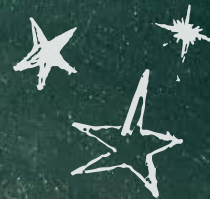


THE Advisor

FALL 2016 | VOL. 2



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the
nonprofit
edition ★

THE WORLD
IS BIGGER
THAN YOU
AND ME

RESILIENT
PITTSBURGH
AND ITS
SUPPORTING
NONPROFITS

529 PLAN
PARTICULARS



Investment advice offered through Fragasso Financial Advisors,
a registered investment advisor.

FRAGASSO
FINANCIAL ADVISORS

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Looking back on all the fun and excitement my family has enjoyed together over the summer, I feel a great sense of renewal and gratification. Having both high school and kindergarten age children reminds me of all the amazing things that kids and families experience together through different stages of life.

But if I look around and pay attention to the realities that others experience, I can't help but think about what it must be like for people who have more to worry about than what fun will be had over their children's summer break. What is it like to be homeless, hungry, struggling with addiction, battling a difficult illness? Thinking about this makes me appreciate what I have. It also makes me appreciate the work and mission of many of the nonprofit organizations in our community, some of which our firm is fortunate enough to serve as our clients and partners.

We strive to understand the needs of the people who our partners serve. And we feel the weight of our own responsibility to help those organizations fulfill their mission in an impactful, sustainable way. When I look at it this way, I feel that our work is so much more meaningful than what can be conveyed in any financial report.

Here at Fragasso, we are thinking about how to do an even better job of serving and partnering with our nonprofit clients. We are so happy to have Gina Winstead, our new fiduciary asset business development officer, on board with us. She brings great energy, enthusiasm and her own set of experiences to our work with nonprofits. She is a tremendous addition to our Fragasso Nonprofit Investment Advisors team. We feel energized and empowered to help our partners do great things.

A handwritten signature in orange ink, reading "Gregg Daily".

GREGG DAILY,
MANAGER, INSTITUTIONAL INVESTMENT ACCOUNTS

Photo courtesy of Jennae Backo

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THE WORLD IS
BIGGER
THAN YOU & ME

Many investment mistakes are made because our views are too inwardly directed and myopic.

That's quite an indictment, huh? Let's explore that. In the 44 years that I have been in the investment management business, I have met many investors who limit themselves to areas where they are most comfortable. That may be geographically limited or confined to certain industries or size of companies in which to invest. As a result those investors both restrict the potential returns available through wider diversification as well as raise their risk by overly concentrating their investments.

To make this point by example, let's suppose we were citizens of Great Britain immediately after World War II. Prior to that war, we prided ourselves in our country's economic reach with colonies and trade arrangements spanning the globe. Recall the phrase that "the sun never sets on the British Empire," meaning that Great Britain had business interests and dominance that equated with the movement of the sun across the entire planet. Those folks felt that the British Empire would be restored. Why would it not? It had been so since 1588



BY

Robert Fragasso

when the mighty British navy defeated the last global empire, Spain. Well, that didn't happen after World War II and England spiraled down through a prolonged period of economic mismanagement and government socialism. It took a couple of decades and determined political leadership to pull the country back to its feet. But it was a global empire no more.

History becomes most helpful when we project it forward to gain insight into today's circumstances. The United States is far different today than England was then. But might we not be equally myopic to project our country's past into the future exactly as it existed previously? We believe that the U.S. will remain the preeminent economic system for decades to come because we maintain positive momentum and we continue to be innovators. Yet we would risk duplicating the mistakes of our British example when we limit ourselves to only those areas that are comfortable to us simply because they are familiar. We believe we risk much when we say only invest in the U.S., only invest in large, proven companies, only invest in technology that we currently understand or a myriad of similar all-about-me statements. The world is bigger than you and me and it offers a wonder of possibilities. By using the time-proven, text book principles of diversification, balance and asset allocation, we believe that we can take advantage of the opportunities available today and tomorrow while keeping risk in balance. Our company has been built on those suppositions and we continue to invest heavily in personnel, resources and information that will help us evolve along with the changing world in which we live. We believe this strategy spells opportunity for our investors. ■

There is no guarantee that asset allocation or diversification will enhance overall returns, outperform a non-diversified portfolio, nor ensure a profit or protect against a loss. No strategy assures success or protects against loss.

THE REAL COST OF BEING UNDERINSURED

BY MELISSA RICHEY

Insurance is too complex. I'm too young and healthy for insurance. There's no benefit to insurance until I die.

