



The Independence

OAK PARTNERS INC. | SUMMER 2024



WHO IS YOUR BENEFICIARY?

Shane Crist, Wealth Advisor

This sounds like a simple question, but you would be surprised at how often people are unable to answer it. Whenever you sign up for a 401k, IRA, life insurance, and some other types of accounts, you are required to list a beneficiary who will receive the proceeds if you were to pass away. You can also list contingent or secondary beneficiaries. There is also a Transfer on Death (TOD) designation that can be added to some non-retirement type of accounts which allows you to name beneficiaries and avoid probate similar to retirement accounts. Many people tend to fill out this information and then move on and forget about it. However, life goes fast and typically there are many changes in our lives. It's a good rule of thumb to review all of your beneficiary information periodically but especially when you have any major life changes. A few of these major events would be:

1. Getting married/divorced
2. Having a baby
3. Death of a family member
4. Change of job or career

We have all heard the horror stories of people dying and having their assets passed on to an ex-spouse that they had been separated from for years. You want to protect the people that are nearest and dearest to you. Ultimately, it is up to each employee or investment holder to make sure that your beneficiaries are correct. The best way to do this is to review your beneficiary information and estate planning documents (wills and trusts) from time to time. If you are uncertain about who your beneficiaries are or if you need to update them, then I would suggest contacting your financial advisor, attorney, or human resource person as soon as possible.



ELDERLY FINANCIAL ABUSE/FRAUD

WHAT TO LOOK OUT FOR

First and foremost, Don't Be Embarrassed If This Has Happened to You!!!

Unfortunately, this form of trickery is becoming more and more prevalent and the reason for that is because it is working! Often, us advisors come across situations with our clients that were victimized and many times it could have been avoided!! One of the main reasons it wasn't intersected before the fraud happened was because the victims were afraid to speak up, ask questions, tell family or friends, or even their financial advisors! I could go on about this topic for many pages, but here are the highlights to look out for and anytime you question anything or anyone, don't be afraid to reach out to your trusted contacts before moving forward!



Stacey Fargo, Wealth Advisor

1) Calls or Threats from the IRS or Police. These agencies won't call you to request mostly anything! They will mail you, or in the case of the police, if there is a warrant for your arrest (as some frauds are stating) - they won't give you a warning before they show up at your door. If you get a "call" from the police - don't give any information, hang up, and call your local department back. They will then be able to confirm if the call was legit.

2) If anyone calls you asking for any personal information - Social Security Numbers, Date of Birth, Banking Information, accounts you hold, or even simply answering "Yes" to a bunch of questions, DON'T respond and request a call back number. Most of the time they won't even give you a number to call back to because it is not legit. Your personal information is "gold" to you - don't give it or trade it with anyone unless you are 100% sure there is a reason someone needs it.

3) Anyone calling or texting asking for gift cards to help you or family. They will want you to go buy a gift card and send them copies of the numbers on the back of the card and in return will promise you something (sometimes even a romance). Don't listen! Your money and your promises are completely gone. Anything you send to them will never be seen again.

4) Don't email personal information such as Social Security Numbers, Date of Birth, Banking Information, Accounts to anyone and don't click on odd links sent to you from senders you are not familiar with in your email or on text messages.

5) Review bank, investment and credit card statements regularly. The sooner you catch fraudulent activity, the better chance there is to recover any stolen funds.

6) Don't hesitate to not answer the door at home if you don't recognize someone. You can always speak through the door and again ask for a call back number. No one should be asking for money at your door for anything (unless of course they are selling Girl Scout Cookies)!

The fraudsters are very persistent and will continue to come back for more and more. If they realize they can't get anything from you, they will go away. Be stern, don't give out information and don't be afraid to ask questions and report anything suspicious - even to the police! If you feel you have been a victim of fraud, again don't hesitate to reach out to your trusted contacts, including your financial advisor - you never know what you may be able to recover!

