

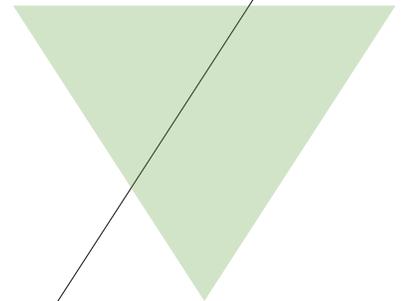
A black and white photograph of a roller coaster track, showing the complex lattice structure of the track and the support beams. The track curves downwards from the top left towards the bottom center of the page. The background is a light gray gradient.

MANAGING RISK FOR YOUR GREATER REWARD

Ending The Investment Roller-coaster

eBook

FIRST | NATIONAL
BANK AND TRUST COMPANY



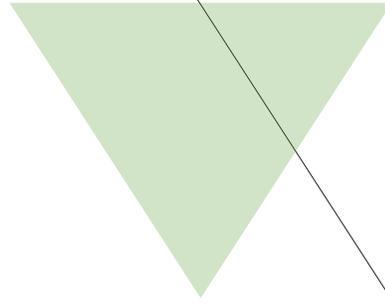


TABLE OF CONTENTS

Chapter 1 **INVESTMENT RISK MANAGEMENT**
Page 6

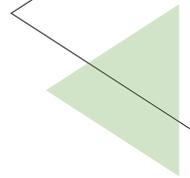
Chapter 2 **FIDUCIARY RISK MANAGEMENT**
Page 16

Chapter 3 **CLIENT STORIES AND TESTIMONIALS**
Page 21

Chapter 4 **OUR STORY, TEAM AND HISTORY**
Page 23

Chapter 5 **FREQUENTLY ASKED QUESTIONS
& CONTACT INFORMATION**
Page 28

INTRODUCTION



First National Bank and Trust Company is a community bank located in Clinton, Illinois. We are proud to offer an amazing line up of products and services for consumers, businesses and other organizations while striving to Ignite Prosperity within our community.

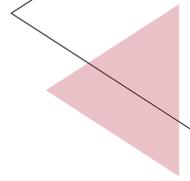
One way that we hope to impact our community is by partnering with the TS Prosperity Group, a company that began in the small town of Treynor, Iowa, a town similar to ours. The group has grown to serve Iowa, Illinois and North Dakota, along with most of the Midwest.

TS Prosperity Group excels at helping people protect their wealth with their risk-based investment and fiduciary services. They provide assistance with estate planning, trusts, succession planning for both families and businesses along with highly individualized investment portfolios that are optimized for peak performance within a client's risk tolerance.

They believe that the problem today is that people underestimate the amount on risk in their financial plan. They solve this by educating consumers about financial risk. They help their clients implement risk-based plans that fit their family's needs. This plan allows their clients to sleep better knowing that their prosperity is protected and will be there for the next generation.

We are very pleased to partner with a company that we feel can truly help our community members grow and sustain prosperity. We hope you take advantage of this great opportunity.

TS PROSPERITY GROUP



You've worked hard to build your wealth. You've invested in the stock market most of your life. You have first-hand experience in the emotional ups and downs of the market which can sometimes feel like a roller-coaster, but you've trusted that overall, your money will grow.

Now, you're nearing retirement and you know you need to get off the roller-coaster, but you aren't sure which first steps to take. You know you can't risk as much as you have in the past because you might not be able to earn it back. You need to hold on to the wealth you've created over your life time to leave enough for retirement and a legacy for your family.

TS Prosperity Group is focused on investment and fiduciary risk first, and return second. We provide custom, optimized solutions that are designed just for you.

In the following chapters we've highlighted the two most important risks you are exposed to, investment risk and fiduciary risk, along with personal stories and some of our client's most common questions. Finally, read about our story and the team members who created our success. At the end of this eBook if you find yourself wondering:

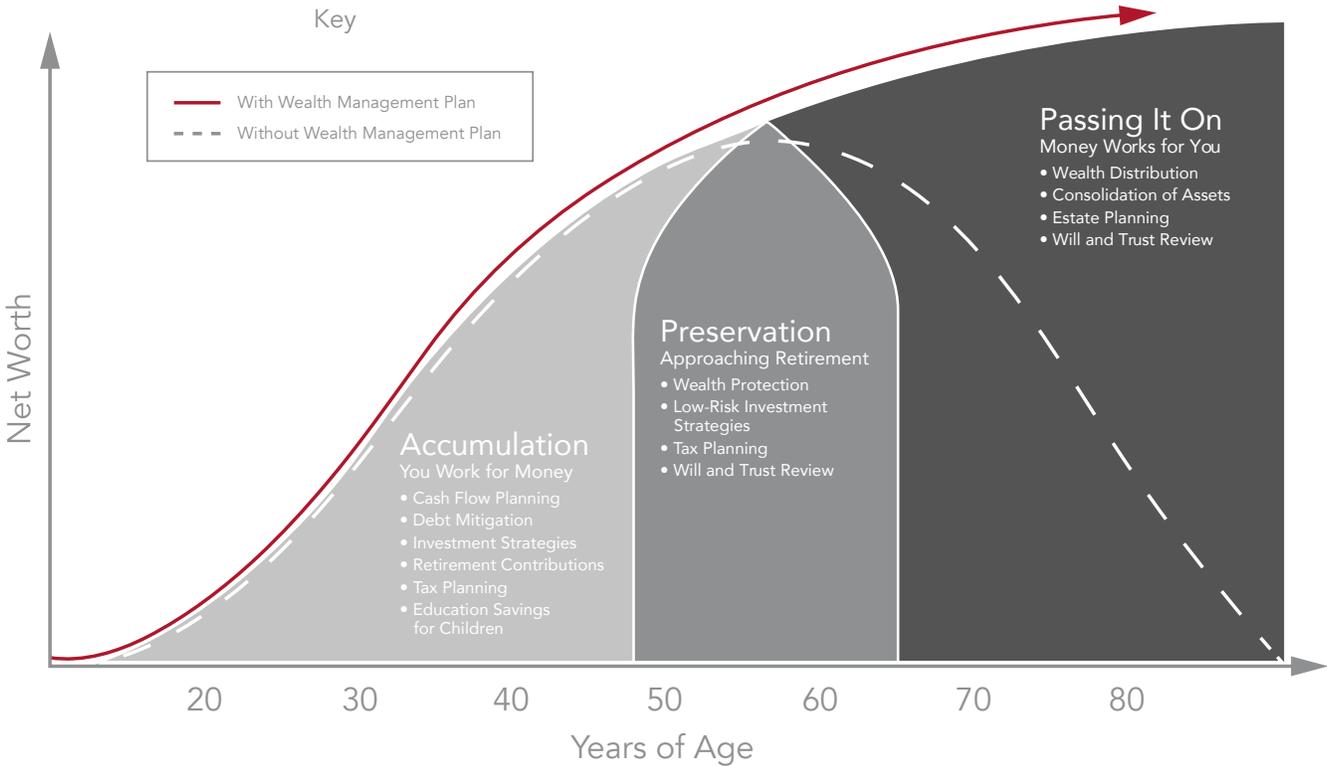
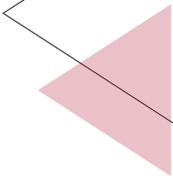
Am I exposed to more risk than I need to be in my portfolio?

