

## PLANNING FOR A TRANSITION

There is an old adage: “People don’t plan to fail, they just fail to plan.” Planning for a transition is an important service we provide at Compass. Many advisory firms have attempted to become comprehensive “financial planners,” providing one-stop legal and tax-related advice to their clients, as well as selling them insurance and expensive investment products and services. While attractive to some clients for its seeming “simplicity,” we have reviewed this one-stop shopping model many times and have chosen to resist it. The primary reason is that the legal and tax issues involved in quality estate, retirement, sale of a business, and other types of planning can be very complex and are continually changing. One simply cannot afford to be wrong in such important areas. A far better approach, we believe, is to work with specialists in these complex areas. Of course, clients already use specialists successfully in other areas, such as health care and housing. Patients would be poorly advised to consult only one physician for all their medical needs—better to see a dermatologist for a skin disorder or a cardiologist for a heart issue. When building a house, most of us use carpenters, plumbers, and electricians rather than a single generalist.

We are very fortunate in the greater Twin Cities area to have a considerable number of excellent accountants and attorneys to assist with tax and legal advice. Although many of our clients already have these relationships established, we are able and willing to provide names to assist clients with these matters if needed.

At Compass we provide a number of transition planning services. When an individual or institution approaches us as a client, we spend a great deal of time getting to know them—circumstances, needs, and goals. We call this “transition planning” procedure *objective setting or developing goals and guidelines*, and view this as the most important step in the investment process.

Whether you are looking for goals-based planning, cash-flow planning, or retirement planning (just to name a few), investors should consider developing a written goals and guidelines statement for an account, including:

- Return expectations
- Liquidity
- Tax considerations
- Principal preservation
- Time horizon
- Income

Creating and managing portfolios which meet client needs, while addressing risk, tax, and estate planning issues, is an important service we provide at Compass. This is what we mean by “custom” portfolio management—we build portfolios one at a time, to reflect each client’s distinctive needs and goals. The end result is a highly-individualized statement. Like clients themselves, no two are exactly alike. And they do change over time. Therefore, at Compass, we begin by determining where we are going and how we are going to get there—together.



**FIRM**

**INVESTMENT COMMITTEE**

- Charles Kelley, CFA
- Leigh Niebuhr
- Mark Halverson
- Jay Jackley, CIMA
- Mark Vitelli, CFA
- Christopher Kelley, CFA, CAIA

**AUM**

\$1.4 billion

**INCEPTION**

1988

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**COMPASS PHILOSOPHY**

As an independently-owned firm, Compass provides customized investment services to individuals, foundations/endowments, trusts, and retirement plans. Our objective is to preserve and enhance the real purchasing power of our clients' wealth over time.

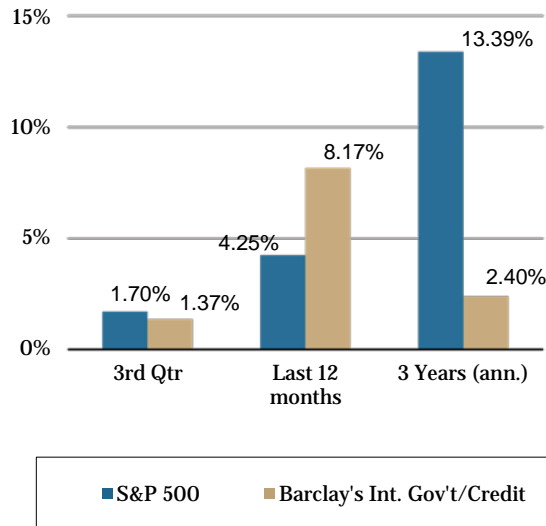
Our clients value working directly with a seasoned and experienced team of portfolio managers to help them navigate their investments relating to:

- Building a quality portfolio
- Retirement
- Sale of a business
- Divorce
- Inheritance
- Trust distribution

Our experienced team is always available to provide financial advice and review your financial assets

**MARKET INDICES**

Total Return as of 9/30/19



For more information regarding our company or results, please contact us at [investors@compasscap.com](mailto:investors@compasscap.com).