

Happy New Year! 2017 was a great year for the stock market and for Novare Capital. We successfully completed the merger with Staton Financial, and we are excited about our new team members and the new opportunities this brings for the firm. As always, we continue to look for ways to expand our service offering and intellectual capital to better serve you.

## Why Choose a Registered Investment Advisory Firm

With all of the news media attention regarding different types of financial advisors ranging from robo investment advisors to RIAs such as Novare Capital, we thought it was important to share Charles Schwab & Co., Inc.'s reasons for choosing a Registered Investment Advisor (RIA) as your wealth manager.

### Fiduciary Role of a Registered Investment Advisor

As fiduciaries regulated under the Investment Advisors Act of 1940, independent registered investment advisors are held by law to the highest standard of responsibility to their clients, and they are required to act in the best interests of their clients at all times. They are registered with the Securities and Exchange Commission or state securities regulators.

### What is an Independent Registered Investment Advisor?

Independent registered investment advisors (RIAs) are professional independent advisory firms that provide personalized financial advice to their clients, many of whom have complex financial needs.

### Why does it matter if your advisor is independent?

Many independent advisory firms are owned by the individual advisors who run them, so they forge deep, personal relationships and have a strong sense of accountability to their clients.

### Key Benefits of Registered Investment Advisory Firms

1. **Customized guidance based on your entire financial picture** Independent advisors are not tied to any particular family of funds or investment products. So whether you need help with retirement planning, a tax situation, estate planning, or managing assets at multiple places, independent advisors have the freedom to choose from a wide range of investment options in order to tailor their advice based on what's best for you. They are not beholden to sell products that a large institution is structuring or underwriting.
2. **A relationship that's responsive, attentive, and personal** Independent advisors are generally entrepreneurial business owners who focus on building deep relationships with their clients and hold themselves personally accountable to their clients. In order to offer advice closely aligned with your goals, independent advisors must first build a strong understanding of your situation. This often takes regular, ongoing interactions. They are often described as financial "quarterbacks" focused on your holistic financial picture and offer comprehensive planning and investment management services.
3. **A fee structure that is simple and transparent** Independent advisors typically charge a fee based on a percentage of assets managed. This fee structure is simple, transparent, and easy to understand.
4. **Your money is held by an independent custodian, not the advisor firm** Independent advisors use independent custodians which are large financial institutions to hold and safeguard clients' assets. This provides a system of checks and balances for the clients since the institution that holds your assets is not serving as the advisor.

## Planning Opportunities Under the New Tax Laws

## Lower Tax Rates

- Lower rates will affect the bond market as the tax rate on taxable bonds will be lower. We will be reviewing bond portfolios to determine the best “type” of bond (taxable or tax-free).

## Estate Tax Exemption Doubles

- The estate tax exemption amount doubles to \$11 million per individual or \$22 million per couple. This will affect all clients. We will be reviewing estate plans to ensure they are set up to take advantage of the new limits, or that previous planning remains appropriate.

## Annual Gift Tax Exclusion Raised

- The annual gift tax exclusion is raised to \$15,000. With the estate tax exemption doubling, the \$1,000 increase is not as exciting as it might be; however, one should plan for the long-term and this is an easy planning tool.

## 529 Plans Allow for K-12 Education

- Allowing for K-12 education costs will enhance the value of the 529 Plan. This will be a focus of planning as we discuss educational funding for children and grandchildren.

## Medical Expense Deduction

- The 7.5% income hurdle remains in effect for 2018, but will change to 10% in 2019. Income planning will be important for those who have retired and are on a fixed income in order to receive the deduction benefit of large medical expenses.

## Cost Basis Rules Unchanged

- When selling securities the tax payer will continue to be able to select the tax lots for capital gains purposes. Big Win!

Source: Charles Schwab & Co., Inc.

## Highlighting Our Team Members Ashley Holland

Ashley serves as a Relationship Manager and provides integrated Cash Flow Planning and Next Generation Education services. Prior to Novare Capital, Ashley was an Analyst with J.P. Morgan Private Bank in Washington, D.C. Ashley earned her B.S. in Business Administration with a concentration in Finance from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. She holds the CERTIFIED



FINANCIAL PLANNER™ designation and is a member of the Financial Planning Association of Charlotte, Charlotte Estate Planning Council, and Association for Corporate Growth Charlotte.

In 2016 she was named a Top 30 Under 30 “Future Leader of Charlotte” by Elevate Lifestyle in recognition of professional achievement, leadership, and community involvement. As a Charlotte native, she is passionate about giving back to the community by focusing on promoting the arts and serving those in need. Ashley is an active member of Young Affiliates of the Mint and Junior League of Charlotte. Through the Junior League she volunteers with Promising Pages, distributing new and gently used books to underserved children, instilling a love of reading and inspiring them to achieve their dreams. She previously served as Enrichment Co-Chair for the Charlotte Carolina Club, coordinating cultural events for local alumni and raising scholarship funds for area high school students attending UNC-Chapel Hill. In her free time, Ashley enjoys attending local sporting events and visiting the Carolina’s scenic coast and mountains.

*“I enjoy the opportunity to provide financial advice to our clients and also guide the financial success of their next generation. Understanding each family’s unique values and dynamics from grandparent to grandchild allows me to better serve their needs. Knowing that I have made a positive difference in their family’s legacy is very rewarding.”* – Ashley Holland, CFP®

## Upcoming Events

Your Novare Capital team will be hosting a Monthly Conference Call on the fourth Thursday of each month at 5:00pm ET. We will discuss a variety of topics ranging from economic updates, market updates and planning ideas. You will have the opportunity to call in and listen as well as ask questions during the call. We will send an email with the dial-in instructions prior to each call. If you have any topics that you would like for us to cover, please let us know.

- Documents & Hard Drives Shredding Event Friday, January 19<sup>th</sup>
- Monthly Conference Call Thursday, January 25<sup>th</sup>
- Market Wisdom Lunch at The Duke Mansion Wednesday, February 28<sup>th</sup>

## Other News

One of the advantages of our firm is that we customize your portfolio according to your goals and financial considerations. As you begin the New Year, it is wise to view your goals, objectives and financial situation and notify us of any changes.

We would like to thank you for your continued trust in our firm. It is an honor and privilege to serve you and your family. Best wishes for a healthy and prosperous 2018!

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