Will Uncle Sam get too much?

Am I leaving my estate exposed to risk like family dysfunction or disinheritance?

Contact us to at **1 (844) 487-3115** to schedule your free no-obligation introductory session or visit our website tsprosperitygroup.com. It would be an honor to work with you and your family.

INTRODUCTION

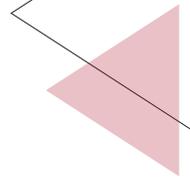


We believe that prosperity can be transformative for your generation and future generations. While wealth is typically managed, prosperity is about building for your future and future generations. It's about leadership, not just management. We use the chart above to describe this generational process.

When a prosperity plan is in place, the hard work you've put in can carry forward to future generations. Without a plan, wealth is typically wiped out before or shortly after death, leaving the next generation to start from square one.

CHAPTER 1

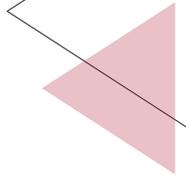
Investment Risk Management



We believe that the average American is **over-exposed** to risk that could be extremely detrimental to their **long-term** wealth and the prosperity of their family."

CHAPTER 1

Investment Risk Management



Would you be seriously impacted if your \$1,000,000 portfolio was suddenly worth \$700,000?

1

INVESTMENT RISK

One of the greatest risks that you are likely exposed to is **investment risk**. While you may be currently earning a great return on your investments, the amount of risk you're exposed to could be greater than you realize; and surprisingly more than you need to take.

CHAPTER 1

Investment Risk Management

Our journey began 10 years ago by asking these questions:

WHAT DO
INVESTMENT
ADVISORS
REALLY KNOW?

If you look at the financial advising industry as a whole, the business of investing has become more salesy and less advisory. The risk is often not clearly understood by the salespeople so much as the commission on whatever product they're selling. And the logic of 'if you want big returns you have to take big risks' is pervasive. So, the higher "performing" funds with excessive risk get sold more often. Mutual fund companies roll out new products continuously for sales people to *sell*.

In finance classes we were taught that the stock market is based on a measure of the value of companies, however, that is no longer the case. Today, investors purchase shares in companies based on the speculation of the stock price increasing, not based on the value of the company. For TS Prosperity Group, it has become apparent that the stock market is largely just investors speculating.

WHAT IS THE
STOCK MARKET?

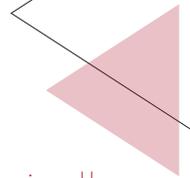
At TS Prosperity Group, we challenge the notion that you have to increase your risk to increase return. Our process involves a more scientific model of managing downside risk to optimize your return. We do this by:

TO GET MORE
RETURN, DOES
ONE REALLY NEED
TO TAKE MORE
RISK?

- Creating True Diversification - Unless you are in Equities, bonds and alternative investments - **YOU ARE NOT DIVERSIFIED**
- Strategic Allocation - Our portfolios are adjusted quarterly to ensure maximum optimization of your funds.
- Being Contrarian - We don't always do what "the herd" does. Its one of the things that makes us different.

CHAPTER 1

Investment Risk Management



So the ultimate question is - If you don't have to take on drastically more risk to get a better return, why would you?

At the TS Prosperity Group, fixed income (bonds) and alternative investments are used as a way of reducing a client's overall investment risk through true diversification of risk. Diversification away from the stock markets is important to provide return predictability and protect our prosperity from downward volatility in the markets.

For clients to be properly diversified from market risk, they need to be invested in fixed income and alternative investments.

The term alternative investment is used broadly and refers to many different types of asset classes. An alternative investment is an asset class that is not one of the traditional investment types, such as stocks, bonds and cash. Examples of the asset classes most commonly used by the TS Prosperity Group, that are defined as alternative investments, are as follows:

- RE Investment Trusts [REIT]
- Private Real Estate
- Private Equity Business
- Precious Metals Funds
- Managed Futures
- Options Income Funds
- Market Neutral Funds
- Bear Short Funds
- Others

Why alternative investments?

Many of the characteristics of alternative investments carry their own risk, but are often what provide the opportunity for improved returns and with effort the risks can be mitigated or managed. Some of these characteristics of alternative investments may include:

- Low correlation with traditional financial investments such as stocks and bonds, meaning when the stock market is down they still perform well, helping preserve your wealth.
- It may be difficult to determine the current 'market' value of the asset, meaning we make money when we buy, not when we sell.
- Alternative investments may be relatively illiquid, meaning we can't sell them quickly, some have liquidity within 30 days, some 45 days, and other's may be longer.
- Cost of purchase and sale may be relatively high.
- There may be limited historical risk and return data.
- A high degree of investment analysis may be required before buying.

Our Alternative Investment "Brain Trust" has a significant track record in strategizing, researching and succeeding with alternative investments.

