



NEWS

thetrust.com f in

Third Quarter 2023

THE POWER OF PERSEVERANCE

I hope you have enjoyed a fun and restful summer and are taking advantage of all the great activities our region has to offer this time of year. It seems like we all straighten up a bit as fall approaches, get on a better schedule and make plans to finish the year strong.

We are so thankful to each of you who have trusted our team to serve you during uncertain financial times. We've persevered and found the power to stay the course toward attaining goals. I may be biased, but we have some of the greatest professionals in our industry right here on our team who continue to serve well and help clients successfully reach their unique objectives.

We've joked around the office that it may be safe now for clients to open their statements again. Inside attempts at humor aside, wealth management, personal investment strategy, corporate retirement plans, estate planning and



Daniel K. Carter
President

personal trust services are certainly our strong suits and where we shine.

Chief Investment Officer Miranda Carr has penned a great summary about shifts in the perception of recessions and where we currently stand on this long and winding road. As we continue to get somewhat confusing information from the markets, Miranda provides great insight. Her success and insight continue to be recognized as she has been named to this year's class of InvestmentNews 40 Under 40.

We're also celebrating our firm being named a Top Workplace by the Knoxville News Sentinel for the seventh consecutive year. The intentionality we contribute to building our teams, supporting employee development and operating according to our values is recognized by this great honor.

As we continue to grow and serve our clients and community, we remain steadfast in being students first so that we can understand, lead and teach as we direct and advise clients. That fact has not changed and will not change. I deeply appreciate you for allowing The Trust Company of Tennessee to continue to serve you and your family. Please contact me at dcarter@thetrust.com with any questions or comments.

ARE WE THERE, YET? NAVIGATING THE ROAD TO RECESSION

In the world of economics, the pandemic aftermath has shifted how we perceive recessions. While two quarters of contracting gross domestic product (GDP) were noted, key indicators like consumer spending, industrial production and unemployment remained strong during the recovery.

Initial forecasts hinted at a 2023 recession, but recent shifts have delayed recession calls to 2024. Furthermore, an

increasing number of economists are now indicating that the United States could potentially avoid a recession entirely. This hope arises from the resilient U.S. consumer, a robust labor market and disinflation.

>> *Continued inside*



Miranda Carr
Chief Investment Officer



EVENTS

Bob Kesling and Bert Bertelkamp Golf Tournament

On June 12, members of our team participated in this 24th annual event in support of the Helen Ross McNabb Foundation. The Trust Company was a silver sponsor of the event that raised funds to support programs and services offered by McNabb Center.



Barn Dance

The Trust Company sponsored the event and team members joined the fun at the Museum of Appalachia's signature fundraiser on June 16 that included wagon rides and square dancing.



Game On Against Cancer

On June 16, some of our team members got to play games for a great cause at a fundraising event supporting patients and families receiving care at Thompson Cancer Survival Center. Attendees could challenge local celebrities and media personalities in games such as table tennis, billiards, corn hole, air hockey and more.



Doctors vs. Lawyers Trivia Night

On June 22, a team from The Trust Company called "Trust Me" received the coveted Golden Brain Trophy when it won a fundraising trivia night. The proceeds will help InterFaith Health Center provide comprehensive health care to people who are uninsured or underserved.



Russell Biven Clayfest

Team members participated in the annual clay shooting event held Aug. 4-5 that supports children, adults and families served by the McNabb Center. Relationship Manager Karlo Rodriguez served as a member of the event planning committee.



Top Workplaces

Several team members were on hand at a recognition event on Aug. 17 when the company again was named a Top Workplace by the Knox News for the seventh consecutive year. Top Workplaces are determined through employee feedback gathered through a third-party survey that measures drivers of organizational success.



Tremont Celebration at Marblegate Farm

The Trust Company sponsored this event and had team members in attendance in Friendsville on Aug. 26 in support of the Great Smoky Mountains Institute at Tremont. The event provided attendees an exclusive look at the organization's plans for a second campus.



BRIEFS

Company Picnic

June 13 was a beautiful day for our company picnic. The event featured a fiesta theme with a delicious taco bar and colorful decorations. It was a great time to step outside the office and enjoy time together.



