

SHARE THE WEALTH

GROWING YOUR PRACTICE WITH FPA OF MIDDLE TENNESSEE



THIS MONTH'S ISSUE
JULY 2019

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MEMBER SPOTLIGHT

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**OUTSTANDING SERVICE
AWARD NOMINATIONS**

**PAC-LIFE ESTATE
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PRESIDENT'S WELCOME

by Nathan Greene, CFP®

Welcome to this month's edition of "Share the Wealth," the periodical devoted to your professional development. This month's edition features an examination of AI's potential to create sustainable value for investors. Plus, the "Year of You" continues with a member profile and a request for nominations for the inaugural outstanding service awards.

You don't want to miss the packed summer and fall of programming with practical and interesting topics from expert speakers. It kicks off with the July chapter meeting, carries on with the Estate Planning conference, knowledge circles, and a NexGen mixer. That's all before we reach the crescendo of the year with Josh Brown, *The Reformed Broker*, leading a dynamic symposium line-up in October. Take a moment to read about each; I am sure you will be excited to register for all.

We are in the process of beginning a new tradition, one which we unveiled earlier in the year. It is time for you to nominate your colleagues and friends for the 2019 local Outstanding Service Awards. There will be four awards, so I encourage you to read more about this and nominate others. Because we have so many worthy members who service the profession and our community with distinction, the committee expects to have many difficult decisions this year.

As a group of practitioners seeking to improve our practices – as well as the industry as a whole – we hope to grow with you in 2019. We hope you can use this edition of "Share the Wealth" as continued guidance on our ever-changing industry, and if ever you have story ideas, comments, or questions, please do not hesitate to reach out to me, Nathan Greene, or our Executive Director, Scott Sivley. We would love to hear from you.

MEMBER SPOTLIGHT**ARTURO NETO, CFA, CPWA**

Arturo is Founder of NFG Wealth Advisors. He chairs the Public Affairs & Awareness Committee for FPA of Middle Tennessee and is a member of the Board of Directors for the Chapter. He is the former Secretary of the Board for the CFA Society of Miami.

Why did you get involved with FPA?

I wanted to get involved in an organization related to providing financial advice for reasons from personal development, contributing to the continued improvement of the profession, and to have a voice when it came to issues around our fiduciary responsibility towards consumers. When I lived in Miami, I was more involved with the CFA Society but was drawn more to the FPA because of its focus on the consumer. When I relocated to Nashville, I made it a point to reach out to the local chapter.

How have you benefited from being an FPA member?

It's been less than a year and I've already benefited from meeting other professionals in the area that share many of the same values. I've attended several events where the content was very useful and relevant to how I want to offer my services and grow my practice. The industry is evolving fast as are the demands and expectations of clients. It was the interaction with other professionals that led to me offering a different fee-based model I hadn't even considered.

Why do you choose to serve on the Board?

I'm a big believer in getting involved. It's one thing to be a member and benefit from all of the resources, tools, and connections you might make – and that's OK - but it's another to be able to shape how the organization delivers value to its members and be held accountable to those members. I also see how the broader industry, including broker/dealers, insurance agents, and other professionals called 'financial advisors' try to shape the rules of the game in their favor and I want to be part of that process, have my voice heard, and attempt to influence the evolution of the profession.

What words of encouragement would you give an aspiring planner?

The industry is evolving . . . fast. What you envision right now may not be the path you end up taking. In fact, some of the paths that current planners have taken may no longer even be available. There is competition from roboadvisors that commoditizes portfolio management, there is the uncertainty of the fiduciary vs. suitability standard, there are technological advances that have made processes more efficient. I would encourage younger planners to find a mentor, maybe even two. The generation of planners that is getting ready to retire has a very different view of the profession than planners in the middle of their careers. Both can provide valuable insight that the other may not have.

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NEXGEN SUMMER MIXER

Meetup with your FPA friends and colleagues at Nashville Urban Winery. Whether you're new to the profession, just starting your career, or willing to mentor the next generation; all are welcome. We'll be on the covered patio.

Nashville Urban Winery is a vibrant working winery, restaurant, and event space built inside of an abandoned car repair shop on Main Street less than a mile from downtown.

Thursday 1 August

5:00 - 7:00 PM

Nashville Urban Winery

715 Main St.

Nashville, TN 37206

RSVP HERE

Thank you to Director Neto for sharing his story. As part of FPA's "Year of You," we will highlight members each month throughout 2019. Please send suggestions for member spotlights to scott.sivley@fpamidtn.org.