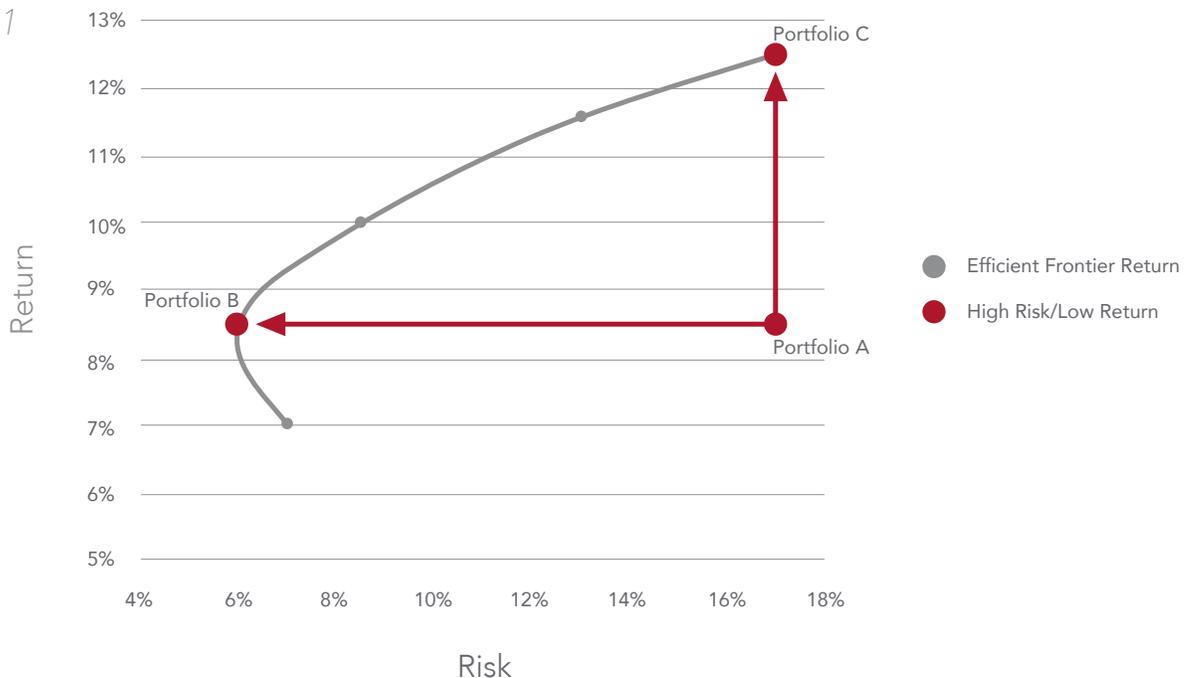
CHAPTER 1

Investment Risk Management

Efficient Frontier Sequence of Returns

The use of these asset classes has the ability to do one of two things; lower the sequence of returns (by taking less risk) or to enhance performance. In the beginning stages of a client relationship, TS Prosperity Group professionals review the client's current portfolio to ensure true diversification.

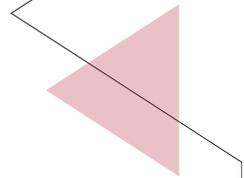
Chart 1



Portfolios, like Portfolio A in Chart 1; are taking on high risk and not getting fairly compensated for the high risk. If a client is satisfied with the return they are receiving, it's possible to get the right mix of other asset classes in the portfolio to lower the sequence of returns. Lowering the sequence of returns simply means that we try to minimize the whipsaw effect. See Table 1 (next page) and compare Portfolio A to Portfolio B, year by year. You will notice that both portfolios have the same average return. However, Portfolio A has a higher whipsaw effect where it increases and decreases in value more than Portfolio B. With a higher whipsaw effect, it also has the ability to dig itself into a deeper hole than Portfolio B. Portfolio B minimizes the whipsaw effect and is trying to run a fairly steady paced marathon. There are years that Portfolio B under performs Portfolio A, but over the course of the marathon, Portfolio B will usually cross the finish line first.

CHAPTER 1

Investment Risk Management



Efficient Frontier Sequence of Returns (continued)

After evaluating the risk, TS Prosperity Group's second task in this initial review is to see if the portfolio should include a different mix of asset classes to enhance the return. Portfolio C on Table 1, shows an example of the marathon affect while introducing alternative non-correlated asset classes. We focus on minimizing risk, for the return being earned. Our goal for portfolios is to have a risk/reward profile anywhere along the gray line in Chart 1, based on your risk tolerance.

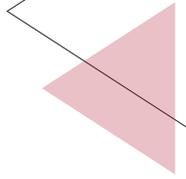
Table 1

	Portfolio A		Portfolio B		Portfolio C	
Years	Sequence of Returns	High Risk/ Low Return	Sequence of Returns	Low Risk/ Low Return	Sequence of Returns	High Return/ High Risk
1	8.5%	\$ 1,085,000	8.5%	\$ 1,085,000	12.5%	\$ 1,125,000
2	25.5%	\$ 1,361,675	14.5%	\$ 1,242,325	29.5%	\$ 1,456,875
3	-8.5%	\$ 1,245,933	3%	\$ 1,273,383	-4.5%	\$ 1,391,316
4	8.5%	\$ 1,351,837	8.5%	\$ 1,381,621	12.5%	\$ 1,565,230
5	25.5%	\$ 1,696,555	14.5%	\$ 1,581,956	29.5%	\$ 2,026,973
6	-8.5%	\$ 1,552,348	3%	\$ 1,621,505	-4.5%	\$ 1,935,759
7	8.5%	\$ 1,684,298	8.5%	\$ 1,759,332	12.5%	\$ 2,177,729
8	25.5%	\$ 2,113,794	14.5%	\$ 2,014,436	29.5%	\$ 2,820,159
9	-8.5%	\$ 1,934,121	3%	\$ 2,064,797	-4.5%	\$ 2,693,252
10	8.5%	\$ 2,098,521	8.5%	\$ 2,240,304	12.5%	\$ 3,029,908
15	-8.5%	\$ 3,002,429	3%	\$ 3,348,077	-4.5%	\$ 5,213,487
20	25.5%	\$ 5,093,787	14.5%	\$ 5,296,510	29.5%	\$ 10,567,598
30	-8.5%	\$ 9,014,582	3%	\$ 11,209,620	-4.5%	\$ 27,180,449
Average Return		8.5%		8.5%		12.5%

Chart 1 & Table 1 are hypothetical scenarios for illustrative purposes only. Risk/Returns used are as follows: Low Risk 6% Standard Deviation, High Risk 17% Standard Deviation, Low Return 8.5%, High Return 12.5%.

CHAPTER 1

Investment Risk Management



The TS Prosperity Group team has identified there is a better path forward. The elements involved in the better path forward are very simple.



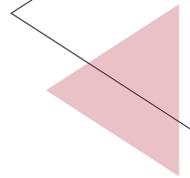
INVESTMENT RISK

Diversification, Allocation & Correlation

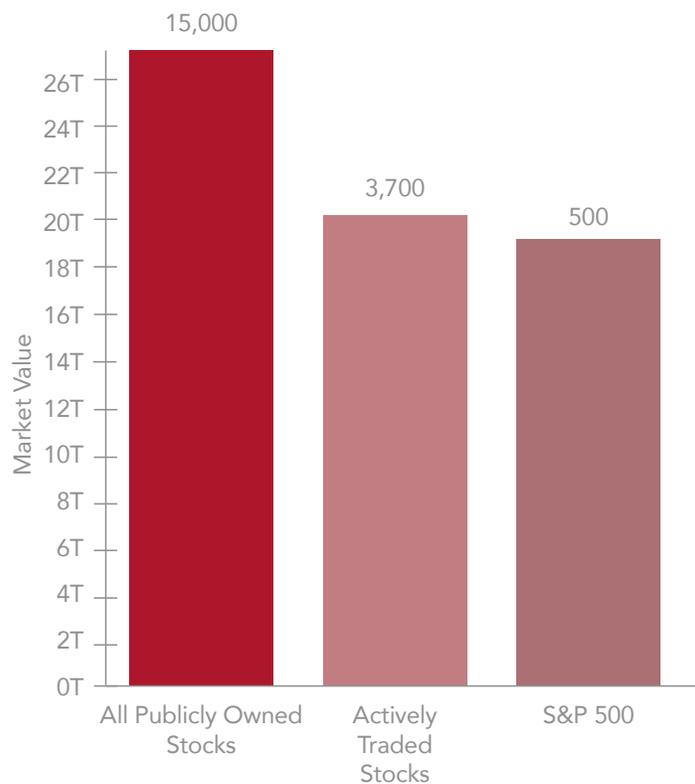


CHAPTER 1

Investment Risk Management



Most investors understand the importance of diversifying their portfolio. Yet, most investors wrongly believe that if they have a variety of funds from different sectors, fund families or asset classes, that they are protected from risk because they are diversified.