Downtown Food Tour

On Aug. 26, some team members snacked and shopped their way through downtown Knoxville on a Knoxville Food Tours excursion that included multiple stops, including a visit to Mast General Store.



Business Owners Roundtable

The Trust Company of Tennessee is proud to support business owners and has launched a three-part series for business owners to learn strategies that increase, preserve and unlock business value called Business Owners Roundtable.

Through discussion about measurable business characteristics, actions to sustain value and operations, and the essential elements – including estate and financial planning – that enhance business value, attendees have access to subject matter experts and the opportunity to network and share with other business owners.

OUR GROWING TEAM

Dylan Isaacs
Portfolio Analyst

Dylan focuses on portfolio optimization, diversification, tax efficiency and overall performance.



Celso Toc
Client Services Associate

Celso is dedicated to answering client questions to provide peace of mind.



Sam Shelley
Associate Relationship Manager

Sam develops relationships and listens to needs to help clients achieve financial confidence.



Amber Oprea
Customer Service Associate

Amber builds positive client experiences through her commitment to service.



Brandy Swaggerty
Compliance Officer

Brandy's passion for compliance ensures that client assets are responsibly managed.



Join our team



We're looking for great people to join our team of wealth management, trust, estate administration and corporate retirement plan professionals who help our clients live confidently and achieve their goals. Visit thetrust.com/careers to learn more.

Congratulations!



Miranda Carr
Chief Investment Officer

Congratulations to Chief Investment Officer Miranda Carr, CFA®, on being selected to be a member of the national 2023 class of 40 Under 40 by InvestmentNews.

Kudos to the firm and retirement plan services team for earning national recognition as a NAPA Top DC Advisor Multi-Office Firm for the fifth consecutive year.



A big shoutout to our entire team for being named a Top Workplace by Knox News for the seventh year in a row.



Sheryl Linck
Senior Vice President



Sam Springer
Client Specialist

We tip our hat to both Senior Vice President Sheryl Linck and Client Specialist Sam Springer for earning the Certified Exit Planner (CEXP™) certification from the Business Enterprise Institute. This intensive program will help them assist clients planning the future of their business.

SERVICE MILESTONES

We appreciate the dedication of our employees and want to recognize team members who are celebrating milestone anniversaries with The Trust Company of Tennessee this quarter.

15
YEARS



Kimberly Boswell
RPS Operations Specialist

5
YEARS



Stephanie Nore
Customer Service Representative

5
YEARS



Lisa Enix
Client Service Associate

TRUST 101: WHY CONSIDER A TRUST?

Estate planning is an important component of a comprehensive financial plan that provides for you and your loved ones in the way you intended. Estate plans often incorporate trusts, which can accomplish goals such as asset and privacy protection, legacy building and more.

The three parties required to create a trust include the party wishing to establish and fund the trust, the grantor, and the party who will benefit from the trust, the beneficiary. Thirdly, a trustee is the fiduciary party that receives the trust property and administers the trust according to the grantor's wishes, outlined in a trust agreement.

Trusts can be revocable or irrevocable. With a revocable trust, the grantor can change or terminate the trust at any point during the grantor's lifetime. In an irrevocable trust, the grantor cannot change or terminate the trust after it is created, but a trustee may be able to modify or terminate the trust. Your advisor can guide you on which will best help you achieve your goals.

Benefit of Trusts

Trusts aren't just for the ultrawealthy. In fact, they may be beneficial for estates of all sizes and for a variety of purposes.

- **Incapacity planning.** Trusts can provide for the care of the grantor or family members if the grantor is unable to manage assets.
- **Probate avoidance.** Upon death, a will must be



Kassandra Richardson
CTFA, CRC®
Vice President
Personal Trust

submitted to probate court – often becoming a public record – for approval before the will's executor has the authority to manage assets. This process can take weeks or months and often requires an attorney. To avoid probate, a grantor can establish and transfer assets to a trust. The trust agreement does not have to be filed with the court before the trustee can administer the trust, allowing for a faster and more private process.