What excuses have you used to avoid paying for insurance? Believe me, we've heard them all. It is human nature to think we have control over our lives. Deep down, we know that anything can happen at any time. Still, most Americans spend more time planning a vacation or their next technology upgrade than planning for their family's long-term protection.

Life will happen. Your earning potential is your most important asset. That's why you should have a plan that protects your family's standard of living should a life-changing event occur.

As you can see from the graphic, the number one reason Americans do not pursue insurance coverage is because they think that it is too expensive. Let's explore that point for a minute in regards to long-term care insurance. According to Genworth, the 2016 average cost for a four-year stay in a private nursing home is \$92,378 per year. The average annual cost for a long-term care insurance policy for a married couple at age 60 is \$5,637. If this couple paid the premiums for 15 years and went into a nursing home at age 75, they would have paid approximately \$84,555 in premiums. (This is assuming no rate increases by the insurer. Health considerations and age affect the cost of insurance.) The premiums pay for themselves with one year of care in a nursing home.



How much insurance should you buy?

Holistic financial planning is the answer. Insurance is the foundation of a complete financial plan. Everyone is different and so is the purpose of their insurance, which is where your financial advisor can help.

Our financial advisors examine the entire financial picture of our clients and consider worst case scenarios to determine if any type of insurance is needed, what the amount is and then ultimately what products/carriers would be best. The financial advisor is to present those options to their clients, guide them and let them ultimately decide.

As fiduciaries, our financial advisors have a legal obligation to do what is in the best interests of our clients. We believe that taking a comprehensive approach is best. We do not believe in selling insurance when it is not needed. Our advisors are paid a salary and are not incentivized by commissions. Contrast that to an insurance agent who makes money by selling their company's insurance product. Our sole intent is to protect our clients and mitigate their vulnerabilities. Once you have insurance in place, you should review your needs and current policies any time a major life event occurs or at least annually.

Protect the assets that matter the most to you - your family and your business. Talk to your Fragasso financial advisor today to examine your insurance needs and existing coverage, and determine if additional life, disability, or long-term care insurance is needed. ■

insurance: THE NUMBERS

50
MILLION Americans have inadequate life insurance



More than 4 in 10 people do not own a life insurance policy in any amount.



6 in 10 U.S. workers indicate that losing life insurance through their employer would have a negative impact on them and their families.



Across the board, only 3 in 10 Americans feel they have sufficient coverage.

1/2 of American households would feel financial impact from the loss of their primary wage earner in a year or less.

IN FACT,
over 40% would feel the impact within 6 months, including nearly 40% of households with an annual income of \$100k or more.

Major reasons for owning life insurance:

51%

Covering burial and other final expenses

34%

Help replace lost income

26%

Help pay off the mortgage

2/3 OF AMERICANS BELIEVE THAT LIFE INSURANCE PROVIDES PEACE OF MIND.

SOURCE: LIMBRA 2015 INSURANCE STATS



PROFILES

▶ DIANE & RAY HARTLAND ◀

WRITTEN BY *william wolfe*



After retiring from long and prosperous careers in the computer industry and in public education, Ray and Diane Hartland wondered what would await them in retirement. Though their future was filled with uncertainty, Ray fondly remembers one of his mentors bluntly telling him, “Don’t make the mistake of sitting around and watching the Pirates on your couch. It will kill you in a few years.” Ray took those words to heart and looking back, it was probably the best advice that he ever received.

As proud members of the Greensburg community, Ray and Diane discovered that retirement was a great opportunity to give back and started volunteering with various local charitable and civic organizations. Ray spent the majority of his time helping out at the Red Cross, working at houses for Habitat for Humanity, clearing trails at Ohiopyle State Park and eventually working with Diane on various church projects. His philanthropic spirit spurred Diane, and several years later when she retired after 40 years of teaching children in the Hempfield School District, she followed suit

and began accompanying Ray to the Red Cross. Little did they know, what started as an occasional venture would morph into a daily passion.

Taking another piece of advice, Ray began taking disaster relief training from the Red Cross. Then in early 2004, the Southeast suffered a severe hurricane season that left many homeless and in need. The Red Cross approached Ray and asked if he’d be willing to deploy to the affected area. He accepted and spent three weeks putting his training to work, delivering food to storm ravaged areas in Alabama and Florida, and developing skills he would need for an even bigger challenge that waited the following year.