The chart above shows that approximately two-thirds of the total stock market's value is found within only 3% (500) of all the publicly traded companies/stocks. Of the \$27T in overall value of the stock market \$19T is comprised of the stocks in the S&P 500. The next 3,200 stocks make up another \$1T. This chart shares the story of how investors, if they are mostly invested in the public stock markets, are not properly diversified for risk when it comes to their investment portfolio. This is because of two reasons: 1) Many mutual funds have a high correlation for risk and 2) Many funds have a large overlap in the stocks they are invested in, because two-thirds of the market's value is in only 3% of all the stocks.

What this chart suggests is there is a high degree of overlap in the amount of institutional and mutual fund money in the same 500 stocks. If the majority of investment assets are in the same 500 stocks, what would happen when market sentiment turns negative?

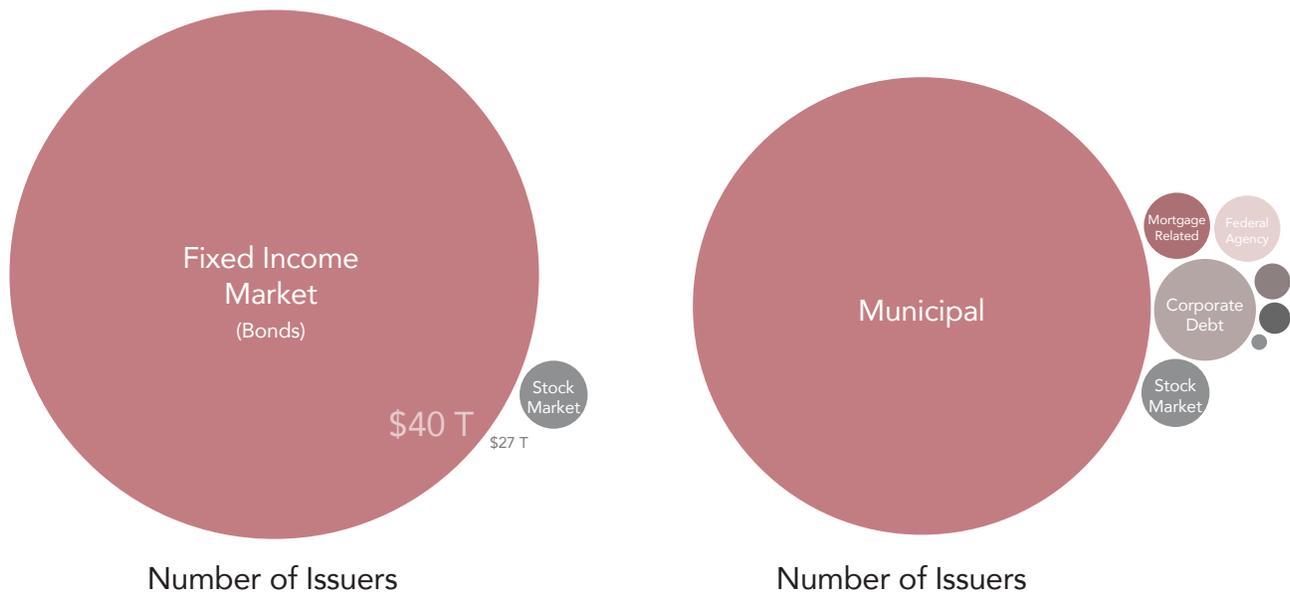
Answer: Each and every fund investing in those stocks would perform the same.

CHAPTER 1

Investment Risk Management

Strategic Allocation

Most investors think of the market as 'the stock market', but as can be seen illustratively in these charts, the fixed income (bond) market is multiple times bigger in dollars and number (diversity) of issuances.



TS Prosperity Group's philosophy, when it comes to achieving out-performance in the fixed income markets, centers around the following concepts:

Counting dollars (Total Return), not yield. Conventional wisdom is that a fixed income instrument (bond) is only about yield. What is wrong with yield?

Yield is an inferior investment measure as it only attempts to capture the return side of the equation, ignoring the risk side. Because bonds have differing variables (maturities, callability or cashflow volatility, and reinvestment rates) that are usually modeled inaccurately, yield does not even capture the return side accurately. Thus, if one uses yield as their primary tool to compare risk and return across bonds, then one will make the wrong decision.

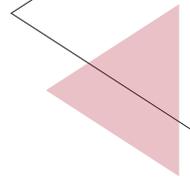
Playing off the limitations of conventional wisdom of others. Because of the heavy focus, by most investors, on yield in the fixed income markets, along with antiquated policy or procedural limitations on certain investor segments, a contrarian investor is able to take advantage of over and undervalued sectors in the market.

Using the value of rolling the curve & time. These two variables can help turn "fixed income" yields into a "total return" strategy.

The Power of Combinations. The right combination of bonds can often outperform a single bond or portfolio. Trying to find bonds that will do "OK" in every scenario puts an investor on the road to mediocrity.

CHAPTER 1

Investment Risk Management



What makes TSPG unique is the alternative investments we have at our disposal and the scientific way in which we strategically allocate wealth among the three categories.

As you can see, the industry norm is to remain heavily in stocks and bonds, completely avoiding alternatives.

	TSPG	Industry	
Conservative	Bonds	50-70%	65%
	Alternatives	0-35%	0%
	Equities	5-20%	35%
Aggressive	Bonds	20-30%	20%
	Alternatives	0-35%	0%
	Equities	30-80%	80%

Point blank, to be properly diversified to withstand a plummeting stock market, you have to also be in alternatives and bonds.

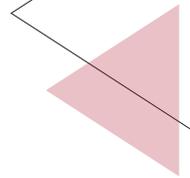
It's the tortoise and the hare analogy. Always chasing higher return and paying no attention to risk is like the hare running ahead and then falling asleep. We'd rather be the steady producing tortoise.

So the bottom line when it comes to investment risk is:

- You may be exposed to more risk than is necessary for the returns.
- You may not be as diversified as you should be.
- The allocation isn't based on an equation but "a hunch."
- If the market plummeted tomorrow, you may not have investments in your portfolio designed to perform in a falling market, thus digging your investments in a hole.

CHAPTER 2

Fiduciary Risk Management



What Fiduciary Risks are there?