Inaugural FPA MIDTN Outstanding Service Awards

This year, to coincide with the Year of You, your local chapter is looking to celebrate your outstanding service and achievement. We're excited to announce your opportunity to recognize fellow FPA of Middle Tennessee members who elevate the profession and transform lives through the power of financial planning!

You may choose to nominate the same person for multiple categories. The categories are modeled after the pillars of the profession as described by FPA. Each category is briefly described in the application. We are seeking exemplary and outstanding meritorious contributions in:

- advocacy & education,
- community volunteerism and pro bono service,
- business service, and
- professional achievement.

So please take the time to nominate one person in each award category or as many as you know using the online form. The link to the form is at the end of this article.

Primary consideration will be given to service and achievement during the timeframe of July 1, 2018 - June 30, 2019; however, outstanding contributions which span a longer range will be considered. All submissions must be received by July 31, 2019. Please direct any questions to Scott Sivley @ scott.sivley@fpamidtn.org. Winners will be announced on October 16, 2019, during lunch of the 2019 Symposium.

Access Nomination Application Here

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Pacific Life / FPA MidTN 2019 Estate Planning Conference

Wednesday 14 August
Richland Country Club Ballroom

You'll want to attend this year's Estate Planning Conference. This year you will not only gain insights on specific tools for all clients but will also gain a better understanding into how your clients may approach different financial choices throughout life that shape their later life choices.

On the registration page (link at the bottom) you can learn more about each speaker, but some highlights include:

- Free registration for members
- 3 hours of free continuing education
- Complimentary breakfast buffet

Program

8:00 am Breakfast

8:10 am **Chris Rosoff**, Fidelity Investments, presents **Behavioral Finance**

9:15 am **Stacey McMahan**, Pacific Life, presents **Addressing the Retirement Shortfall Using Life Insurance**

10:30 am **Paul C. Hayes**, Howard Mobley Hayes & Gontarek, PLLC, presents **Asset Protection Planning in Tennessee**

RSVP TODAY



This year's symposium covers topics that will help you in your day-to-day and prepare you for tomorrow. The topics certainly could be viewed as unrelated and areas of peril, but they are all areas of opportunity both for you and your clients not only to survive but to thrive. Here's a brief glimpse into what you can expect.

Making Cents Out of Divorce

The day kicks off with in-depth expert advice on a topic that can severely impact a client's short term and long-term financial picture- DIVORCE. Arming yourself with a basic understanding of the process and rules can help you brace for that impact and minimize the financial damage to your client. This presentation will focus on the financial component of divorce and how to help your client best prepare for, engage in, and recover from divorce with confidence and resolve.

Not a Fad! ESG Investing Is Here to Stay

If you don't already, you soon will have clients asking about environmental, social, and governance investment options. It is not just a fad. This presentation defines ESG investing and addresses how the fiduciary standard is incorporated. It looks into ESG history and trends, where demand is coming from, and how corporations are responding to that demand. The presentation reviews the historical performance of ESG investing and illustrates a company that incorporates ESG. Finally, it delves into the process of becoming and the benefits of achieving certification as a B Corp.



Wednesday 17 July at 11 AM CDT, join us for a look at the second half of 2019. Issues such as slowing growth, trade, and politics are threatening the market expansion. To learn more and register, click [here](#).

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Let Me Save You Some Time

Our keynote speaker, Josh Brown, is a nationally renowned thought leader whom you may know as "The Reformed Broker." This presentation guides clients through hyperbolic news cycles, crafting your value proposition in the technology/information age, and coaching clients to mitigate decision reversal risk / behavioral mistakes.

RetireReadyTN - Tennessee's Retirement Program for Public Employees

The program concludes with an often requested topic. We have a special presentation on the State of Tennessee's retirement program for public employees. It will cover the state's defined benefit plan as provided by TCRS and unique options available TN state employees.

Then we head to the golf bays for a couple of hours of casual networking. Whether you're a golf pro or never hit a ball in your life, this is a relaxing, fun time for all. There will be time to change into relaxed attire, but smart casual is very appropriate for the entire day.

Take advantage of the early bird discount by registering today. Plus, firms of five or more also receive a discount for group registration.

Next month we'll profile each of our speakers providing these amazing sessions.

REGISTER HERE

PRACTICE CORNER

Applying AI to Traditional Industries

By Kurt Wiese, CFA, CPA,
Partner, William Blair Investment Management

When people think of artificial intelligence (AI) and machine learning, images of autonomous driving, virtual reality, and other high-tech, start-up-dominated fields that didn't exist a decade ago typically come to mind.

