



The Independence

OAK PARTNERS INC. | WINTER 2025

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“Do I need a will?”

In my day-to-day practice my team spends a lot of time collaborating with estate planning attorneys and often accountants, assisting with the estate planning activity for mutual clients. In our capacity as wealth managers, we tend to maintain consistent contact with families over long periods of time, and so in the estate planning process we can offer unique understanding to both the family doing the planning and the other professionals assisting them. While I am not an attorney, and estate planning when done properly usually involves an attorney, my experience with this area of financial planning enables me to provide some helpful insights. Estate planning can be complex if necessary, or super simple in some situations. The state of Indiana is what I would consider an estate planning friendly state, in that Indiana’s rules regarding transferring property on death and small estate administration are some of the most straight forward of the many states across the country I have worked with clients in.



Marc Ruiz,
Wealth Advisor

Without a doubt the most common estate planning question we hear when starting a new client relationship is, “do I need a will”? The answer to this question is always, “yes, probably”, but then the conversation must evolve to help the individual or family understand what a will is and how it works.

A will is a specific estate planning document used in a probate to direct the transfer of property at the death of the person who writes the will, called the testator. This document will specify the party who must conduct the business of wrapping up the financial and other affairs of the deceased individual. This person, called the personal representative or executor, will be responsible for paying expenses and settling debts, selling or re-titling property, managing the disposition of investments, and ultimately distributing profits to the heirs or beneficiaries listed in the will.

A will becomes activated during a process called probate at the death of the testator. However, despite the advice that almost everyone should have a will, Indiana rules have made the estate process so easy to navigate that with a little foresight and planning rarely do we see an actual probate opened in our practice. The primary tools that can be used to avoid probate are an asset titling tool called Transfer on Death (TOD), beneficiary listings on retirement plans and in some situations a Living Trust.

“Do I need a will?”

CONTINUED

In the State of Indiana, a transfer on death title or registration can be used on financial property such as bank accounts or investment accounts, real property such as real estate and motor vehicles and even personal property such as clothing or jewelry when executed properly. For estate planning situations when there is perhaps one or two ultimate heirs and property is free of liens this tool can provide an efficient way of transferring property. Let's look at a hypothetical example.

Betty is a surviving spouse, her husband of many years passed five years ago. Betty's assets consist of a checking account, a savings account, a couple of CDs, her home which is paid off, a paid off car, an investment account, and an IRA. She has two grown children as heirs.

Using a TOD title on her bank accounts and CDs, as well as her investment account can efficiently transfer these assets to her children. When the bank and financial institutions are presented with proof of Betty's passing, they will require each beneficiary open an account and Betty's deposits or investments will be split into the beneficiary account according to the instructions held by the institution. The IRA will be also transferred similarly to a specific type of beneficiary IRA for each beneficiary. The process is straight forward.

Transferring real property such as real estate or vehicles is a bit more involved, and usually involves the help of an attorney. The property, however, can be transferred without establishing a probate as well, which saves time and cost.

So, if so many are avoiding probate in Indiana, then why do we typically answer affirmatively to the need for a will? We answer this way because despite the desire to simplify the estate process, not every situation ends up being simple and a will can provide more detailed instructions in the event complications or challenges arise.

The process of engaging an attorney and drafting a will also open up the planning dialogue which tends to create more holistic and well-conceived planning outcomes. A will can also be vital for younger families with children as it is the document used to designate guardianship intentions for surviving minor children. In short, drafting a will makes us think about our estate and legacy, which is perhaps the most important component of the estate planning process.

Investing involves risk including loss of principal. No strategy assures success or protects against loss. This is a hypothetical example and is not representative of any specific investment. Your results may vary.

CDs are FDIC insured to specific limits and offer a fixed rate of return if held to maturity, whereas investing in securities is subject to market risk including loss of principal.

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.



Is Right Now the “GOLD”en Hour?



Jack DeHaven,
Wealth Advisor

“Should we buy gold” is a question we at Oak Partners have heard a lot recently. Largely this comes up because gold prices hitting all time highs is a topic covered by many news outlets. It’s certainly a fair conversation to have, as owning gold can have different forms and also be used as an investment for different reasons.