There are a handful of unfortunate moments in recent history that most of us can clearly remember, watching in disbelief as events unfolded on television. Hurricane Katrina was certainly one of those moments. Ray felt his place was there helping those desperately in need, and within a few days of the levees breaking, Ray boarded a plane not knowing what to expect.

Touching down in Houston, Ray was given instructions to locate a rental car, join up with some other volunteers, pick up supplies and drive to New Orleans. This task was anything but easy given the chaos and flooded surroundings once they reached the Louisiana state line. However, Ray eventually arrived at a staging area at the football stadium at LSU. Eventually, this led him to a small town northwest of New Orleans where he spent the next two weeks managing a shelter that housed more than 100 people escaping the flood waters from the levees. Returning to New Orleans later in the fall, Ray managed a fleet of trucks delivering food to still-devastated areas in Plaquemines Parish.

Faced with one of our nation's darkest moments, Ray had the unique opportunity to see the real greatness of our country. "I worked with so many people that gave so much and never questioned why. It was just the right thing to do."

Diane spends her days serving the Greensburg community. She is involved with the Red Cross, Westmoreland Cultural Trust, and the South West Boro Civic Society. While each organization is extremely important to Diane, her true passion is helping children.

Though many of Diane's volunteer tasks are challenging, none can compare to the work she does for infants born with Neonatal Abstinence Syndrome. Diane spends her Thursday afternoons comforting babies born addicted to narcotics. This is tremendously heartbreaking and yet fulfilling work. Diane freely admits her happiest days are when the hospital calls to inform her that there are no infants in need. When asked how she handles such a challenge, Diane simply responded, "Why wouldn't I do it?"

Not surprisingly, the Hartland's charitable spirit and community involvement have been engrained in their own children and grandchildren. Their daughter, Kristi, works with her own children each Christmas to deliver handmade gifts to workers of a food bank. She and her husband Dustin spend countless hours volunteering in support of their children's sports and school related activities.

Their son, Jon, has recently been ordained as a minister. Prior to his graduation, Jon and his wife Erin spent many hours devoted to starting a new branch campus of their local church. Now, Jon will become the full-time minister for this church while Erin is teaching Sunday school and working with other children's activities.

Though they find their work fulfilling, Ray and Diane adamantly believe this article is not about them or their accomplishments. "Many others do so much more; volunteering is just the right thing to do. I hope that our story can inspire others to give back to the communities that supported them as ours have supported us," said Diane, as we concluded dinner on a beautiful spring evening.

While Fragasso Financial Advisors is extremely grateful to have the Hartlands as clients; I am even more honored to call them my friends. ■



The *Nonprofit* Community's NEW CHAMPION



Photo courtesy of Jenna Backo

— BY TERRA MCBRIDE

Gina Winstead was the high school mascot her senior year. The tiger. She ferociously fought off the other team's mascot before games. She kept the crowd energized when times were tough. She was the fuel to the fire that burned inside of the team and spectators, driving them all toward victory. That yearning to be involved, to help her team, is something that has continuously invigorated Gina.

"I always saw the need to be involved in communities and to help marginalized groups," Gina said. "My parents were both directors of nonprofits. They were always involved with nonprofits whether as employees or through volunteer work. That sort of commitment to the community was absolutely passed along to me by my family."

Born and raised in McKeesport, Pa. with her twin sister and older brothers, Gina lived her young life believing she would be an artist. She drew family portraits and decorated anything that would sit still. By middle school, she decided to focus her talents elsewhere, but her creativity continues to pour out in different ways, like mixed media collages or gardening. Once you learn that Gina volunteers for organizations like GTECH (Growth Through Energy + Community Health), an organization dedicated to elevating neighborhoods by tackling blight, reclaiming vacancy and distributing the knowledge and resources to solve critical community economic, social and environmental problems, you begin to see how seamlessly Gina's personal life flows into the work she does.

Gina attended the University of Pittsburgh where she earned her psychology degree. After college she worked as a therapeutic support staff (TSS) with autistic children. Gina knew she had a real and visible impact on her clients' lives. She was able to provide stability and a high level of care to children who, just a generation before, would have been left behind. While some of the hardest work she's ever done, it was also the most rewarding.

There have been significant lessons from each of Gina's jobs. Whether working as a land woman in the oil and gas industry in Montana or managing the budget and developing staff at a local nonprofit, each position refined Gina's inherent skills.

