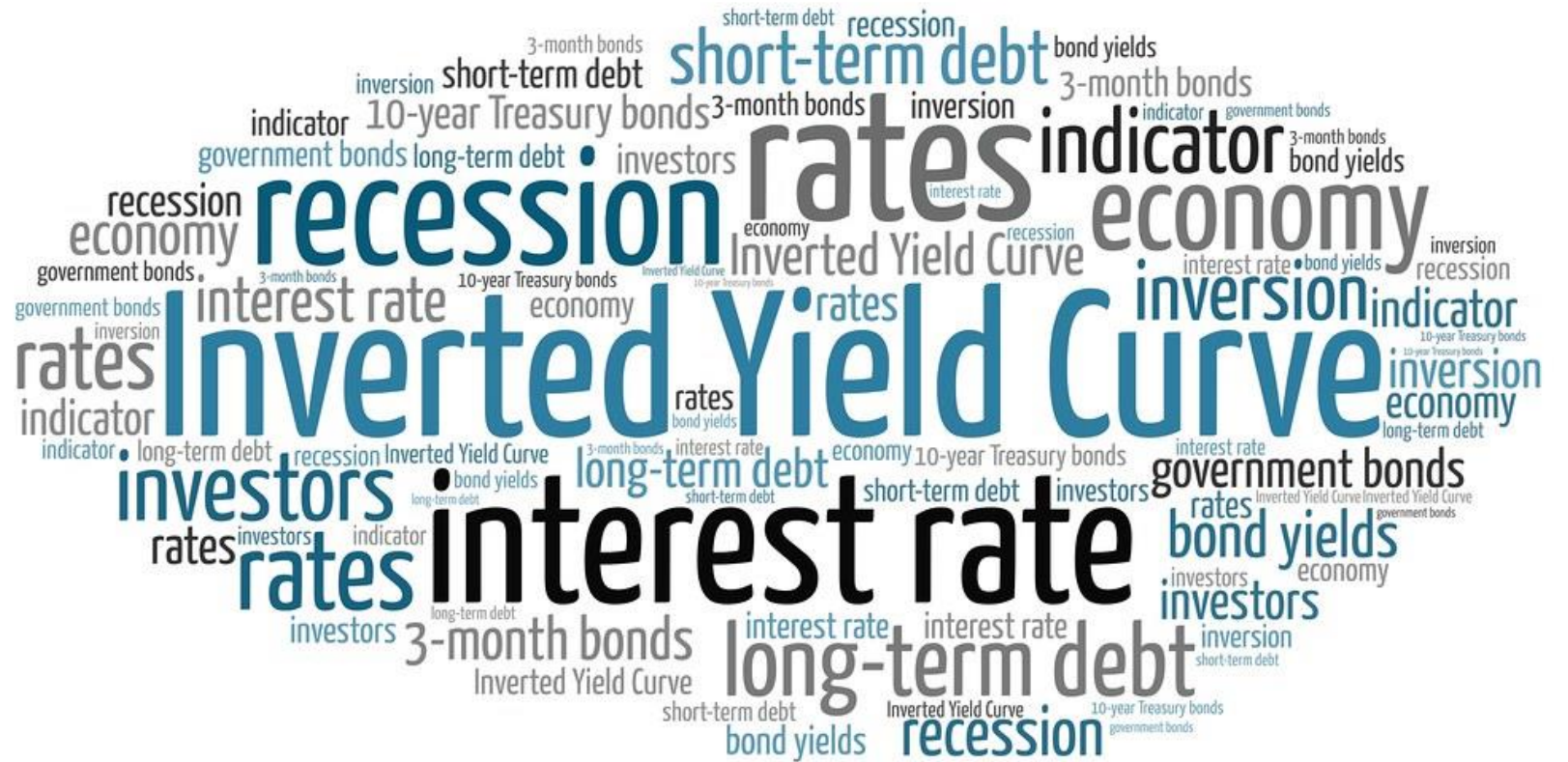
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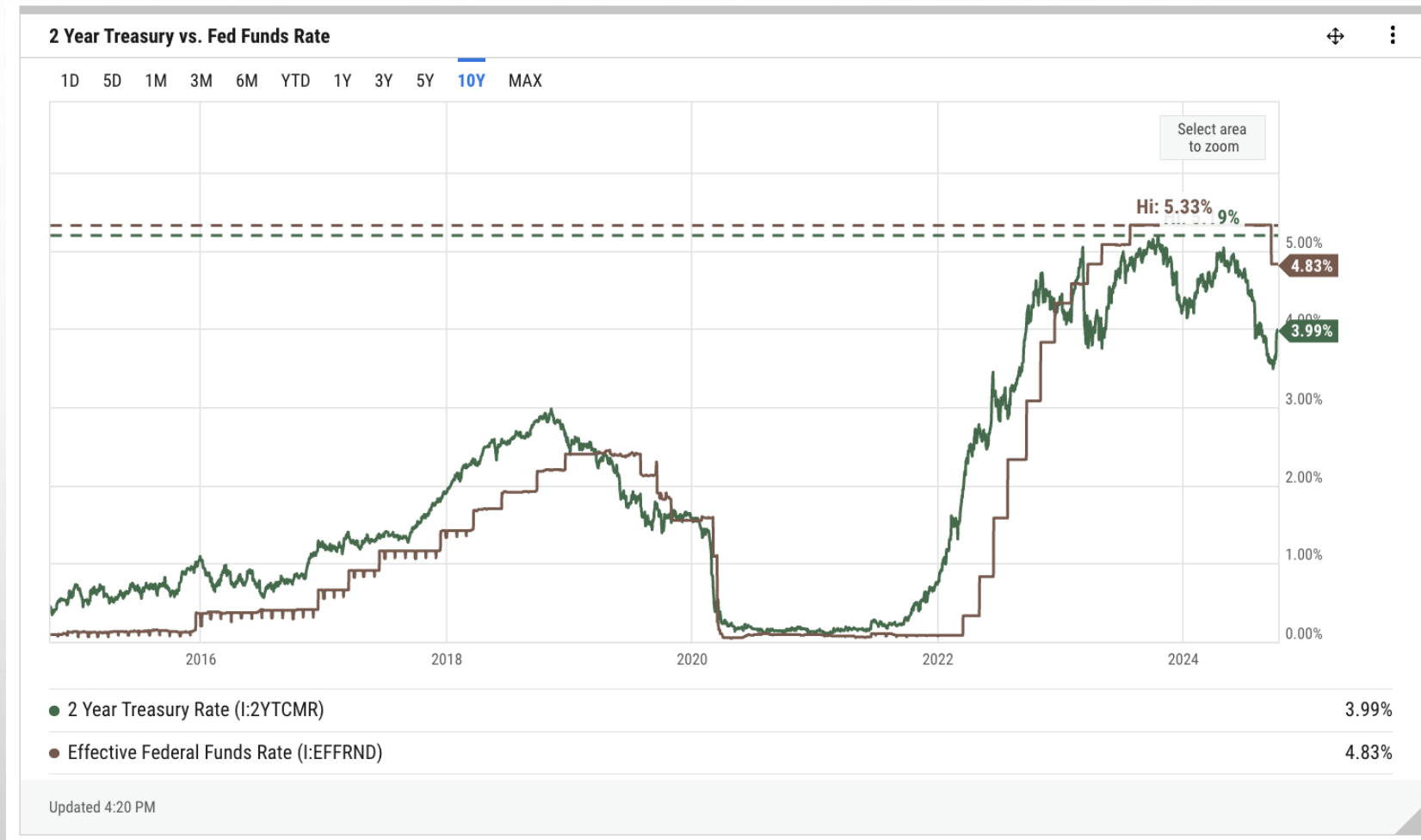
GARY HOLDS A BACHELOR OF SCIENCE DEGREE IN ELECTRICAL ENGINEERING WITH A MINOR IN COMPUTER SCIENCE FROM THE OHIO STATE UNIVERSITY AND HAS WORKED EXTENSIVELY IN THE TELECOMMUNICATIONS INDUSTRY. ALTHOUGH HE LEARNED ABOUT MANAGING PERSONAL FINANCES FOR HIS OWN BENEFIT, OVER TIME HE TURNED TO WANTING TO HELP OTHERS AFTER WITNESSING DIVORCE DUE TO CRUSHING DEBT, LOSS OF RETIREMENT SAVINGS, AND INAPPROPRIATE SELLING OF FINANCIAL PRODUCTS. THESE EXAMPLES EXPOSED TWO CRITICAL NEEDS: EDUCATION AND ADVOCACY. IN 2013, GARY BECAME A COUNCIL MEMBER OF A FINANCIAL MINISTRY THAT CREATES AND PRESENTS FINANCIAL LITERACY MATERIAL TO ADULTS AND YOUTH IN THE COMMUNITY. THE EXPERIENCE HAS STRENGTHENED HIS RESOLVE TO BRING FINANCIAL EDUCATION TO THE GENERAL PUBLIC. GARY IS MARRIED TO HIS LOVELY AND TALENTED WIFE, JANET, WHO HAS FOUR GROWN CHILDREN. IN HIS SPARE TIME, HE ENJOYS TENNIS AND VOLUNTEERS AT HIS CHURCH AS A GRADE SCHOOL MENTOR AND A MEMBER OF A RACIAL HARMONY COMMITTEE.