- **Asset protection.** Assets in a trust may be shielded from both the grantor's and beneficiary's creditors and protect against potential lawsuits.
- **Flexibility.** The grantor sets the terms of the trust, determining how the assets are held and used. The grantor can establish conditions and instructions to address unique family dynamics and complex financial situations, such as providing for the ongoing needs of minor children or individuals with special needs; preserving family wealth and values for future generations; or ensuring the smooth transfer of business interests.
- **Reduction of estate taxes.** By strategically structuring a trust, individuals can utilize the federal estate and gift tax exemption to transfer assets to a trust that is excluded from their taxable estate at death. Various types of trusts, such as irrevocable life insurance trusts or charitable trusts, offer specific tax advantages that can be tailored to individual circumstances.

A trust is a powerful and versatile tool for effective estate planning which can help ensure the orderly distribution of wealth, optimize tax benefits and protect the financial well-being of beneficiaries. We're here to advise on your unique estate planning needs.

>> ARE WE THERE, YET? NAVIGATING THE ROAD TO RECESSION, continued

The Federal Reserve's timing in raising rates has been criticized, yet those efforts have been successful in curbing year-over-year inflation. Headline inflation has fallen from a peak of 9.1% in June 2022 to 3.3% in July 2023.

Looking forward, futures markets and the Federal Reserve agree that we are close to the terminal federal funds rate – the final interest rate that the Federal Reserve aims to achieve at the end of a monetary loosening or tightening cycle – and expect rate cuts to begin at some point in 2024.

In the past, the Federal Reserve has cut rates in response to economic downturns. The prospect of upcoming rate cuts has resulted in the emergence of an inverted yield curve, which occurs when short-term bond interest rates have surpassed those of longer-term bonds. It is important to highlight

that the yield curve has a remarkable history of effectively predicting recessions.

Despite recession calls and an inverted yield curve, nearly all asset classes have positive year-to-date returns. Impressively, U.S. large cap equities gained 16.9% in the first half of 2023. Consistent gains by mega-cap corporations propelled indexes. The top seven firms in the S&P 500 returned over 60%, while the remaining 493 companies returned 5.8%. Market excitement surrounding artificial intelligence dominates the narrative for equity performance this year.

We're not "there" yet but will continue to closely watch the indicators and economic climate to help clients navigate this road and make the best financial decisions.

Staff Spotlight

Susan Law has been a part of great growth at The Trust Company since starting in 1992: from 16 to more than 100 employees and from one office to three.

Her role has expanded with client needs, providing the opportunity to develop relationships with many clients that have lasted 20+ years. She is a Certified Financial Planner® and interacts daily with clients to ensure that they are invested properly to reach their goals.

"I now serve multiple generations of families," she shares. "Our company has always focused on forming long relationships and not focusing on short-term transactions."

"Her mentorship has laid the foundation for what we are doing today," Chief Strategy Officer Jack Davidson says. "She was one of the first CFP® professionals on staff and helped us raise our professional standards. When we have a new process or technology, I like to get her insight about how it can deliver our client promise."

She has been preparing clients and colleagues for her retirement at the end of this year. "The Trust Company has made the commitment to plan for a seamless transition," she shares. "By taking new relationship managers to client meetings, making introductions and providing other insight, we have invested the time to make it happen."

Retirement means that she'll get to do more reading, volunteering and traveling with friends. She also plans to keep pursuing her passion for quilting.

As she retires on the same day as longtime friend, Nita Stiles, she looks forward to continuing their monthly gatherings. "Nita has such integrity and is a beautiful person," she says. "If you have questions about how to make something happen, she can figure it out."

Susan says that she will not miss her Alcoa Highway commute, "but I'll miss the great people!" Jack says her thoughtfulness will be missed, sharing that "Susan cares deeply for her clients and colleagues. She knows family members by name and even became 'Elvia the Elf' who sent notes and gifts to colleagues' children – they loved Elvia!"

As she reflects, she says, "I've enjoyed my time at The Trust Company and feel completely confident that our clients are in good hands."