In her role with Fragasso, Gina is coming back to her nonprofit roots. She is working with nonprofits, endowments and foundations to help them create a sustainable organization. This role is about more than simply asset management. Gina offers wrap-around services to nonprofits, getting the organization's leaders to consider their board development and how to nurture and retain staff in order to cut turnover costs.

"I want to be the person nonprofit leaders think of when they want to structure their organization for the future. This is a way for me to give back to the nonprofits that have helped me get to this point in my career," Gina said. ■



RESILIENT PITTSBURGH AND ITS SUPPORTING NONPROFITS / BY GINA WINSTEAD

The Steel City. The City of Bridges. The City of Champions. The Burgh. Whatever you call it, one thing is for sure; Pittsburgh is living up to its reputation of tenacity and resilience. Unlike its Rust Belt counterparts, Pittsburgh is showing the world how a city can adapt to change and reinvent itself. Over the last decade, Pittsburgh has received numerous accolades from national publications. We have been honored as the most livable city,¹ the comeback city,² the strongest job market for recent grads³ and one of the top 10 places in the U.S. for small business activity.⁴

But did you know our generous philanthropic community has helped rank Pittsburgh number eight nationally for charitable contributions? These organizations play an integral part in the area's economic development as a source of jobs and wages. According to a study of Allegheny County conducted by a coalition comprised of The Forbes Fund, The Pittsburgh Foundation and United Way of Allegheny County in 2014, there are over 2,000 community-focused nonprofits, employing 75,000 people and paying them \$1.8 billion in annual wages, along with generating \$4.5 billion in annual revenues in our county.⁵

Like our city, our nonprofit community is known for its resilience. In the midst of the recent nine-month-long state budget impasse, organizations like The Forbes Fund stepped in to help bridge the disruption for those dependent on state funding. Lesson learned, nonprofits across the region are taking steps to ensure their perpetuity.

To secure the title as America's most livable city, we have to pay more attention to the weight nonprofit organizations bear in keeping us there. It is our duty to confront and overcome the new challenges facing Pittsburgh. Our city's nonprofit organizations help an estimated 30 percent⁶ of Pittsburghers who are being left behind in the changing economy. The Pittsburgh Foundation established its "100 Percent Pittsburgh" initiative last year to address the need for inclusion in the new prosperity and benefit streams that ensue.

Some change is obvious. A new restaurant. A new hotel. Some change is not. The nonprofit sector is working behind the scenes to propel the common good of Pittsburgh and is just as important to our evolving economy. We realize the heavy burden nonprofit organizations carry, which is why Fragasso Financial Advisors believes in reinvesting in and supporting local nonprofits. When we come together to support nonprofit causes, we all reap the benefits of social good.

We'd love to hear about nonprofit organizations or charities you care about. Contact our team today to discuss the organizations you're passionate about and how we can help them remain sustainable well into the future. ■

1 <https://fitt.co/pittsburgh/pittsburgh-best-city/>

2 <http://www.forbes.com/sites/jonbruner/2012/03/05/ten-american-comeback-cities-map/#7b0f9ba03804>

3 <http://www.nextpittsburgh.com/business-tech-news/graduating-looking-place-live-pittsburgh-says-bloomberg/>

4 <http://www.post-gazette.com/business/pittsburgh-company-news/2015/12/10/Pittsburgh-ranks-high-for-small-business-activity/stories/201512100035>

5 https://forbesfunds.org/files/Capacity%20Building/forbesFunds_onePager_8.6.pdf

6 <http://pittsburghfoundation.org/node/38509>

Why SCALE is *Important* in the Investment Business

Right Sizing Your Investment Advisor

B Y B O B F R A G A S S O



The investment industry is changing and that movement impacts investors. The industry has morphed since its fixed commission days of pre-1975, going through various iterations that increasingly leaned toward very large scale, mega-merger companies. The large conglomerate atmosphere of the mega companies coupled with the significant rise of internally generated products that caused some of their advisors to feel conflicted over serving their clients resulted in a tipping point. Many advisors broke off as a result into independent status, forming smaller, more personalized operations.