As far as owning gold is concerned, there are generally two main ways to purchase it: one is to own physical gold and the other way is to purchase ETFs that buy the physical gold. Physical gold is the purest form of ownership, but gold is bulky, costly to have delivered, challenging to store and even more difficult to insure. Buying gold via one of the ETFs available in the marketplace is a much easier and less costly method, though it may not achieve the investors goals if they have a deep seated fear about markets or instability of governments.

A leading reason investors buy gold in any form is because it’s traditionally non-corollary to the stock market. During turbulent periods in the market, gold generally performs well, relatively speaking. Gold normally fairs well when we

see extended periods of inflation, as well as when the value of US dollar is falling. While the most recent inflation print wasn’t great, expectations are that inflation is relatively under control; if anything, we’ll see a couple more interest rate cuts over the course of 2025.

The issue with investing in gold as an ongoing strategy is that it carries more volatility than your traditional risk-off investments, yet it lags the domestic stock market substantially. For the 10-year period ending in 2023, the S&P 500 annualized 12.75% in returns while gold returned 4.57% over that same period of time. Having gold as part of your portfolio is not necessarily a bad thing, it’s just a little more nuanced than the idea “Gold is Good.” This is where an in-depth conversation with your financial advisor is important as you can identify your goals and expectations for your investment account.

*Sources used: US News and World Report 11/14/24
Investors Business Daily



Relationship Based Wealth Management



Jeff Hadt, Wealth Advisor

It is essential for financial advisors to know their clients on a personal level. Financial advice is not one-size-fits-all. By understanding a client's life situation, values, and goals, advisors can tailor their recommendations to align with the client's specific needs. A personal connection allows financial advisors to better understand their client's risk tolerance, time horizons, and aspirations, ensuring that financial plans are realistic and achievable.

Knowing a client personally helps build trust, which is essential in any advisory relationship. As a client, you should feel comfortable discussing your financial concerns and goals with your advisor to foster a true fiduciary relationship. Trust encourages open communication, allowing advisors to offer proactive solutions during significant life changes, such as marriage, retirement, or the birth of children and grandchildren.

Additionally, personal knowledge of a client's preferences and lifestyle can help advisors identify opportunities to improve their financial situation, such as investment strategies, estate planning, or retirement options that the client might not have considered.

At Oak Partners, we take the time to understand you personally and strive to provide more meaningful advice, create lasting relationships, and guide your family toward financial security and success. We offer a broad range of services to ensure that every aspect of your financial life is thoughtfully managed and aligned with your unique goals.



SURGING INSURANCE COSTS

I'm hearing more and more from clients about their increased insurance costs when it comes to property and casualty. One client was surprised when his annual home owner's insurance premium shot up to \$1,600 - \$700 more than he was paying just a couple of years ago.

Insurance companies claim they're playing catch-up after a few years of big losses. They insist that claims are 10% more than what they collected in premiums so they are pricing the insurance according to the risk level they are experiencing.

Certainly, inflation is partially to blame for the higher payouts. Whether it be a car or home most things cost more to fix or replace. Labor prices have jumped sharply in recent years.

On top of inflation, insurers are having to contend with an increase in natural disasters. Even though states like Florida and California have made the news, it is much more prevalent than just those places; there have been severe storms throughout the U.S. and hail, strong winds, and lightning can be quite damaging as well.

An increase in costs to insurance companies is certainly understandable given these factors, but why do they spend so much on advertising? It seems like every commercial break is featuring Peyton Manning and the Allstate jingle or State Farm with Jake and the celebrity of the day. Why do these companies spend so much advertising instead of giving their policy holders a break?

Consumers need to fight back by shopping their insurance coverages often. Maybe using companies that aren't always advertising will help bring down the costs.



Mario Ruiz,
Wealth Advisor



Mike Marshall,
Wealth Advisor

Is it worth the wait?

When to take Social Security

When meeting with clients to discuss their financial planning in preparation for retirement, one of the most common questions I get is when to start taking social security. While the answer will vary for each person for a variety of reasons, there are a few things I recommend clients consider when making that decision.