Susan Law CFP®
*Vice President
Senior Trust Officer*

Nita Stiles is a problem solver, which has served her well over 28 years with The Trust Company. Hired when there were only 20 total employees, she has played an expanding role in trust operations. "I like being presented with a client need and finding a way to make it happen," she shares. "I get great satisfaction from a job well done."

Her team supports the client facing teams. "We had five people when I started and now have just seven. That's a testament to the expertise of our team members and the technology that's made processes more efficient."

Her supervisor, Chief Operating Officer Denise Ledden, adds, "Nita has set the bar high. She spends whatever time it takes and digs in to get things done the right way. We've grown in both assets under management and expanded the client roster without increasing staffing at the same pace with her leadership. She's also taught me that there's a perfect southern analogy for everything!"

Nita is retiring at the end of this year, sharing, "I gave a two-year notice, and we've taken strategic steps in that time to ensure a smooth transition for my team, the company and the clients. I feel so much ownership and I want all to succeed."

"Approaching retirement is a roller coaster. Sometimes I feel scared, excited, sad – and that all can happen within 30 seconds. I'm going to miss the people most."

She will retire the same day as her friend and longtime colleague, Susan Law. "Susan's one of the most creative, compassionate and caring people I've ever met, and her clients are like family."

Her next chapter holds plans for reading, puzzles and travel, including with her retired husband, Larry, spending time with her granddaughter, Emmy, and helping her mom who lives nearby.

She's emotional talking about the company she's served for 28 years. "Working here has been the best work experience I could have asked for. From Sharon and Daniel and across the company, people truly care and it's a wonderful place. I'm so fortunate."



Nita Stiles
*Vice President
Operations*

CONTINUING EDUCATION

For more information and to register, visit thetrust.com/events.



Oct. 24: Directed Trusts: Slicing and Dicing Duties, Risks and Potential Liabilities



Oct. 4: Approaching Donors About Qualified Charitable Distributions

Nov. 8: Nonprofit Investing Best Practices & Trends

Dec. 6: Starting Your Board's First Investment Account and Committee



4823 Old Kingston Pike
Suite 100
Knoxville, TN 37919

CHATTANOOGA

832 Georgia Avenue, Suite 505
Chattanooga, TN 37402
423-308-0374

KNOXVILLE

4823 Old Kingston Pike
Suite 100
Knoxville, TN 37919
865-971-1902

TRI-CITIES

119 Boone Ridge Drive
Suite 302
Johnson City, TN 37615
423-232-0280

thetrust.com f in

Tastes of the season:

TJ'S ALMOST FAMOUS EGG ROLLS

These egg rolls wow a crowd as an appetizer and are perfectly pleasing served at a family meal. Serve with hot mustard and sweet and sour sauce for dipping. Pair with fried rice, sugar snap peas, edamame or any other Asian-inspired side of choice.



Ingredients

- 1 lb. ground beef
- 1 16 oz. bag cabbage coleslaw mix with red and green cabbage and carrots
- 1 tbsp. minced garlic
- 2 tsp. salt
- 2 tsp. black pepper
- 1 16 oz. package of egg roll wraps
- Vegetable oil
- Hot or horseradish mustard and sweet and sour sauce for dipping

Instructions

Preheat oven to 350 degrees if baking.

In a deep skillet, dutch oven or wok, brown and crumble ground beef, add minced garlic and saute 1 minute. Add the coleslaw mix, salt and pepper and continue cooking until the cabbage is crisp-tender, about 10 minutes.

Place one egg roll wrapper with the point toward you on the counter, use a brush or finger to dab water around the outer perimeter of the wrapper about 1/2" to help it seal when rolled. Add about 1/4 cup of beef and cabbage mixture to the center. Fold the bottom up and over the mixture, then fold in the left and right corners toward the center. Continue rolling up toward the top and ensure the top seam is sealed.

Brush lightly with oil and bake starting with seam side down for approximately 10 minutes, or until the outside is golden and bubbly, turning once. Or, fry in batches in about 1/2" of vegetable oil, turning often, until crispy. Try one immediately and relish in your ability.

Ponder why egg rolls don't have eggs.