But recent economic events, complicated technology, legislation and regulation are becoming overwhelmingly burdensome for smaller investment firms. So it becomes a bit like Goldie Locks. “Too big” firms still exhibit the potential ills of being impersonal and heavily dependent on internally generated and conflicting proprietary products. The Great Recession had its roots in the investment banking conflicts of the large firms. “Too small” portends to leave the investor at a disadvantage spawned by lack of resources and too much work bench-type processes. Those firms just don’t offer the same level of resources and sophistication as those of larger firms. “Just right” sized investment firms offer a high degree of personalization while leveraging the time of their advisory and investment management personnel with sophisticated

tools and processes so their people can more deeply involve themselves with their clients’ unique circumstances and needs.

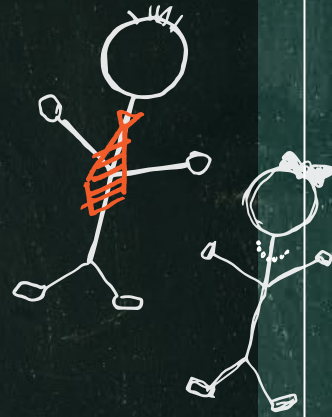
*That is why Fragasso continues to **grow**.*

We can productively and profitably serve more clients by using today’s more sophisticated tools and by hiring smart and experienced personnel. We can invest in the education and certifications of our advisors and portfolio managers to raise our level of effectiveness and service to our clients. We grow organically through the referrals we gain from our existing clients to their family, friends, coworkers and neighbors. We grow through referrals from attorneys and accountants who have seen our work with common clients. Our industry recognition in publications such as Barron’s and our advertising bring still more clients to us. Finally, we grow through acquisition of other investment practices. All of that translates directly to better and more sophisticated resources and additional personnel to bring a high level continuation of investment management and service to our clients. And to them we say “thank you for your confidence in us.” We will continue to invest and grow to meet the needs of all of our clients in the most energized and dedicated manner possible. ■

AN EVEN STRONGER *company*

WRITTEN BY *daniel dingus*

Our team at Fragasso Financial Advisors values the trusted relationships we have built with our clients and partners above all else. Our success as a firm is inextricably linked to that of our clients, which is why reinvesting in skilled professionals that help you propel your financial success is paramount to our strategic growth.



With a vision for the future of Fragasso Financial Advisors, we are pleased to announce that our firm has transitioned to an employee stock ownership plan structure, **making all of our employees proud owners of Fragasso, committed to an even stronger company.**

Robert Fragasso's continued thoughtful and passionate vision has launched one of our largest investments in our dedicated professionals to date through this ESOP.

An ESOP is a company-funded retirement plan that primarily invests in the company's stock making the corporation's employees partial owners. The primary benefit to our employees is the ability to share in the company's success in a tax-qualified manner.

The new ESOP structure also has distinctive characteristics that translate into benefits on our clients' behalf, including:

- 1. Retention and attraction of top-tier talent to deliver exceptional services to our clients.**
- 2. Deeper employee commitment to the firm's success, thereby improving productivity.**
- 3. Perpetuity of the firm culture for clients, their family and generations to come.**

The early success of Fragasso Financial Advisors hinged on fostering a team environment with quality and consistent delivery of services across the firm. An ESOP solidifies and promotes this culture, further unifying the team on clients' behalf.

For many of our clients, our relationships span many years and even decades. We are ready to embark on this new ESOP structure with all of our partners. We look forward to continuous success together and expanding the devotion to service our clients have come to expect for decades to come. ■



X M A retirement plan fees and the I R T



retirement plan fees and the matrix



by ROBERT YELENOVSKY

Most plan sponsors understand there are fees associated with running a retirement plan. What most do not understand however, is how much they are paying, who they are paying and how this compares to what others are paying or could be paying. As a fiduciary to the plan, understanding fees and expenses, and monitoring them ongoing to determine whether or not they continue to be “reasonable,” is one of your responsibilities. Plan sponsors may also be unaware of what options they have in an effort to reduce fees, without jeopardizing the level of service they and their employees receive from all of the various providers to the plan.

Before a plan sponsor can determine whether or not fees are reasonable, they must first understand what the fees are. A study by the U.S. Government Accountability Office of 1,000 plan sponsors found that 50 percent of plan sponsors “did not know if they or their participants paid investment management fees or believed these fees were waived.” A whopping 82 percent had not asked about Sub-TA fees that reimburse the record keeper, and 70 percent had not asked about 12b-1 fees, which are used in part to market and distribute the funds. Half of the respondents did not ask about excess broker commissions, trading costs or wrap fees. Even though this is a fiduciary responsibility, the study clearly shows the fee discussion manages to elude the majority of plan sponsors. Too busy to check? Let’s look at the long-term cost to the participant. A Wall Street Journal article in November 2015 pointed out that for the difference in share classes of the same mutual fund, but with expense

ratios of 1.39 percent for the R-1 and .64 percent for the R-6, an investor who contributes \$5,000 per year for 40 years, the higher cost fund will erode \$130,000 from the investor, or 17 percent of the investor’s entire savings. This doesn’t have to happen to you or your employees.

