

SUMMER 2017

# Wisdom For Wealth. For Life.®

Quarterly Newsletter

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RonaldBlueTrust™

# A LEGACY OF GIVING THROUGH THE GENERATIONS



**It is my honor** to introduce you to Charles and Peggy McCreight, who have not only been clients of Ronald Blue & Co. for over 30 years, but they have also been friends and mentors to my wife, Julie, and me. Over the years I have advised and encouraged the McCreights on financial matters, while they have shared with me wisdom on life, raising children, marriage, and so much more.



Charles and Peggy McCreight

Charles and Peggy have hearts of gold and are a constant source of encouragement and a steady voice to anybody they meet. Charles was careful about giving too much at first, but over the years he and Peggy have given away well over half of their net worth. Their abundant generosity extends beyond the organizations they support to successive generations of McCreights as well as others in their local community of Sumter, South Carolina.

Charles has been an inspiration to me as he has modeled how to unconditionally love your children. He has also shown me what a generous life looks like. From Charles, I have come to understand that if one is to err on one side or the other, he should err on the side of being generous. I hope you enjoy their story. The McCreight's and other generosity stories can be found in the firm's book, *Faces of Generosity*. Please contact your advisor for a complimentary copy.

**Russ Crosson**  
Executive Vice Chairman

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Even a phone call to learn about Peggy and Charles McCreight's story as generous givers includes some of "the crew" — a son, daughter, daughter-in-law and two granddaughters. But they are only a small part of the more than 25 members of the four generations of McCreights, all who reflect the heart of the patriarch and matriarch, Charles and Peggy. The generations are spread from South Carolina to Texas to Colorado and range in age from infant (the 13th great-grandchild) to 89 (Charles).

## “Our hearts’ desire to give is all by the grace of God.”

Charles came from humble beginnings. His father had a stroke as a young adult, so Charles had to learn the gift of hard work as a teenager. By the age of 17, he was managing four Piggly Wiggly grocery stores, then served in the Army Air Corps for two years during World War II, and went on to college and became an architect. With a successful practice underway, Charles and Peggy sought financial counsel.

The McCreights were introduced to Russ Crosson of Ronald Blue & Co. Charles's reaction to Russ's words of advice was skepticism: "I told Peggy, 'That man is going to take all of the money we have and just give it away.' I admit I had a bad attitude for the first couple of months but the Lord worked on my heart and we got that worked out and I praise the Lord for Russ and am thankful for Ronald Blue & Co."

Peggy had a different initial reaction. An only child, Peggy's father worked incessantly to climb the corporate ladder and was financially successful. After her father passed away, she inherited a sizeable concentration of stock in the company where her father had worked for many years. When Peggy became a Christian, began reading the Bible, and learning

the Ronald Blue & Co. financial principles, she realized that God owns it all — it's His. "I saw the 'blessing' of money in a different way — it wasn't about success, hard work, and pushing yourself," says Peggy. "I had experienced a family life where money did not necessarily make people happy, even though it's what many people believe and are looking for. So I was more ready and very open to giving money away."

Charles came around to Peggy's thinking and the more they gave away, the more their net worth actually grew. "It was," says Peggy, "proof that you can't outgive God." Over the years, the McCreights became faithful supporters of Focus on the Family, Compassion International, Sumter Crisis Pregnancy Center, and Walk Through the Bible, as well as missionaries affiliated with their church. Charles volunteered extensively in the community, at one point being named South Carolina Volunteer of the Year, and contributed pro bono architectural work to several new buildings in Sumter County. Peggy says, "Our hearts' desire to give is all by the grace of God." But it's their personal touch over the years that so many recount when they talk about the generous hearts of the McCreights.



Daughter-in-law Karen McCreight says that Peggy and Charles invest heavily in the people of their community. "Peggy has counseled an endless number of women, inviting them into her home and sharing wisdom on how to apply

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With nationwide trust capabilities, Ronald Blue Trust provides wealth management strategies and trust services based on biblical principles to help clients make wise financial decisions, live generously, and leave a lasting legacy. With over \$7 billion of assets under management and advisement and a network of 13 branch offices, we serve 7,000 clients in almost all 50 states through four distinct divisions and offer services across the wealth spectrum (as of 08/01/17 and subject to change).

The information found in this issue of the Wisdom For Wealth. For Life. quarterly newsletter is intended to be educational in nature and may not be applicable to your current portfolio or financial strategy. All investment involves risk and should be carefully considered. Please feel free to contact your Ronald Blue Trust financial advisor with any questions or to discuss specific changes in your current financial situation. Participants in retirement plans receiving a copy of Wisdom For Wealth. For Life. and desiring additional information should contact their plan administrator. Please contact your financial advisor if you have any additional questions.