ChatGPT: Optimizing Language Models for Dialogue

We've trained a model called ChatGPT which interacts in a conversational way. The dialogue format makes it possible for ChatGPT to answer followup questions, admit its mistakes, challenge incorrect premises, and reject inappropriate requests. ChatGPT is a sibling model to InstructGPT, which is trained to follow an instruction in a prompt and provide a detailed response.

TRY CHATGPT >

Let's Try This Out



Clint Henry, Wealth Advisor

*** I am using AI to list reasons why the S&P 500 is over valued***

The S&P 500, a benchmark index representing 500 of the largest publicly traded companies in the United States, faces several potential factors that could lead to a decline in its value in the near term.

Firstly, concerns over global economic growth have emerged as a significant headwind. With inflationary pressures mounting in various regions and central banks beginning to tighten monetary policy, there is a heightened risk of slower economic expansion. This could impact corporate earnings and investor sentiment, thereby putting downward pressure on stock prices across the board, including those in the S&P 500.

Secondly, geopolitical tensions continue to pose uncertainties. Whether it's trade disputes, geopolitical conflicts, or regulatory changes, these factors can disrupt international markets and weaken investor confidence. The S&P 500, being highly interconnected with global markets, is vulnerable to such external shocks.

Thirdly, market valuations have become stretched. After years of strong gains, many stocks within the S&P 500 are trading at historically high price-to-earnings ratios. This raises concerns about whether current stock prices reflect underlying corporate fundamentals. If earnings growth fails to meet lofty expectations or if there is a correction in valuations, it could trigger a sell-off in the index.

Fourthly, changes in monetary policy by the Federal Reserve are crucial. The prospect of interest rate hikes to combat inflation may lead to higher borrowing costs for businesses and consumers alike, potentially slowing economic activity and corporate profitability.

In conclusion, while the S&P 500 has demonstrated resilience over the years, several factors suggest caution in the current market environment. Investors should stay vigilant and consider diversifying their portfolios to mitigate potential risks associated with a possible downturn in the index.

Curious what you thought of my first run of ChatGPT?

Clint Henry - VIA AI



Withdrawal Requests

Aimee Cooper, Client Relationship Manager

Whether it be for an upcoming vacation, medical bill or unexpected home repair; we know that things come up where you need extra funds from one of your accounts. We get these requests nearly every day and we are always ready to help!

In today's digital world, more and more clients are using email to regularly communicate. However, did you know that we are not allowed to accept withdrawal requests via email? You might notice that whenever you send an email asking for funds that we follow up with a phone call. This is because we need verbal confirmation for every request. With internet threats on the rise, we must always stay vigilant to protect your accounts. This is not to say that you shouldn't start the conversation with an email, but just be on the lookout for a phone call from us to confirm that request. And if you want to cut down on the phone tag or expedite a request, just give us a call and we can immediately get the ball rolling for you!

Clarifying Dividends



Adam Sipes,
Wealth Advisor

Soft landing, hard landing, crash and burn? The current state of the market has left some clients concerned. Recently I've been getting a lot of questions about dividend paying stocks as clients are looking to still have risk exposure, but maybe in a slightly more cautious manner. Dividends are great, don't get me wrong, but they are not free money. When you receive your dividend payment, it comes directly out of the stock's price. In the shortest form of putting it, dividends are essentially forced profit taking of your investment. If you invested \$10,000 and a dividend of 2% was paid annually, on the dividend date you would be left with \$9,900 of your investment, and \$100 of cash. If you wish for your dividends to be reinvested, you will still have \$10,000 in your investment, but more shares at a lowered share price relative to the dividend distribution.

I love dividends, but again they are not free money! They are forced profits being taken, which isn't a bad thing. No one goes broke taking a profit and can leave you with capital to add new positions when the time is right!



Who to Trust During Economic Changes



Nick Scheumann,
Wealth Advisor

I started as in this industry in 2002 and have been a financial advisor for over 20 years. It is my strong opinion we are in a period where the need for a financial advisor is as great as it has ever been.