Income Tax Risk

- Social security
- Investments/dividends
- Assets held in the wrong investment vehicles

Estate/Gift Tax Risk

- Size of your estate
- No plan today and assets have to be sold
- Assets held in the wrong investment vehicles

Liability/Catastrophe Risk

- Insurance: Health, life, disability, long term care
- Health care directive
- Power of Attorney

Financial Management Risk

- Individual vs. corporate fiduciary
- Inexperience
- Return vs risk
- Fees

Family Dysfunction Risk

- Second marriage
- Mental health or disability
- Financially irresponsible
- Inability to maintain family assets
- Sibling rivalry

Probate Risk

- No will in place
- Outdated will or trust documents
- Affairs are in the public record
- Probate cost
- Probate Delays

Charitable Donation Risk

- Wishes unfulfilled by charity without specific instructions
- Unwise use of funds by the charity without specific instructions
- Generational transfer risk
- Transferring too much wealth at one time to heirs
- No plan for protecting large family assets such as land, houses or a business

Lack of Planning Risk

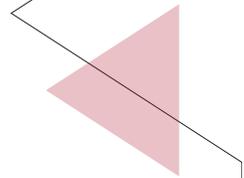
- State law controls disposition
- No plan for special circumstances
- No plan for care of minors/disabled
- Unintentional spousal disinheritance

Succession Risk

- No one able to run a family business/farm
- No knowledge of corporate structures or business holdings

CHAPTER 2

Fiduciary Risk Management



The three most common fiduciary risks are: family dysfunction, probate risk, and lack of planning risk.

Family Dysfunction Risk

Typically, family dysfunction happens when a family member or friend is left to handle an estate. While you may have a will and there may be instructions for your family in the event of your passing, can you guarantee that every family member will cooperate in the distribution of your assets? One of the greatest risks there is to a family's long-term stability and prosperity is family dysfunction, something that's largely eliminated when a fiduciary officer is put in place to help manage your affairs. Contrary to popular belief, "it is not an honor or privilege to be someone's executor of the estate." It's best left to a fiduciary officer and professional fiduciary.

For example, a successful farmer lost his first wife to cancer early in their marriage. He remarried about 20 years later to a woman 15 years younger. They were married for 23 years before he died unexpectedly. His three kids, one of whom worked the farm with dad, believed their stepmother (in a relationship with their dad for over two decades), didn't deserve any of the land or income from the farm. Desperate for a place to live, she had to move in with her daughter and son-in-law. In contrast, if the second wife was primary beneficiary, she would have the power to not leave anything to the kids.

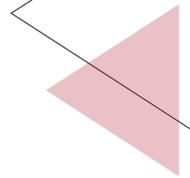
Probate Risk

Probate risk happens when a family member dies with no will, an outdated will or outdated trust documents. The cost of probate and delays in obtaining assets, can sometimes cripple the family's finances and create unforeseen consequences.

For example, the patriarch of a family who has farmed for generations in their local community has passed away in a farming accident. He was 60 years old and hadn't completed any estate planning for his family farm and assets. Without a trust in place, the family and all the family assets titled to him, must pass through probate. Probate is a legal process where a will is "proved" in court. When a family is forced to go through probate, there are additional legal costs incurred and all assets become part of public record. Thus, everyone in the community has access to the amount of land and assets that passed through the estate if done through the probate process.

CHAPTER 2

Fiduciary Risk Management



'Lack of planning' risk

Lack of planning risk can result in a spouse being unintentionally disinherited or where no plan is left for a dependent with special needs.

For example, a couple who is married 18 years goes through a bitter divorce. At the time of the divorce, the husband is overwhelmed and neglects to change the beneficiaries on his IRA and 401K accounts from the ex-wife to his children. He remarries a few years later and is unexpectedly killed in a car accident shortly after his new marriage. At the time of his death, his ex-wife is still listed as the beneficiary of his IRA/401K account. The updated will he drafted at the time of his second marriage cannot overrule the IRA beneficiary designation. The first wife is now the sole beneficiary of his retirement accounts.

What happens if I don't plan?

They say you don't know what you don't know. Which is why working with a fiduciary who can ask the important questions is critical. By partnering with TS Prosperity Group, you'll have a fiduciary to walk you through the most important decisions on how to distribute the prosperity you've worked hard to create.

If you don't have a fiduciary yet, ask yourself these questions:

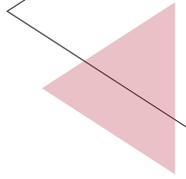
- Will my family harmony be in jeopardy?
- Should my family business stay intact?
- Will my family obligations be addressed?
- How much will the government take in taxes?
- Are my financial needs covered if a major life event occurs?
- Will my legacy carry forward?

Why do estate planning?

The reasons to do a formal estate plan with a fiduciary are simple. You want some amount of control after your death and if you are incapacitated, your loved ones aren't put in the difficult place of making decisions for you. Ultimately, it's about preserving your prosperity and leading the next generation to build upon what you've worked your life to create.

CHAPTER 2

Fiduciary Risk Management



You've learned that there are two main risks that relate to your wealth.

1

INVESTMENT RISK

Investment risk can take the form of being over-exposed to a downturn in the market, having stocks that look and feel different but in the end all perform the same way in a plummeting stock market and not using a proven method to make your financial decisions.

2

FIDUCIARY RISK

Fiduciary risk can take the form of not protecting a nest egg at the end of your life, paying more in taxes than you should have upon the transfer of your estate and jeopardizing family harmony by entrusting the execution of your last will to relatives.

Put both of these together and there is a likelihood that the blood, sweat and tears you put into building your family prosperity could be in jeopardy.

Now that you know the two major types of risk, can you confidently answer these questions?

Are you exposed to more risk than you need to be in your portfolio?

Are you leaving your estate exposed to risk, like family dysfunction or disinheritance?

CHAPTER 3

Stories and Testimonials

MY PARENTS PLANNING FOR THE UNEXPECTED SAVED US AFTER OUR FAMILY'S WORST MOMENT

By: Kristi Waffle, COO

Facing our mortality can be challenging. It is not an easy thing to realize that one day you may not be here to see your grandkids graduate or live out your retirement years traveling, enjoying time with your spouse. From my personal family experience, creating a plan and having a difficult conversation may be the best thing you can do to help your family.

In December of 2014, my parents were planning for retirement within the next few years, discussing trips they might take or possibly moving to a retirement home. As their daughter, I asked if they were ready for this big life transition.

I asked questions like:

"Do you know what kind of income you need?"

"Is your house paid off? Should you pay off your mortgage before you retire?"

"When is the last time your Will was updated?"

As you can see, I might be a little forward and pushy. You might be too, if you saw these things daily in your career.

With the last question, both of them looked at me with a sheepish look and stated, "We updated our will in 1989. Is that a problem?"