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“... we shouldn’t put our value and trust in money because God truly does own it all, and we know He doesn’t need our money.”

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biblical principles to life and marriage,” says Karen. “Peggy and Charles also did that for many couples. They would have young couples over and have Russ share about giving freely and carrying on a godly posterity to others. It wasn’t about passing wealth to the next generation. It was about helping young people know what it’s like to give and to give freely from your heart. They have influenced families in this community in ways it’s hard to describe.”

Son Bobby offers an additional perspective on his parents’ generosity. “We were taught it could be taken away at any moment — from disaster, a business downturn, the stock market — and that we shouldn’t put our value and trust in money because God truly does own it all, and we know He doesn’t need our money. Our parents did stress making wise decisions and being accountable for decisions. That’s something we’ve passed down to our own children.”

The McCreights’ biggest gift to their children and grandchildren is not financial, says daughter Nancy. “Certainly they’ve been very generous to us, but they’ve truly modeled giving and how it has to come from the heart,” she says. “They never used money to manipulate us; they always gave with no strings attached and no expectations. As believers, we know that God calls us to give and that’s our hearts’ desire. We clearly saw that in our parents.”

One way that the family legacy continues to be passed on is at their annual summer week at the beach. In fact, “beach week” is almost legendary among the family members and friends who have gone. For over 50 years, Charles and Peggy have hosted all of the extended family that can come. The week has certainly grown from just Charles and Peggy and their four children, now requiring four houses for about 40 people in four generations. It is a cherished time of fun, fellowship, and instilling family values. Charles gets choked up when he recalls



moments such as the adults playing volleyball on the beach and the young people in the house having a Bible study. Son Bobby recalls friends in Sumter who joined the McCreight family at the beach, remarking that it was the first time in their lives they experienced a daily devotional around the breakfast table. “My parents were always planting seeds in young people’s hearts,” Bobby says.

*The McCreights’s experience may not be representative of the experience of other clients. This story is not indicative of future performance or success.*

One year recently, the great-grandchildren set up a lemonade stand during beach week. Working in the summer heat they raised more than \$60 at their lemonade stand, with the money designated to help someone less fortunate go to a summer camp. Granddaughter Ann Elizabeth holds these memories close in her heart – for her, they are symbolic of everything her grandparents stand for. “When I think of the word *generosity*, I automatically think of my grandparents. For them, it’s not about the money; it’s about the important things like investing in your family and instilling values. Giving is just the constant condition of their hearts.”

Charles concludes, “With the help of Ronald Blue & Co. and Russ Crosson we are sitting where we are today, with what we have, and how much we enjoy what we have. Words can’t express what Russ has meant to us and our children through the years.”

## An Introduction to RonaldBlueTrust™

Over the last several months the Ronald Blue & Co. team has been working diligently to make the transition to a trust company structure. We are pleased to announce that as of August 1 we are officially Ronald Blue Trust, a division within Thrivent Trust Company.

Thank you for your timely response and support in helping our transition to Ronald Blue Trust become a reality.

We could not have done it without you! We are looking forward to the next chapter in our firm’s rich history. We are especially excited for our advisors to expand their customized offerings through added services and solutions.

We feel this new structure offers a truly unique offering as a nationwide trust company providing wealth man-

agement strategies and trust services based on biblical principles to help you make wise financial decisions, live generously, and leave a lasting legacy. Ultimately we want to walk through each season of life with you as a trusted advisor who helps you to have clarity and confidence around your finances so that you can focus on the things that matter most to you.

We are excited about this new opportunity and our ability to continue serving you with excellence. We fully expect to ensure a solid foundation as a trusted financial services institution for generations to come. Thank you for the trust you place in us and for being a part of the Ronald Blue Trust family!

**Russ Crosson**  
Executive Vice Chairman

# How to Know if a Professional Trustee is Right for You



**A**s a division of Thrivent Trust Company, Ronald Blue Trust will now offer professional trustee services. If you're not familiar with the expertise that a professional trustee can offer, you may wish to familiarize yourself with your options when it comes to choosing a trustee for your trust — whether you choose an individual who's close to you or you decide to engage a professional trustee.

## Individual Trustees

Many people choose family members to serve as their trustees. Selecting someone close to you who knows you well can provide some measure of comfort and familiarity. Family members also are not likely to charge a fee for serving as trustee, even though they can receive reasonable compensation for their services.

When considering an appropriate person to serve as your trustee, you will want to think about the person's abilities and capacity to serve. The following are some questions to ask when selecting a trustee:

- Is the person trustworthy, objective, and reliable?
- Can they make the time commitment? Do they have a busy life themselves that may affect their ability to provide the focus and attention that you need? Will their responsibilities take away from their own personal commitments?
- How will their serving affect family harmony? Could the roles and responsibilities of the trustee alter their relationships with other family members? Can they handle family dynamics? Could disagreements arise from decisions they must make regarding trust distributions and investments?
- What if your trustee dies or becomes disabled? Will any successor you have named still want or be able to handle the duties of trustee?