However, in our continuous search for durable growth drivers, we are finding that AI has open-ended potential across many areas, including those that currently depend on labor- and time-intensive research and development processes. Companies with technology platforms that can solve for challenges across multiple applications are interesting in any industry. One such company is Codexis, a leader in protein engineering.

At the recent William Blair CONNECTIVITY conference, John Nicols, president and CEO of Codexis, described how companies are using technology to tackle previously insurmountable research and development (R&D) challenges in the food and pharmaceuticals industries.

Faster, Cheaper, Sweeter

Stevia, a sweetener extracted from the leaves of a plant native to South America, has gained some popularity as a sugar-alternative because it's non-caloric and natural. But many consumers experience a bitter aftertaste—which limited its historical market acceptance.

Codexis collaborated with a U.K.-based food ingredient company to engineer an enzyme process that eliminates the bitter aftertaste by extracting 95% pure Reb M glycoside, as opposed to the bitter but higher-yielding Reb A.

Researchers have known what part of the plant they needed for years, but until recently, the time and labor required to develop the extraction process had not been economically viable. New machine-learning platforms allow for this by processing information faster than we could previously imagine. Projects that once took about 20 scientists and up to two years of labor to complete now can take a few scientists a matter of months.

Bending the Healthcare Cost Curve Downward

The healthcare sector faces many risks and uncertainties, including pressure to reduce drug pricing. As a healthcare analyst, I'm especially interested in companies that can maintain healthy margins and robust R&D pipelines in the face of lower prices.

We believe that AI is already ushering in a new era of innovation in the healthcare industry. By dramatically streamlining the drug development and testing process, AI tools have the potential to yield tremendous benefits for society, both in terms of reducing costs and unlocking better ways to treat diseases and patients. For example, thanks to next-generation sequencing, blood samples can be used instead of tissue biopsies in some cancer diagnostics, improving the speed, accuracy, and ease of detection and treatment.

A mega-cap pharmaceutical company uses a machine learning derived enzyme to manufacture one of its most-prescribed drugs, which treats diabetes. The production process provides a better yield to meet the growing global demand, which allowed it to gain higher production efficiencies and avoid additional capital investments. It has also allowed the pharmaceutical company to move to a more environmentally friendly production process.

When evaluating a research-driven company's ability to create sustainable value for investors, partnerships can be very important. Companies that are able to understand the R&D challenges facing their clients and do the front-end work to create innovative solutions to those roadblocks should have a growing and highly defensible position in the value chain—regardless of industry.

Innovating for Profitability—and Sustainability

One of the biggest challenges facing manufacturers across industries is determining how to create a product with the same or higher quality at the same or lower cost—and with a smaller impact on the environment. This trend is being driven not just by regulators, but by consumers who are increasingly conscious of the environmental impact of their purchase decisions.

AI is playing a leading role in solving this engineering challenge. For example, by streamlining the drug development and manufacturing process or by increasing the yield from plants, AI is lessening the need for energy, water, chemicals, and other resources throughout the supply chain.

Across industries, companies that recognize the quickly evolving regulatory, competitive, and consumer demand environments and enlist innovative solutions to enhance the speed, quality, and sustainability of their R&D efforts will likely be among the longer-term winners.

Martin P. Meenaghan, Regional Director for William Blair Investment Management is our local representative. You may contact him at 312-364-8802. To read more articles like this one, go to: <https://blog.williamblairfunds.com>.

UPCOMING EVENTS

JULY CHAPTER MEETING

J. Leigh Griffith, JD, LLM, CPA

Partner, Waller Lansden Dortch & Davis

Presents

Section 199A and the QBI Deduction

1HR CE for CFP® and CPE Approved. (TN Insurance Pending Approval)

Tuesday 16 July

3:00 pm Networking

3:30 - 5:00 pm Chapter Meeting

Reception Follows on Terrace

TrustCore, Education Center, 1st Floor



RSVP HERE



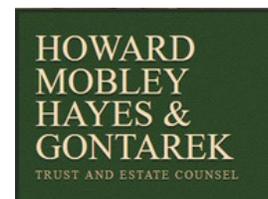
2019 ESTATE PLANNING CONFERENCE

Wednesday 14 August

8:00 AM - 12:00 PM



3 Hours Approved CE for CFP® and CPE
(TN Insurance Pending Approval)



Complimentary Breakfast Buffet

RSVP HERE



**CLICK TO
REGISTER TODAY
AND SAVE**