Since 1989, their children had grown into adults, grandchildren were born and divorce had affected our family. My parent's financial situation and family make-up had changed drastically in 27 years. I wanted my parents to have the peace of mind that in their golden years, they had planned for the unexpected and knew that the other would be cared for no matter what the circumstance. It took six months and many strong-arm maneuvers on my mom's part, but in July of 2015, they had finalized an estate plan and new Will. My dad decided to retire on September 15, 2015 and the next day they left for a two-week trip to Europe with family.

You might think that this is where the story ends, as they traveled, setting off into the sunset so to speak, but that is not

the case. On February 12, 2016 in the early morning hours, my father died suddenly and unexpectedly from a swollen windpipe and swelling of the soft tissue in the throat. My parents had spent the day together having lunch, doing some home repairs, having a day like any other in their 50 years together, but then everything changed.

Our family was turned upside-down. We lost a beloved father, grandpa and spouse. The suddenness of his loss caused the hardest days my family has ever lived through. We were left picking up the pieces of our broken hearts. However, we did not have to worry about how my mother would take care of their house, how the bills would be paid, and if we had enough set aside for his funeral... All of those questions had been taken care of months before, during the estate planning process. The piece of mind that things were in place was invaluable. My mother and our family were able to grieve without the worry of financial decisions and stress.

I am forever grateful that my parents made the decision to plan for the worst-case scenario before it occurred. You never know what day will be your last. As an employee of TS Prosperity Group, I believe in the power of planning for your family. We want all families to prosper and leave a legacy they are proud of.

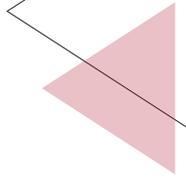
I truly am blessed with a father who cared more about his family and their well-being, than his own feelings about mortality."

He was not excited about putting together that estate plan, but in the end, I know it is exactly how he wanted his family cared for when he was no longer here to do it. •

Kristi Waffle joined TS Prosperity Group in 2007 and today serves as Chief Operating Officer. Kristi works with all departments within TS Prosperity Group to help implement strategy, goals and processes for the success of TS Prosperity Group. Kristi was raised in Council Bluffs and a graduate of Lewis Central High School. Kristi is active within the Treynor Community. She has served on the Treynor Little League Board, coached youth sports, and assisted with numerous Treynor Athletic Fundraising events over the past 9 years. Kristi is a graduate of University of Nebraska at Omaha in Management Information Systems. Her work experience includes 8 years investment brokerage operations, 8 years as licensed real estate agent/broker, 15 years as small business owner and 9 years in Operations for TS Prosperity Group.

CHAPTER 3

Stories and Testimonials



A PERSPECTIVE ON ESTATE PLANNING FOR FARMERS

By: Rich Purdy, Fiduciary Officer

The size of the average farming operation has continued to increase over the past few decades, while the number of farmers keeps decreasing. From an estate planning perspective, this has two major implications: (1) There are more and more non-farming heirs to consider, and (2) because of the size and complexity of modern farming operations, proper planning is a must.

Let's start with a few items that everyone (even non-farmers) should have in place.

- Draft a will and update it often
- Consider opening a trust
- Set health care directives
- Identify a financial power of attorney
- Review or set beneficiary designations
- Review life insurance needs
- Make final arrangements

In addition to the above, farmers especially should also address the following items.

- Probate
 - Farmers in particular seem to like to avoid probate. Probably because, when an estate is probated, it becomes part of the public record at the courthouse.
- Continuation of the farming operation
- Succession planning
- Non-farm & on-farm heirs
- Will the land be retained?
 - Because one or more of the heirs are farming, or
 - To provide you with retirement income, or
 - To provide an income stream (cash rent) for the heirs
- Will the land be sold?
 - Because you need the proceeds for debt repayment, nursing home expenses, etc., or
 - Because none of the heirs are farming
 - If sold prior to death, you are likely to incur capital gains taxes
 - If sold after death, the land will likely receive a stepped-up basis
- Regardless of what your intentions are, and to help kick start the planning process, you should consider:
 - Having a family meeting
 - Do it early and include everyone
 - Document in writing what was discussed, and distribute a copy to all family members, so that misunderstandings are either eliminated or at least kept to a minimum.

MY FAMILY'S STORY

My parents were farmers and landowners. At retirement, they continued to live on their farm and rent the land out. Years later, they reached the age where they wanted to move to town. No family stayed and farmed and the land was at a high value. So they decided to sell the farm. Selling caused them to incur a substantial amount of income taxes. If, instead of selling, they had let the farm pass to their heirs at the time of their deaths, it is likely that the farm could have then been sold with little or no income tax consequences. But my parents never looked back, never regretted their decision. For them, it was about peace of mind. They didn't have to worry about what land prices or cash rents were going to do. They had the money in hand, so to speak. This greatly simplified their lives. That's what was important to them.

OTHER CIRCUMSTANCES

For others, nothing is more important than "keeping the land in the family." To do so, oftentimes a trust is utilized. As one of the fiduciary officers with the TS Prosperity Group, I work with several trusts that hold farmland as the primary asset. There are many potential benefits such as: being able to keep the land in the family, providing an income stream to beneficiaries, avoiding the capital gains tax that would likely be incurred if sold during your lifetime, etc. Another potential benefit of a trust is that it can be designed to limit, or spread out over time, the amounts that are distributed to a beneficiary, rather than simply allowing him or her to receive a single lump sum at the time of your death. This may be desirable if you have one or more children that just don't handle money very well, or that are minors at the time of your death.

The point is that each family's situation is unique. Your priorities & goals are different than those of your friends or neighbors. That's why your estate plan should be tailored to your specific circumstances.

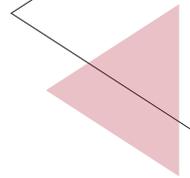
Many families procrastinate when it comes to estate planning. Some consider it to be an unpleasant or difficult subject to talk about. Others simply don't know where to start. The various reasons for putting off estate planning don't really matter. What does matter is that you decide to make it a priority and take steps to get your estate plan in place.

TS Prosperity Group can help you during this process. Consider us to be a trusted resource for you and your family. The peace of mind that comes from having your estate plan in place is priceless. •

Rich works with clients in all areas of wealth management and financial planning. Rich obtained his CERTIFIED FINANCIAL PLANNER™ designation in July of 2000. He also provides farm management services to TS Prosperity Group clients, and is a licensed real estate broker. His work experience includes 7 years as a Consultant with the Southwest Iowa Farm Business Association, 30 years as a licensed real estate agent/broker, and 32 years of banking. Rich has been with TS Bank since 1984.

CHAPTER 4

Our Story, Team & History



Our Difference

We plan for your family's future as if it were our own, managing risk for your greater reward.

Just as TS Banking Group is committed to community prosperity, TS Prosperity Group is committed to family prosperity. We know that by making an impact on the financial lives of our clients and their family's legacy, we also make an impact on our communities.