Once we analyze the retirement model and determine the client is prepared for retirement financially, we can begin discussing social security options (for anyone born in 1960 or after the full retirement age for social security is age 67). Social Security gives you the option to start collecting early, beginning at age 62, but the benefit is reduced.

The advantage of collecting early is to maximize the years you can collect your Social Security benefit. While you give up the larger monthly benefit you would receive for waiting to collect, many people prefer to have the income earlier in retirement due to health, marital status, or retirement age.

For individuals looking to collect the most from their social security over their lifetime or looking to protect income for a spouse, they may want to consider waiting until full retirement age or beyond to begin collecting their Social Security. It is important for anyone preparing for retirement to understand their options with Social Security. It is also important to have a plan tailored towards their individual retirement needs before deciding when to start collecting Social Security.

Estate Planning in the Digital World



Bridget Shoemaker

Many of our clients have been diligent about their estate planning. Beneficiaries are current on accounts, homes are titled properly, wills and/or trusts have been written. Some of our clients have even pre-paid for their funerals. Thorough estate planning not only ensures your wishes will be carried out when you pass, but it makes the “clean up” for your heirs significantly easier. But is it enough?

The majority of us now live in the digital world. We use both traditional and online banks, our bills no longer come in the mail, our investment statements are delivered to our inbox, and we store our photos on social media and in the cloud. Good estate planning will consider what will happen with all that digital data. One way to plan for this is to add “legacy contacts” to your online accounts.

A legacy contact is a person you choose to manage one of your online accounts after you pass. This person will be designated during your lifetime, who will then be able to access a particular account upon your death. For example, many people store a great deal of data in their Apple accounts: email, photos, etc. Your designated legacy contact will be able to provide some documentation to Apple and upon approval, will be able to access photos, messages, and other data. There are a handful of social media and tech companies that offer this planning tool, but many online accounts do not have an established process. You should discuss with an attorney about giving your executor or trustee access to your digital assets in your trust or will.

News & Announcements

Did you know that there are several benefits of cold weather? The winter months in the Midwest can be lengthy and most times we are mentally over the season long before it is over. As we approach March, here are some key benefits of cold weather.

Colder air boosts brain activity and improves focus. In the winter months, outdoors increase endurance at a faster pace. Heart muscles work harder to maintain body temperature. We sleep better! Nothing beats when you are under the cozy blankets in frigid weather. Cold weather helps keep our skin tight, vibrant, and radiant. Let's shake off those winter blues and get excited about the green grass and the chirping birds on the horizon!

On another positive note, our team is growing. Please help us in welcoming the following new team members.

Mike Vera joined Oak Partners, Inc. as a Wealth Advisor in October. Mike has over 17 years experience as a Private Client Advisor. Mike resides in Hobart with his wife Angela and their youngest of five children, Natalie. Mike is passionate about spending time with his family and supporting them throughout their journey's as young adults.

Diana Soria has recently been promoted and is now working with the Capital Management Group as Executive Assistant. We are excited to see Diana move up the OP ladder, she has been a great addition to the team!

Maya Guernsey joined the Oak family in August and assists the St. John team in a hybrid role of Communications Coordinator and Executive Assistant to Mike Vera. Maya attended Indiana University Northwest and currently resides in Hobart with her husband, Kevin. In her free time, you can catch her on the sidelines coaching the Hobart High School cheerleaders.

Caitlin Alwine joined the Oak team in October as Communication Coordinator, and heads up the main Crown Point desk. Caitlin attended Indiana University Northwest where she played volleyball and graduated with a Bachelor of the Arts in English. She finds joy in the arts and is especially fond of reading, writing, and painting. Caitlin is passionate about volleyball, both coaching for Morgan Township and playing in her free time.

Makaylah Camarillo joined the Oak team in January and will be running the Valparaiso office as the Communication Coordinator. Makaylah was born and raised in Hobart, IN where she graduated high school. She currently resides in Hobart with her husband Steve. In her free time she enjoys reading, hiking, and spending time with her family and friends.



Crystal DeHaven,
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The fast price swings in commodities will result in significant volatility in an investor's holdings. Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors.

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