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## ... you will want to think about the person's abilities and capacity to serve.

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You will want to make sure that your trustee is available, willing to handle the role, and understands all of the responsibilities that go with it. While asking a family member to serve as trustee could save some fees, you will want to consider whether the person will need to engage outside help in order to handle more complex situations.

### Professional Trustees

After considering all of their options, some people choose to engage a professional trustee instead of relying on a family member. A professional trustee will administer the provisions of the trust as a neutral third party, not show preferential treatment, and objectively follow the terms of a trust agreement, which may help to alleviate family conflict.

One advantage to professional trustees is that they are experienced in managing many types of assets, taking care of legal reporting requirements, and understanding tax matters like

income, gift, estate, and generation-skipping provisions. Professional trustees are regulated by state and/or federal agencies and held to a higher standard than nonprofessionals (e.g., family members or friends).

Professional trustees often have experience handling complicated beneficiary situations and can bring valuable insight to the table. They are also able to provide consistent services to multiple generations of a family, because unlike an individual trustee, a professional trustee's services will not be affected by death or disability of the trustee.

Lastly, a professional trustee will work with you and your other financial advisors (attorneys, tax advisors, accountants, etc.) to make sure your trust or estate is administered efficiently and confidentially. If you do not have other resources in place then a professional trustee can also assist in selecting and hiring those advisors for legal work, tax preparation, real estate management, etc.

In closing, choosing a loved one to serve as trustee can be a good option if you have someone suitable for the role who can look after your personal interests and wishes. If, on the other hand, you need someone who is more objective or experienced, a professional trustee can help. It's also possible to combine the talents of both by having a trusted family member provide guidance to a professional trustee.

As Ronald Blue Trust, we look forward to the opportunity to offer this positive and key role in sophisticated wealth planning for the families who need it. If you are considering naming Ronald Blue Trust in any trustee capacity, please contact your financial advisor for more information.



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*“He who gathers money  
little by little makes it grow.”*  
**-Proverbs 13:11**

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RonaldBlueTrust™

Wisdom for Wealth. *For Life.*

—  
GOOD  
AND  
FAITHFUL  
STEWARDS  
—

# Market Perspective

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*Summer Quarter 2017*

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## Market Commentary

The U.S. expansion continues its slow and steady pace, and while there are many reasons to believe the economy will continue to grow, slowing housing construction and cooling inflation point to weakening near-term economic conditions. Internationally, emerging markets saw a slight increase in growth expectations and continued positive momentum.

## Principles-Based Investing

### PRINCIPLE OF APPLIED WISDOM

We believe that applying principles can improve the chance of successful investment outcomes.

**Principle of Uncertainty** Provision against an uncertain future is a reason to save and invest.

**Principle of Instability** Markets and economies are not stable and provisions against uncertainty may fail. Risk needs to be managed through diversification.

**Principle of Human Productivity** Wealth is created as a result of human productivity. Productivity is the combination of human creativity and natural resources.

**Principle of Leadership & Governance** Leadership significantly influences the productivity of the people they lead. Environments with greater civil and economic freedom tend to provide increased fertile ground for investment.

**Principle of Inherent Value** Investors and markets are not always rational. Opportunities or risks can be identified when a disciplined valuation process is used to determine the inherent value of an investment.

### Three Strategy Pillars

Based on these principles, the strategies we build exhibit these characteristics:

1. Faster Economic Growth
2. Improved Valuation
3. Increased Diversification and Alignment with Client Time Horizons

## 1 Faster Economic Growth

We believe future growth is likely to be in countries with:

- Growing economies
- Stable currencies
- Low unemployment
- Favorable demographics
- Low debt

“DM Countries” includes developed-Europe, developed Asia and Canada. “EM Countries” includes Latin America, emerging-Europe, Middle East, Africa and emerging-Asia. Valuation data is as of 6/30/17. All other data is latest available from World Bank as of 6/28/17. Age Dependency Ratio, old: ratio of older dependents (older than 64) to the working age population (ages 15-64). By normalizing earnings, analysts average a company’s earnings over a period of time to get a more accurate account of its financial productivity. Sources: World Bank, FactSet

