

TILIA



NEWS

INVESTMENT MANAGEMENT | FIDUCIARY ADVICE | RETIREMENT PLANNING

Tilia Opens a 2nd Office

We are pleased to announce that we are officially expanding to Washington State and opening a satellite Tilia Fiduciary Partners office in the Pacific Northwest. Our Investment Advisor, Julie Cumalander, will manage the office in Wenatchee, WA while continuing to serve her clients in NC and other locations. Julie is originally from Washington and just celebrated her 5 year anniversary with Tilia. This also marks 5 years that Tilia has been registered & serving clients in the State of Washington. Over the years, Julie has traveled back and forth from the Cape Fear Region to Washington and has spent significant time & energy building up a client base in the Northwest. This is an exciting milestone for our company. We now work with clients in 23 states & the District of Columbia, with offices on both coasts. We appreciate you sharing in our continued growth at Tilia Fiduciary Partners.

Investment Trends & COVID-19

"We live in a moment in history where change is so speeded up that we begin to see the present only when it is already disappearing" - R.D. Laing

Life during COVID will be an experience that none of us will ever forget. In contrast to R. D. Laing's quote, time has stood still for many of us in an unfamiliar way. Most of us have spent an unprecedented amount of time at home with our families & pets. Stripped of after-work & weekend commitments as well as most entertainment options, we've sought pleasure in simpler things. We've made the most of our yards, gone on family walks, rode bikes, read books, explored the depths of the Netflix content library & enjoyed amazing spring weather. The bliss inside this bubble was fantastic, until you logged on to your computer or tuned into the nightly news and were reminded of the horrifying loss of human life, found out that a family member or friend had been exposed to the virus, or had a phone conversation with a client that was watching their business evaporate overnight.

While time slowed down for many of us on a personal level, the world around us changed at breakneck speed. COVID has ignited new trends, and rapidly accelerated existing ones, in once-in-a-lifetime fashion. Below are some of the trends coming out of COVID that we expect will have wide-ranging investment ramifications:

- 1) Acceleration in remote work trend & corporate reassessment of IT to accommodate distant employees
- 2) The digitization of everything
- 3) Increase in 2nd home purchases for inhabitants of major

Schwab Eliminates Commissions for Stock Trades

Recently Charles Schwab, Tilia's custodian for all client accounts, eliminated their commission for online stock and exchange-traded fund (ETF) trades. Previously, a \$4.95 per trade fee was charged for each buy or sell order. Client portfolios of individual stocks and ETFs can now be traded and held without any fees, which is an unprecedented positive development.

The movement towards zero trading fees is a welcome phenomenon in the investment management industry. As recently as the early 2000s, fees as high as \$19.95 per trade were standard, with full-service brokerage houses often charging north of \$100 per trade. Those trading costs could quickly add up in an investor's portfolio, hurting long-term growth. At Tilia's typical stock turnover rate of 10% to 15% of holdings, this translates into about \$40 to \$60 saved per year. For new clients exiting legacy holdings for Tilia's "core portfolio" of 40 individual companies, the savings can exceed hundreds of dollars in the first year. Perhaps more importantly, the absence of trading costs allows us to more efficiently rebalance, trim, or add to holdings without concern for transaction costs.

The elimination of trading fees, along with zero account fees, is one of many reasons we continue to use Schwab to hold your investments in a secure and efficient manner.

Sources: schwab.com

cities & an acceleration in the migration from the Northeast to the South

- 4) Boom in pet adoptions & the ripple effects across related businesses
- 5) Newfound appreciation for home gyms and family exercise
- 6) Increased focused on sterilization & basic cleanliness
- 7) Road trips, camping, parks & RV travel over flights & mass transit
- 8) Grocery, Restaurant & Pharmacy Delivery
- 9) Desire for in-home care over assisted living
- 10) Re-thinking of global supply chains
- 11) Upswing in divorces & bankruptcies
- 12) Home improvement & yard enhancement
- 13) Rise in retail investor participation
- 14) Accelerated fall of beleaguered brick & mortar retailers
- 15) Increased competition in online learning tools

As we work to update our core portfolio of stocks this year, we'll be assessing the potential impact of these and other trends on our existing holdings, and looking for new stocks that stand to benefit.

To All of Our Clients

This year has been an incredible test of investors' resolve. 2020 has been a year of terrifying & often bizarre headlines, record market swings, unprecedented government action and untold personal stress on individuals & families. Throughout this time, we've had so many positive conversations with you. Your optimism & appreciation for our work in the face of brutal market & economic conditions has been nothing short of amazing. Thank you for being great clients. We sincerely appreciate the trust you've placed in us, and we are honored to be able to guide you along your financial journey. There will be more trying times ahead, but we are more confident than ever that we can overcome those challenges together and achieve your long-term financial goals.