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FALLING
INTEREST
RATES –
WHAT DOES
THAT MEAN
TO YOU?



CORRELATED
TO
BUT NOT
A
PROXY FOR



INCREASED
INCOME –
WHAT DOES
THAT MEAN TO
YOU?



WHAT INTEREST
RATE EXPOSURES
ARE HIDING IN
YOUR PORTFOLIO?



FIXED INCOME FUNDAMENTALS



As interest rates decline, prices of bonds increase



Yield to maturity is a function of coupon, maturity, and reinvestment rates



Duration is a measure of the change in price for a 100-basis point change in yield



Convexity is a measure of the change in duration for a 100-basis point change in price.



CHASING YIELDS IS RISKY BUSINESS



Yield does **NOT** equal Return

THE UNIVERSE OF FIXED INCOME INVESTMENTS



Structure	# of Instruments	AUM	Expense Ratio
ETF	719	\$1.743 Trillion	0.35%
Mutual Funds*	7,222	\$34.350 Trillion	0.37%
US Corporates	500,000	\$11.000 Trillion	\$10 - \$250
US Municipals	1,500,000	\$4.100 Trillion	\$10 - \$250
US Agency	n/a	\$2.000 Trillion	\$10 - \$250
US Treasury	<100	\$27.000 Trillion	\$0 - \$25

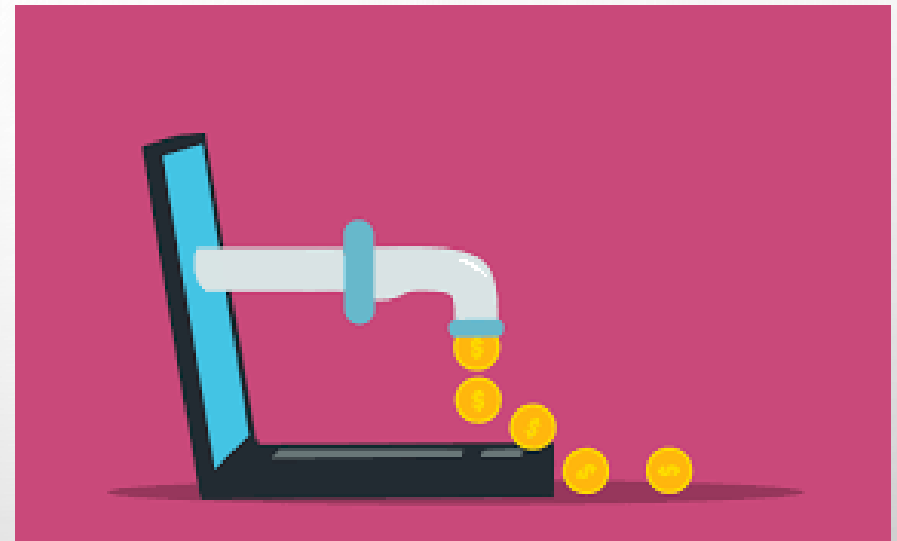
THE ANSWER
TO THE
QUESTION IS

INCOME VS. PROTECTION



INCOME FOCUSED

- IF YOUR SOURCE OF INCOME IS PRIMARILY PASSIVE (E.G. SOCIAL SECURITY, ANNUITY PAYMENTS, COUPON PAYMENTS, DIVIDEND PAYMENTS)
 - INVEST IN HIGHER PAYING STOCKS
 - INVEST IN HIGHER COUPON BONDS
 - INVEST IN REAL ESTATE
 - WRITE COVERED CALLS
 - CONSIDER OTHER SOURCES OF PASSIVE INCOME



PROTECTION FOCUSED

- FOR THOSE WHO'S PRIMARY SOURCE OF INCOME COMES FROM LIQUIDATION OF ASSETS
 - RE-EVALUATE YOUR PERCENTAGE OF DRAWDOWN
 - PROTECT AGAINST DOWNSIDE MARKET EVENTS (.E.G. BUFFERED ETF, INTEREST RATE CAPS/FLOORS)





EVERY
DECISION HAS
A TAX
CONSEQUENCE



QUESTIONS?