For most of my 20 years in the business inflation has been low and interest rates have fallen for 40 years. We now face higher interest rates and are coming off a period of higher-than-normal inflation. When you combine that with the divisive nature of our upcoming presidential election it can create a formula for anxiety. It is during times of anxiety people need to feel guarded. That is what a good financial advisor does. We guard and tend to the wealth of others. There is no reason anyone should be facing the mounting issues we are all experiencing and worrying about on their own.

Oak Partners has always been and will continue to be proud to serve our clients and be the guardians of their wealth. We believe because of the relationship we have with you, our clients, we are well prepared and ready to serve. This is especially true during times when fear is increasing. I know I have been increasing my communication with clients and that has helped keep us calm, cool and collected. Possessing those qualities while you are making important financial decisions will increase your odds of financial success!



The Magnificent 7: Driving the S&P 500 to Record Heights.. What to Do?

Xavier Reed,
Wealth Advisor

In recent months, the S&P 500 has seen impressive gains, reaching record levels primarily due to the stellar performance of a select group of companies. Named the “Magnificent 7,” these tech giants have shouldered much of the market’s upward momentum by illustrating their significant influence on the index. They make up around a whopping 27% of the entire S&P 500 index, leaving only 73% for the other 493 companies.

The Magnificent 7 includes Apple, Microsoft, Amazon, Alphabet (Google’s parent company), Meta (formerly Facebook), Tesla, and Nvidia. These companies, spanning sectors from technology to electric vehicles and AI, have demonstrated remarkable growth and resilience, becoming cornerstones of the modern economy. Their collective market capitalization makes up a substantial portion of the S&P 500, and their stock performance has been a key driver of the index’s success.

The influence of these seven companies highlights a broader trend towards technology and innovation-led growth. However, their dominance also brings a level of concentration risk to the index, where the performance of the S&P 500 is increasingly tied to the fortunes of these few giants.

Investors should be mindful of this concentration and consider diversification strategies to mitigate potential risks. The adage, “take your medicine” can ring true when considering which stocks or ETFs to buy or sell. If you find yourself in a situation where you must make the hard decision of de-leveraging in a stock/ETF that has given you sizable profits: congratulations, that is a good thing. It can be hard to make gains in some of the market darlings that have led the way in your portfolio for years or even decades. But in trimming down and diversifying your position you set your portfolio up for long-term success.

This can be even more crucial in uncertain times like we are experiencing now with high interest rates, high inflation, war in other countries, global political tensions, and the kicker being that we’re in an election year ourselves. Maybe it’s time to kick back, relax and take a little of that medicine we talked about before (or take gains if you prefer that terminology). Although the Magnificent 7 has propelled the S&P 500 to new heights, a balanced approach to investing remains crucial for long-term financial stability.

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Investing involves risk including loss of principal. No strategy assures success or protects against loss.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

Dividend payments are not guaranteed and may be reduced or eliminated at any time by the company.

The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

This information is not intended to be a substitute for individualized tax or legal advice. We suggest that you

discuss your specific tax or legal situation with a qualified tax advisor.

Please consult with your tax advisor before investing.

Articles and other information in this Newsletter are for informational purposes only and are not meant as specific investment advice. Your situation may be different. See your advisor for your specific situation.



News & Announcements

Crystal DeHaven, Director of Client Experience

The summer months have been very busy around Oak Partners. The new St. John office is expected to open by the early August. This office has been in the works for some time, and we are excited to join the St. John community.



The Oak Partners summer internship program is in full swing. This year we are hosting four summer interns. Each of our interns is currently attending a university and will be joining us for an 8-week program. The program includes account and investment management, relationship management and business development, financial planning and proposal development, as well as event planning and marketing. We have an impressive crew this summer and we are always thrilled to see where they will go.

Coming Soon!

Oaktoberfest – Friday September 20th
Economist – October



Braedon Rossetti, Indiana University Indianapolis



Deakon Lee, Purdue University



Nico Paic, Valparaiso University



Trey Scheub, Wabash College



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Prior to investing in a 529 Plan investors should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's qualified tuition program. Withdrawals used for qualified expenses are federally tax free. Tax treatment at the state level may vary. Please consult with your tax advisor before investing

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