TS Prosperity Group believes so strongly in giving back, that it dedicates 10% of its annual pre-tax income for community reinvestment.

By embracing our fiduciary responsibility, our client and their ongoing financial legacy are at the forefront of everything we do. The foundation of our investment philosophy is to optimize returns through risk management. We do this by adhering to financial fundamentals as we optimize for risk adjusted return.

Our purpose is to secure and empower your family's financial life to ignite a prosperous legacy.

You work incredibly hard to attain your prosperity, and you deserve to partner with those who are the absolute best at growing, managing and protecting your prosperity; and doing so in complete confidentiality.

Looking for a financial partner that will simplify your life while protecting and growing your prosperity for generations to come? Contact TS Prosperity Group today. We handle your investments with the same care as our own.

Schedule a prosperity planning meeting today!

TS Prosperity Group

1 (844) 487-3115

tsprosperitygroup.com

THE PATH LESS TRAVELED: THE DISCIPLINE, THE RISK AND THE INVESTMENTS THAT BUILT TS PROSPERITY GROUP

By: Joshua M. Guttau

Published: July 13, 2017

Several years ago, a young investor was studying the economy and believed the economic fundamentals did not support what he was seeing in the stock market.

In January of 2008, this investor made the decision to pull his money out of the stock market and began to publicly share his observations of an ensuing recession. In September of that same year, the markets were crushed from the ensuing recession, one of the greatest recessions in history – but he did not suffer a loss...Genius or Fool?

Over the next nine years, as the Dow went on one of the greatest bull market runs in history – increasing approximately 300 percent from its bottom in 2008-2009, this same young man refused to put his money back into the stock market...Genius or Fool?

As the Dow continued its straight up-hill climb, it would have been easy to surrender his decision, by falling victim to the emotional dilemma of "I am missing out.", and jumping back into the market many times during those nine years...What kept him out of the market?

After nine years of sitting on the sideline, in the Fall of 2016, with the Dow reaching all-time highs near 20,000, this same man went back into the stock market, after watching the 300 percent run from the sidelines... Genius or Fool? ...What finally pulled him back in?

The investor in this story is now the CEO of the TS Prosperity Group, Josh Guttau. Josh's story is one of importance to TS Prosperity Group, as it contains the soil in which the roots of TS Prosperity Group's investment philosophy grew and developed to sprout forth a proven process.

Now, in Josh's words, the rest of this story: I discovered several years ago there is a fine line between a fool and a genius, which can be witnessed in the above story. As a CEO, husband and father, I am reminded of that fine line multiple times on any given day!

In the above story, I do not consider myself a genius, nor a fool; but what I do know is that I was disciplined.

In the above story, when it first asks Genius or Fool, most people, including me, would have answered "genius," for avoiding the stock market crash. Today I would now answer that I was a "fool" for doing that, because of now knowing a better way to invest, while still staying in the markets.

Of course I look back and wish I knew then what I know today about proper investment risk management because I would have stayed in the market, or at least gone back into the market and caught the 300 percent run up. At the same time, I am so glad I did not go back in, because it was that discipline that drove me to assist in the development of what TS Prosperity Group now offers clients.

That discipline was driven by the following thoughts I had swirling in my head back in 2008:

“ I have seen things I do not understand, I have seen things I do not trust, and I believe there is a problem today with how investing in the stock market works. Until I understand these things and find a better way, my money will stay on the sidelines.”

– Joshua M. Guttau.

I sat on the sidelines all these years, going against everything the world and academics have tried to condition me to believe, such as The market always goes up over time..., You can't beat the market - just join it - index!..., To get more return, you have to take more risk..., and many other commonly held beliefs and advice found in the investment world.

Now for the same reason (discipline), eight years later, I am back in the stock market, at what is by most measures - a very expensive stock market (actually the most expensive of all time).

What was my nearly 9-year hold out really about?

It wasn't about my money; it was about our client's money. I wanted to be able to believe 100 percent in what we offered to clients. I wanted to truly understand what myself and our clients were risking when investing in the stock market. Therefore, I refused to put my own money back into the market until I had enough confidence in a process that addressed all of my skeptical questions of how the markets and the investment industry really works. Only when those were overcome with a new process of investment risk management was I willing to invest my money and our client's money into the stock market.

This preoccupation of understanding risk management is what drove me to spend the last decade of my life learning, risking and testing with our own money, employing incredibly talented people, and acquiring, developing and investing in the systems that now makes up TS Prosperity Group's investment strategy.

It may be referred to as an investment strategy at times, but we instead see it as an investment risk management strategy because much of our process revolves around looking at how we would define and manage risk when it comes to investing money.

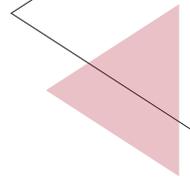
The team at TS Prosperity Group has taken the seed I planted nine years ago (in asking a number of skeptical questions, and drawing a line in the sand) and maintained that we would not move forward until we came to the intellectually honest approach.

I have to give much credit to the team of employees that are a part of the TS Prosperity Group. Under the guidance of our Chief Investment Officer, Kevin Forristall, the team of analysts, data scientists, and investment managers have taken the vision and challenging questions utilizing their experience, knowledge, and tools to fully construct an investment risk management approach into one that I can now fully endorse!

TS Prosperity Group has chosen to take a path less traveled. Our team looks at risk in a unique way and has now, nearly a decade after having the initial vision, created a proven process that allows portfolios to be built with optimal risk and return combinations for our clients.●

CHAPTER 4

Our Story, Team & History



Unique in Our Level of Expertise and Depth

The TS Prosperity Group difference begins with our team working and collaborating together to create a comprehensive prosperity plan uniquely tailored to your needs and goals. Together, each of our TS Prosperity Group members bring decades of experience and intellectual capital to your prosperity plan. The depth and scope of the TS Prosperity Group team is considerable with accomplished strategists, Chartered Financial Analysts (CFA®), fiduciary trust officers, attorneys, portfolio managers, investment analysts, accountants (Certified Public Accountants) and administrative support.

From our visionary executive leadership to our top-flight investment analytics and depth of experience in fiduciary management services, our team has the tools and knowledge to address any financial issues and challenges you may encounter along your path.

CHAPTER 4

Our Story, Team & History

Leadership Team



Joshua M. Guttau, Chief Executive Officer

As CEO of TS Banking Group, Josh has led a multi-bank acquisition strategy launched in 2013 to acquire banks throughout the upper Midwest.

Leading the banking group from \$50M in assets in 2003 to \$1B in 2017, with 20 employees expanding to 200. Josh also leads the TS Prosperity Group, in striving to redefine what wealth management, investment management, and trust services should look like. Josh is co-founder of TS REIS and TS Capital, investment fund companies in real estate and options, as well as the founder of Timber Stream Cattle Co, LLC; a 500 head cow-calf ranch operation.