Country Characteristics	U.S.	Developed Markets	Emerging Markets
<b>Economic Data</b>			
GDP Growth (Real, Last 10 Yr)	1.4%	1.3%	5.9%
Inflation (CPI, Last 10 Yr)	1.5%	1.2%	3.0%
<b>Fiscal (Principle of Leadership &amp; Governance)</b>			
Government Debt (% of GDP)	97.1%	104.0%	43.8%
Budget Balance (% of GDP)	-3.2%	-2.4%	-2.6%
Interest Pmts (% of revenue)	12.6%	6.8%	10.5%
Tax Burden (% GDP)	11.4%	17.5%	13.1%
<b>Demographics (Principle of Leadership &amp; Governance and/or Human Productivity)</b>			
Unemployment Rate	4.9%	5.8%	6.6%
Age Dependency Ratio, old	22.3%	30.9%	13.0%
<b>Valuation</b>			
Normalized Price-to-Earnings	21.3	17.3	15.3
Dividend Yield	1.9%	2.8%	2.0%
Government Bond Yield (10 Yr)	2.3%	0.9%	4.5%

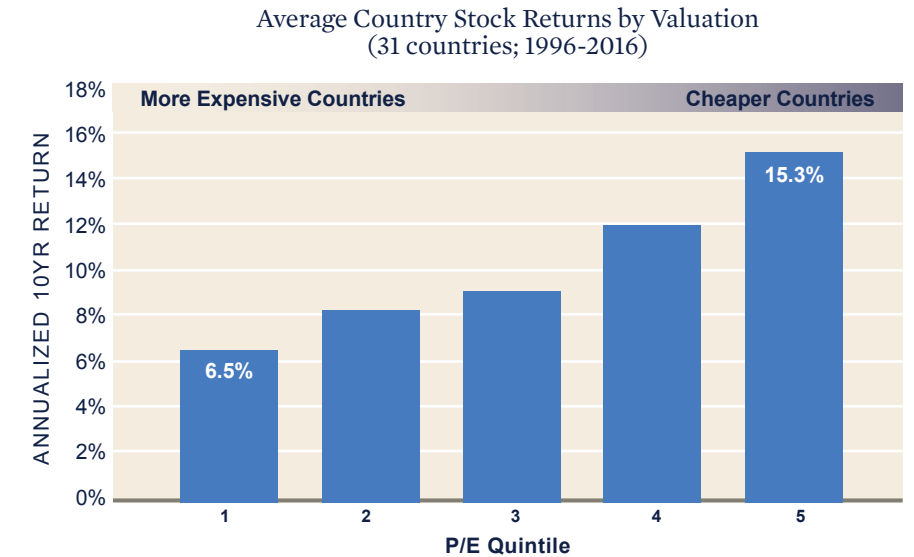
Worst Best

In the second quarter, global stock prices continued their march higher, benefiting from earnings growth and increased valuations. Bonds also rallied, becoming marginally less attractive from a valuation standpoint. Commodity valuations improved as oil prices declined. Gold prices were relatively unchanged.

## 2 Improved Valuation

- Historically, the more expensive a country’s stock market, the lower its subsequent returns.
- We believe that valuation (how much you pay for stocks) affects potential returns.

Sources: FactSet. Past performance does not indicate future returns. P/E’s are normalized five-year moving average. Returns are nominal, USD. As of 8/31/16.



## 3 Increased Diversification and Alignment with Client Time Horizons

We build strategies diversified across multiple asset classes and aligned with your financial planning goals to improve the probability of successfully meeting your future cash flow needs. The table below contrasts the probability of success of our strategies with that of benchmark indexes for each time horizon.

	<10 Years	10-15 Years	16+ Years
<b>Minimum Goal:</b>	Inflation	4% Real Return	6% Real Return
<b>Primary Risk:</b>	Volatility	Inflation & Volatility	Inflation
<b>Primary Asset Class:</b>	Bonds	Global Stocks*	Global Stocks*
<b>Benchmark Indexes**</b>	45%	16%	3%
<b>Diversified Portfolio</b>	45-56%	53-64%	9-42%
<b>Improvement vs. Benchmark</b>	Up to +11%	Up to +48%	Up to +39%

\*Includes U.S. & International Markets \*\*<10 Years Benchmark Index is comprised of U.S. Bonds. 10-15 Years Benchmark Index is comprised of U.S. Stocks & Bonds. 16+ Years Benchmark Index is comprised of U.S. Stocks.

Our recommended allocations are intended to be general in nature; actual client portfolios are customized to the individual investment objectives, risk tolerance, and time horizon of each client.

Probability of Success for the investment strategies represent the opinions of the Ronald Blue Trust Investment Strategy Group as of 07/01/17 and may change as subsequent conditions vary. Ronald Blue Trust can give no assurance that any forward-looking statements or projections will be correct. As with any investment strategy, there is potential for profit as well as the possibility of loss. Ronald Blue Trust does not guarantee any minimum level of investment performance or the success of any investment strategy. All investments involve risk and investment recommendations will not always be profitable.