This is not new. Despite the multitude of articles published in various newspapers, journals and magazines, the many whitepapers, lawsuits and best practices guides from various organizations, the practice of over-charging what is necessary continues today. **The best comparison I have is that of The Matrix. In the movie, Neo, played by Keanu Reeves, must first get inside The Matrix before he can understand how to break its code and control it, instead of being controlled by it.** It is important for plan sponsors to “break the code” of retirement plan fees, in order to best position themselves and their employees to have the greatest chance at a successful retirement.

There are plenty of ways to reduce fees in a retirement plan. Fragasso Retirement Plan Advisors would like to help educate and guide you through the matrix of retirement plan fees. For a no-obligation appointment, please contact us at 412-227-3200. ■

GAO-12-325 Survey of the 401(k) Plan Sponsors
WSJ “Why You Should Check Your 401(k) Plan’s Fees,”
November 9, 2015



529 PLAN PARTICULARS

BY *madison nestor* | You've taken a big step in the right direction by choosing to use a 529 college savings plan. At a time when outstanding student loans are four times that of college savings in the United States, many investors are seeking the benefits that 529 plans can provide to combat rising tuition costs.¹ Now you're faced with an important consideration: investment of account assets.

You've taken a big step in the right direction by choosing to use a 529 college savings plan. At a time when outstanding student loans are four times that of college savings in the United States, many investors are seeking the potential benefits that 529 plans can provide to combat rising tuition costs.¹ Now you're faced with an important consideration: investment of account assets.

For investors who want to set up an account and put their money to work with minimal maintenance, age-based portfolios may be appropriate. As a beneficiary ages and approaches college age, these investments reallocate from higher risk and return potential investments to lower risk and return potential investments, in a similar fashion to target retirement date funds. Most college savings plans with investment options offer this type of portfolio, which can be differentiated into two different categories.

Age-based progressive portfolios move smoothly down the glide path, reallocating a few percentage points of equity to fixed income or cash alternatives each year.

Age-based static portfolios maintain a consistent investment allocation over time. These may require that investors periodically switch to other static age-based portfolios as a beneficiary ages, which could require assets to move more abruptly from equity to fixed income.



[This is a hypothetical example and is not representative of any specific investment.
 Please consult a financial advisor regarding your situation prior to investing.]

Static portfolios tend to be lower cost, due to lower trading requirements, but they can introduce significant market volatility risk in comparison to a progressive portfolio that makes minor equity reductions each year. For example, consider the performance missed by a static age-based portfolio that sharply reduced its allocation to equity by 25 percent during March of 2009. That investor would have missed out on a portion of the third longest bull market in U.S. history.²

The investment time horizon of college savings assets is normally around 18 years prior to a period of draw downs. This is a markedly shorter time horizon than that of someone preparing for retirement who may have invested for 35 years. Additionally, the drawdown period for college savings plans is normally much shorter, exhausting funds within a few short years. Compare this to a retiree who makes relatively small, consistent withdrawals for 30 years. As a result, age-based college savings plans must shift from equity to fixed income more quickly than a target retirement date fund and maintain a relatively more conservative mix of investments during the withdrawal phase. This means that college savings plans present more market volatility risk than most target retirement date funds, even those 529 investments with progressive glide paths.

Because of the nuances of this still relatively new investment vehicle and the potential tax advantages it provides, we recommend seeking professional financial and tax advice when choosing a 529 plan. It is best to start saving as early as possible, but it is never too late to start. ■

1. Morningstar 529 College Savings Plan Landscape 2016

2. <http://www.cnbc.com/2015/05/07/sps-third-longest-bull-market-ushers-in-stock-volatility.html>

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Fragasso Financial Advisors, a registered investment advisor and separate entity from LPL Financial. Neither LPL Financial or Fragasso Financial Advisors offer tax advice.

The progressive and static portfolios invest in a broad range of underlying mutual funds that include stocks, bonds, and short-term investments and are subject to the risks of different areas of the market. While moving assets into bond and money market funds can help lower investment risks, there is no guarantee against loss. The portfolios may maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility.

