

MVFG ADVISOR

M A R T H A ' S V I N E Y A R D F I N A N C I A L G R O U P

W W W . M V B A N K . C O M

Welcome to the July issues of MVFG Advisor. I trust you enjoyed our inaugural issue.

On Wednesday, June 24th we kicked off our Summer Brown Bag Lunch Series. Each Wednesday at noontime through September 2nd one of our staff members will present a new topic. A sampling of topics include: Basic Estate Planning, Annuities, What is a trust and how can it benefit you, Long-Term Care, and Life Insurance Options.

There is no cost to attend and a light lunch will be provided. All meetings are held at the West Tisbury Fire Station. For a list of topics and to register call Katie or Steve at 508-693-8850.

Don't worry if you cannot make one of these sessions as in the Fall we will be offering a series of early evening events. If there is a topic you would like to see us present, please call or email me directly.

Our guest writer this month is staff member H. Paul Ryan, Vice President & Senior Trust Officer. Paul's article is titled "Investing for the Next Generation". Paul is no stranger to Martha's Vineyard and the Financial Group as he has been with Trust Department since it was founded in 1991.

Paul is an experienced Trust Administrator with all aspects of portfolio management and estate and trust administration including: estate planning, retirement plans, and tax planning strategies. Paul works closely with Vineyard families, estate planning attorneys and CPAs to develop and implement basic to complex strategic financial and estate plans.

Paul is a graduate of Boston College, Suffolk Law School, and holds an MBA from Western New England College. Paul and his wife Patricia live in Tisbury.

Enjoy the article and as always, if you

have any questions or comments please do not hesitate to email Paul at pryan@mvbank.com.

If you would like to hear more about our services or schedule a no-obligation meeting please call us at the number listed below. Thank you for your business and as always, please do not hesitate to call me at 508-693-8850 or email me at rripley@mvbank.com - Bob Ripley

Robert G. Ripley, Jr.
Senior Vice President & Group Manager



**Martha's
Vineyard**

FINANCIAL GROUP

For more information on our investment services or to schedule a confidential visit, please contact the Financial Group at 508-693-8850.

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INVESTING FOR THE NEXT GENERATION

Investing for the next generation can take various forms. It can be started in your lifetime by various gifting techniques such as a Charitable Remainder Trust (CRT), Grantor Retained Annuity Trust (GRAT) or a Charitable Lead Trust (CLT). The options are numerous and the number of gift “acronyms” is seemingly endless. Also, there are other investment vehicles such as Roth IRAs, annuities, and life insurance. They all have points worth considering and do require investment analysis. These concepts can be discussed with your estate planning counsel, should you move in this direction, as they can be very complicated. For purposes of this discussion we will limit it to revocable trusts.

Using a trust for the next generation can take two forms, by either execution during your lifetime and kept under your direction and control, or upon your death with a well-drawn estate plan, which in many cases will include a previously executed unfunded revocable trust. The terms and the directions of your trust will provide the guidance for a trustee’s investment program as they begin investing for your designated beneficiaries.

The trustee will ascertain whether you are providing or allowing principal distributions, directing that just income be distributed, whether there is a spendthrift clause, Medicaid issues or whether a loan can be made. If the trust is allowed to consider a “total return” (considers income and principal growth) then this will allow some flexibility in the investment process. Further, the age and circumstances of the beneficiaries will need to be considered when embarking upon a plan.

The trustee you choose should have the experience and skill to carry out your wishes, and be willing to discuss historical performance. The trustee will have to exercise good judgment in selecting investments and have the ability to convey reasonable expectations to the beneficiaries. Developing a relationship with a trustee during your lifetime will allow you to evaluate the ability and commitment to carry out your provisions.

Whether you fund your trust now or at your death, it will be helpful to understand the trustee’s investment process, philosophy, and style. You should determine the sources utilized in developing a portfolio, how they diversify within the various asset classes, and how they would evaluate any additional assets of yours that may be received, and how often a formal review is conducted. Developing a stock/bond ratio, and evaluating the composition, safety and average maturity of the bonds, and bond funds will be helpful.

To schedule a no-obligation, no-cost, confidential account review please contact one of our Trust Officers at 508-693-8850 or email us at mvsbtrustgroup@mvpbank.com We look forward to hearing from you and the opportunity to work with you.

Article submitted by: H. Paul Ryan, Vice President