With an MBA in Finance & Strategic Planning from Iowa State University, a Professional Masters of Banking from Louisiana State University, a Professional masters in Real Estate Investing from Wealth Intelligence Academy, and a Bachelors in Animal Science and Agronomy. Guttau is currently a faculty member at the Graduate School of Banking in Colorado. He has volunteered on a number of community, charitable, and industry boards, including eight years of school board service, and currently serves as a trustee for Iowa Banker's Benefit Plan and as a director for Olsson Associates Engineering, based in Lincoln NE.



Kevin Forristall, CFA Chief Investment Officer

As Chief Investment Officer for TS Banking Group as a whole, Kevin leads a talented team of analysts and data scientists. Prior to becoming Chief

Investment Officer, Kevin served as CRO, VP of Risk Analytics, Risk Analyst and Credit Analyst since 2006. Prior to joining TSBG Kevin worked for Wells Fargo as Credit Manager. He is currently an adjunct professor at Creighton University. Kevin holds the distinguished CFA designation along with an MBA from Creighton University and a BA in Business Administration from Morningside College.



Kristi Waffle, Chief Operating Officer

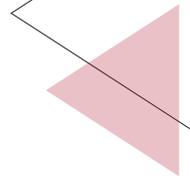
Kristi joined TS Prosperity Group in 2007 and today serves as Chief Operating Officer.

Kristi works with all departments within TS Prosperity Group (Administration, Operations, Investments, Sales, TS REIS and TS Capital) to help implement strategy, goals and processes for the success of TS Prosperity Group. Kristi was raised in Council Bluffs and a graduate of Lewis Central High School. Kristi is active within the Treynor Community. She has served on the Treynor Little League Board, coached youth sports, and assisted with numerous Treynor Athletic Fundraising events over the past 9 years. Kristi is a graduate of University of Nebraska at Omaha in Management Information Systems. Her work experience includes 8 years investment brokerage operations, 8 years as licensed real estate agent/broker, 15 years as small business owner and 9 years in Operations for TS Prosperity Group.

See the full team at tsprosperitygroup.com.

CHAPTER 4

Our Story, Team & History



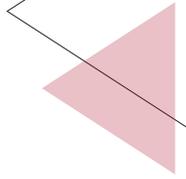
Industry Awards

TS Banking Group, the holding company of TS Prosperity Group, has banks nationally ranked in the top performing bank list since 2009, with a bank ranked in the top three highest performing banks in Iowa 6x. And in the first year of ownership of a newly acquired bank in North Dakota, became the 2nd highest performing bank in the state.

Our CEO, CFO and the analyst team are among the best in the country at institutional investing. This means, we have the best return on our portfolio and have created the greatest return on equity of any bank in the state multiple years in a row. Because of this, our institutional investing experts began working on portfolios that could be offered to the individual investor and made some incredible discoveries which are now offered to the public.

CHAPTER 5

Conclusion & FAQs



FAQs

1. What do I need to bring to a first meeting?

We suggest clients bring any investment account statements, a personal financial statement listing assets and liabilities, copies of life insurance policies and any legal documents such as wills, trusts, and power of attorneys. All of these important financial pieces allow our staff help you in creating the best personalized prosperity plan.

2. How do I become a new client?

First, we want to meet with you to discuss who TS Prosperity Group is and the services we provide to ensure this is the best fit for your long term financial prosperity. We first ask potential clients to have a discovery meeting, where we learn about you and your financial needs and you can learn about TS Prosperity Group and our investment risk management philosophy and fiduciary planning services. Next, we schedule a solution meeting where potential clients will learn about the financial solutions that suit your individual financial needs. This process ensure our clients are well informed of what TS Prosperity Group can assist with in creating a prosperous legacy

3. Who will I work with as a client?

TS Prosperity Group believes in a team of people working to provide you the best prosperity plan. You will work with your personal fiduciary officer, and investment officer and a team of financial professionals to help you achieve your financial goals. Please visit our team page to learn about our individual team members.

4. Who can I reach at TS Prosperity Group with questions?

We are a business division of TS Banking Group, with offices in the Council Bluffs, Treynor, Corning, Atlantic along with Tioga and Crosby, North Dakota markets. We offer personalized service with direct access to your client relationship manager. Please contact at 1-844-487-3115 and ask for the TS Prosperity Group today.

5. Why do you call it a prosperity plan?

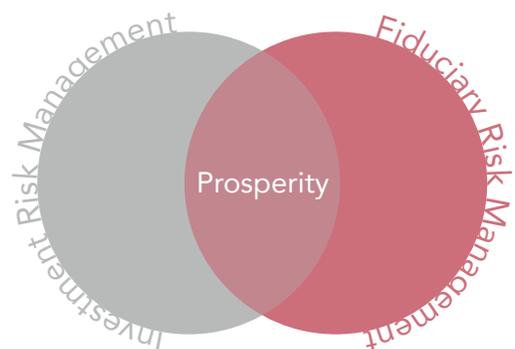
TS Prosperity Group believes your financial plan is always evolving and changing. The word wealth cannot be used in the form of a verb. We believe in helping our clients grow their prosperity through great investment management risk and fiduciary risk management. By pairing these two important financial aspects together, we create a prosperity plan for clients that allows them to continue growing their financial prosperity for this generation and the next.

6. What is investment risk management?

In today's investment environment we believe very few advisors are assessing the risk in client's portfolios with the focus on what is the loss potential to my portfolio in a down market. Our investment team focuses daily on not only the return an investment can generate but also the risk of downside loss in a steep market decline. We think this is the thought that keeps our client's up at night. How much can a portfolio lose if the market starts to tumble?

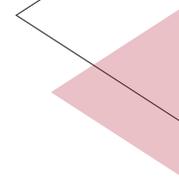
7. What is fiduciary risk management?

At TS Prosperity Group, we are not only focused on helping you generate income from your assets but how you can protect those assets during your lifetime and pass them to your family according to your wishes. Long-term generational prosperity requires planning and coordination with your attorney, CPA, and family members. You have built a legacy and the proper planning and legal documents can help you create generational wealth for your family.



CHAPTER 5

Conclusion



The Big Question

Does this information cause you to wonder if you are:

- 1. Exposed to more risk than you need to be in your portfolio?**
- 2. Leaving your estate exposed to risks, like family dysfunction or disinheritance?**

If your answer was "yes" or "I don't know" for either of them, and you like the idea of a more thoughtful and disciplined approach to building and managing your wealth, a no-obligation meeting is recommended. A 30 minute introductory session is enough to know whether or not we're a good fit to work together.

At TS Prosperity Group we want to be your partner in creating a plan that secures and empowers your financial prosperity, while giving you the ability to care for your family today and for generations to come. You may not have all of the answers but TS Prosperity Group is here to help.

Schedule a prosperity planning meeting today!

TS Prosperity Group

1 (844) 487-3115

tsprosperitygroup.com