The principal value of a target fund is not guaranteed at any time, including at the target date. Investing in mutual funds involves risk, including possible loss of principal. All performance referenced is historical and is no guarantee of future results.

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 benefits 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.

PITTSBURGH'S 50 FINEST

BY TERRA MCBRIDE

Name:

BRANDON XAVIER SCHWAN

Job Title:

FINANCIAL ADVISOR,
FRAGASSO FINANCIAL ADVISORS

Favorites:

CITY: Japan

BOOKS: *More Money Than God*

MUSIC: Classic Rock

COLLEGE TEAM: Penn State

WEEKEND ACTIVITY: Brunch



There is no mistaking
Brandon Schwan in a sea
of people. At 6'3", Brandon
often towers over the rest
of the room. It's hard to
imagine him as petite,
but size is relative.

"I'm actually the shortest guy in my family. We get a kick out of watching heads turn when we walk into a restaurant together," Brandon quips. "We can be pretty intimidating."

It's no surprise that Brandon and his siblings are all naturally athletic. Brandon played basketball, a pastime he continues to enjoy in his spare time. His younger sister, Alexandra, played lacrosse. And his younger brother, Evan, is a senior defensive end for the **PENN STATE** football team. Needless to say, between their athleticism and the hard work ethic instilled by their parents, you want the Schwans on your pick-up team.



Brandon was born in Pittsburgh and lived in Mt. Lebanon until he was two years old. His father worked for a large office furniture company, a job that moved the family to Montreal, Philadelphia and eventually more permanently to Harrisburg. Brandon attributes his own drive to his parents and especially his father.

"My dad works harder than anyone I've ever met," Brandon says. "He always taught us that no news is good news. So I don't really feel comfortable with accolades. **I'm more concerned with whether the passion I have for what I do is reflected in my work.**"

College took Brandon midway across the country to Purdue University in Indiana. The selection was anything but random, as Brandon's father played football for Purdue and was on the athletic board of the university for several years in the early 2000s. He often accompanied his father on trips there. Brandon was happy to carry on the Schwan legacy at Purdue, earning his degree in finance and management.

While he learned a great deal from his father, Brandon readily admits that his mother was just as important to his development.

"I love to cook, which is something I picked up from my mom," Brandon says. "Most people don't know that I can sew. Back in college, friends would constantly ask me to repair their clothes. My mom insisted I learn these things so that I could always take care of myself."

Now back in Pittsburgh, Brandon couldn't be happier to settle into the city and participate in its resurgence. He enjoys urban living, exploring the best brunch spots and going out with friends. He has been with Fragasso since November 2012 and finds that helping people pursue their goals is the most rewarding part of his job.

To be recognized as one of The Cystic Fibrosis Foundation's 50 Finest is particularly humbling for Brandon. He is certainly honored but is quick to turn the attention away from himself and over to the organization for which he is working to raise money. You can help Brandon reach his fundraising goal by visiting his 50 Finest page. Honorees listed on the 50 Finest must demonstrate leadership, be successful in their chosen careers, cannot be currently engaged or married and exhibit dedication to assisting organizations to better the lives of others. Honorees must also commit to raising a minimum of \$3,000 for the Cystic Fibrosis Foundation and attend specified events.

About The Cystic Fibrosis Foundation

The Cystic Fibrosis Foundation's mission is to cure cystic fibrosis and to provide all people who live with the disease the opportunity to lead full, productive lives by funding research and drug development, promoting individualized treatment and ensuring access to high-quality, specialized care. All proceeds raised by Pittsburgh's 50 Finest help to support vital CF research, medical and educational programs. [HTTP://TINYURL.COM/BRANDON50](http://tinyurl.com/Brandon50) ■



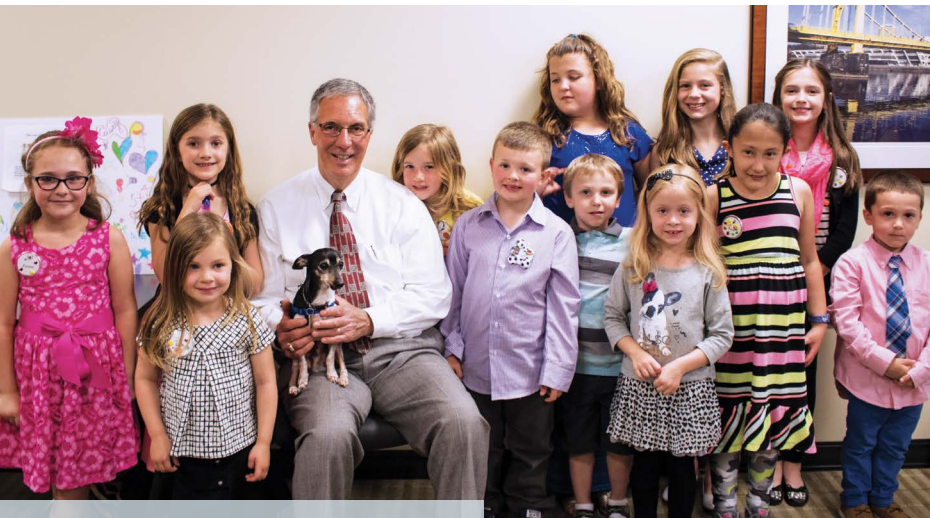
RECOGNIZE THIS SUIT?

If you think you've seen this suit before, you're right! Our friends at Denmarsh Photography used our very own Brandon Schwan as the model for our first edition of The Advisor!

Photos courtesy of Denmarsh Photography



EMPLOYEE *News*



#SALUTI

Rachel Weaver

Crush the Commonwealth is an informal bike race between Point State Park in downtown Pittsburgh and the Liberty Bell in the heart of Philadelphia. Rachel Weaver, financial planning consultant, recently completed this daunting and impressive event.

Michael Godwin

Congratulations to Michael Godwin, CFA, manager of portfolio strategy and his wife Mallory on the arrival of their new baby boy. Cole William Godwin came into this world on May 22 at 8:53 a.m., and weighed 7 lbs. 12 oz. Both baby and mom are doing well. Congratulations to the Godwins on the newest addition to their family!

TAKE YOUR CHILD TO WORK DAY BY *polly aites*

Fragasso Financial Advisors was proud to host our annual "Take Your Child to Work Day" on April 28, 2016. It was the perfect opportunity for us to share with our children where we spend our time every day while they are in school. Bob Fragasso introduced the children to Shane, one of his rescue dogs and newest love. He spoke to the children about Shane's special needs and the importance of caring for animals and people alike. After a tour of our office, the children had a full day of activities, a few of which included decorating piggy banks, visiting Ben and Jerry's and learning about how we operate as a company. The most important lesson of the day was the mutual respect and kindness we have for one another, no matter the job title. It is so rewarding to give our children the opportunity to see where and with whom we work. Our colleagues are a kind of family away from home. Sharing this part of our lives with our children is something in which we take great pride. ■

C O N G R A T U L A T I O N S

MADISON NESTOR

on passing Level III of the CFA Program. She was recently awarded the charter upon completion of required work.

BRENT SUTHERLAND

on being promoted from financial advisor to vice president and manager-financial advisors. Well deserved, Brent!

NEW HIRES

Giovanni Morgano and Kevin Wagner, former interns, on joining the team as our accounting analyst and administrative specialist, respectively. Welcome to the team, guys!



EVENTS



SEPT. 23 &
24, 2016

Black Tie and Tails
TWO GREAT PARTIES, ONE GREAT CAUSE

Join us for an exquisite evening—or two—filled with animal created masterpieces for every taste. Black Tie & Tails promises to be an event you can really sink your teeth into. Our residents certainly have!

Visit thinkoutsidethecage.org
for more details.

FALL '16

*Plan Design: How a Small Business
Owner Can Maximize Their Retirement Benefit*

A lunch-and-learn webinar for retirement plan sponsors
hosted by Fragasso and Dunbar, Bender & Zapf
August 31, 2016
11:00 a.m.
Additional details forthcoming

*An Evening with Fragasso's
Portfolio Management Team*



September 2016
Additional details forthcoming



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NONPROFIT FAST FACTS:

95.4% of Americans participate at some level of charitable giving

THE AVERAGE HOUSEHOLD
CHARITABLE CONTRIBUTION IS \$2,974

TOP 5 REASONS WHY PEOPLE GIVE:

- To meet critical, basic needs
- To give back to society ✱
- A belief that those with more should help those with less
- To bring about a desired impact
- A request for money was made

<http://www.compassion.com/poverty/charitable-giving.htm>

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Contact us to learn
more about how we
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Investment advice offered through Fragasso Financial Advisors, a registered investment advisor.

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