

Planning & Investing for Keeps

EVERCORE | Wealth Management
Trust Company

THE NEW STANDARD IN WEALTH MANAGEMENT

RELUCTANCE



RELUCTANCE

“There is only one kind of shock worse than the totally unexpected: the expected for which one has refused to prepare.”

— Mary Renault, *The Charioteer*

YOUR JOURNEY

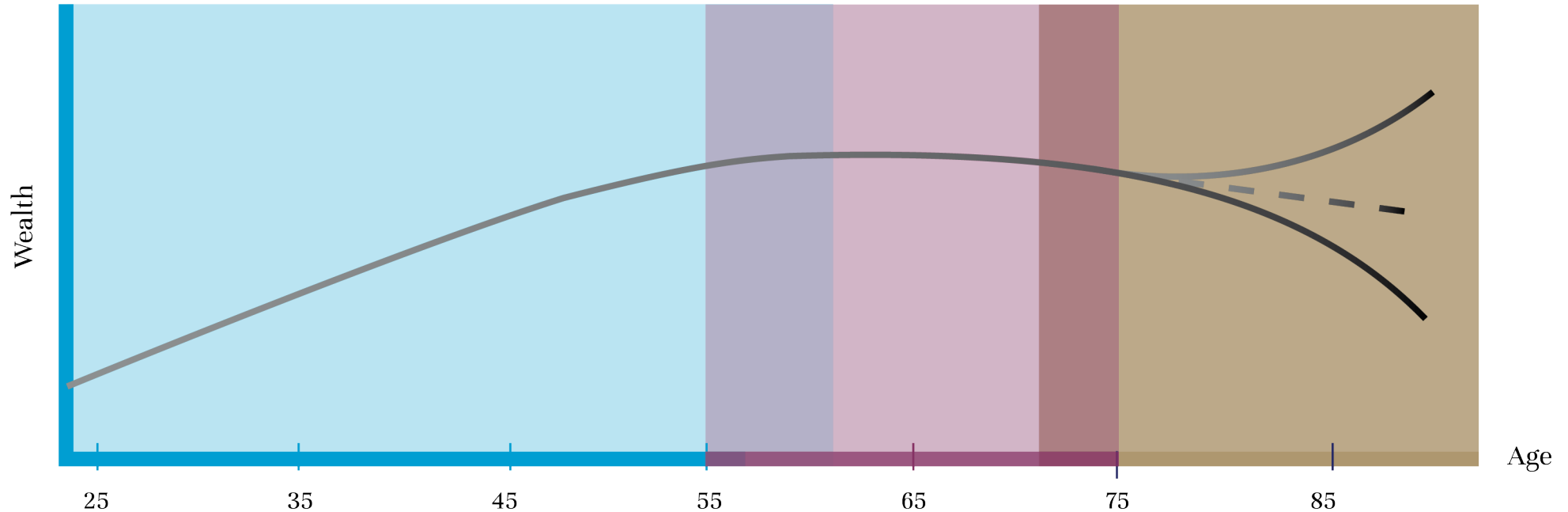


FINANCIAL STAGES

Stage 1: Building Wealth

Stage 2: Preserving & Increasing Wealth

Stage 3: Living on Saved Wealth



- Establish a business or career
- Start and support a family
- Accumulate wealth for later years

- Family development and maturity
- Provide support for college age children
- Care for aging parents

- Convert from living on earned income to living on investment income
- Maintain standard of living
- Plan for wealth transfer

HOW TO GET STARTED

Think about your own situation so asset allocation and spending rate are tailored to you

- Start by putting together a balance sheet including all assets and liabilities
- Assess your annual spending – what are necessities, what are gifts to children or charities?
- Do you have any other sources of income?
- Will you inherit more assets or sell a business?

SPENDING

The biggest financial mistake isn't bad investing, it's overspending.

“When money is once parted with, it can never return.”

— Jane Austen



**KEEP
CALM
AND
SET YOUR
GOALS**

KeepCalmAndPosters.com

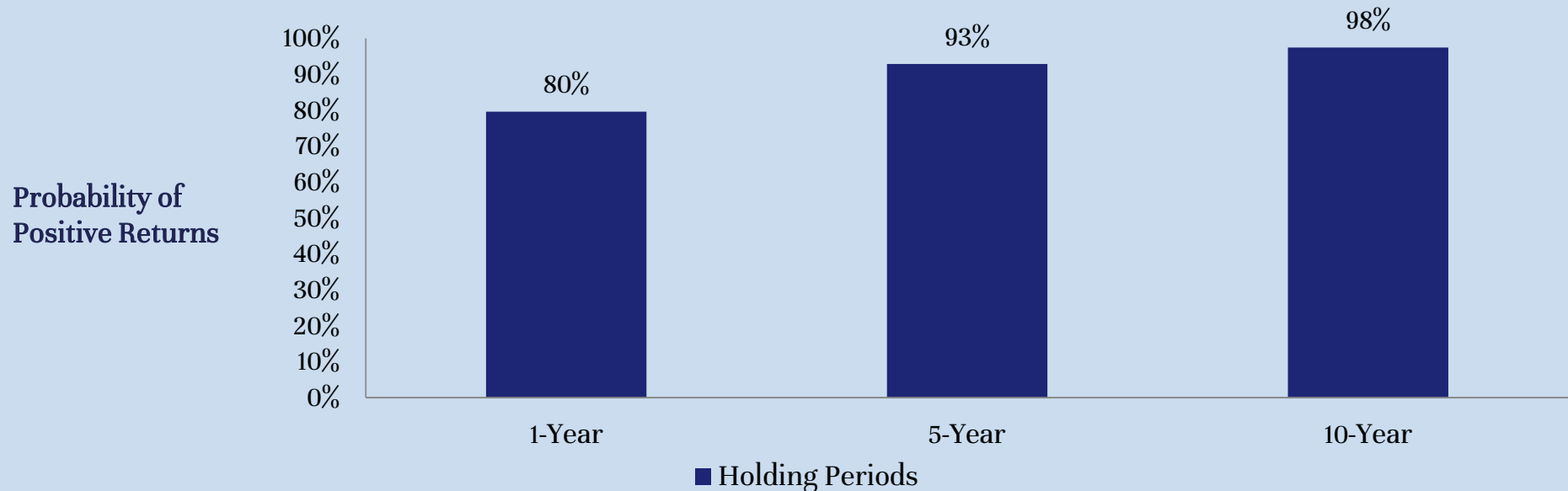
EVERCORE | Wealth Management
Trust Company

THE NEW STANDARD IN WEALTH MANAGEMENT

POWER OF TIME

There is a 93% probability the stock market will provide a positive return over 5 years.

S&P 500 ROLLING RETURNS



Source: Bloomberg as of 12/31/2018. Last 75 years.

DIVERSIFICATION MINIMIZES THE VOLATILITY

A portfolio that was invested 60% in stocks and 40% in bonds took two years to recover after the downturn in 2008, while a portfolio of 100% stocks took another 18 months to fully recover.

PORTFOLIO RETURNS: EQUITIES VS. EQUITY AND FIXED INCOME BLEND

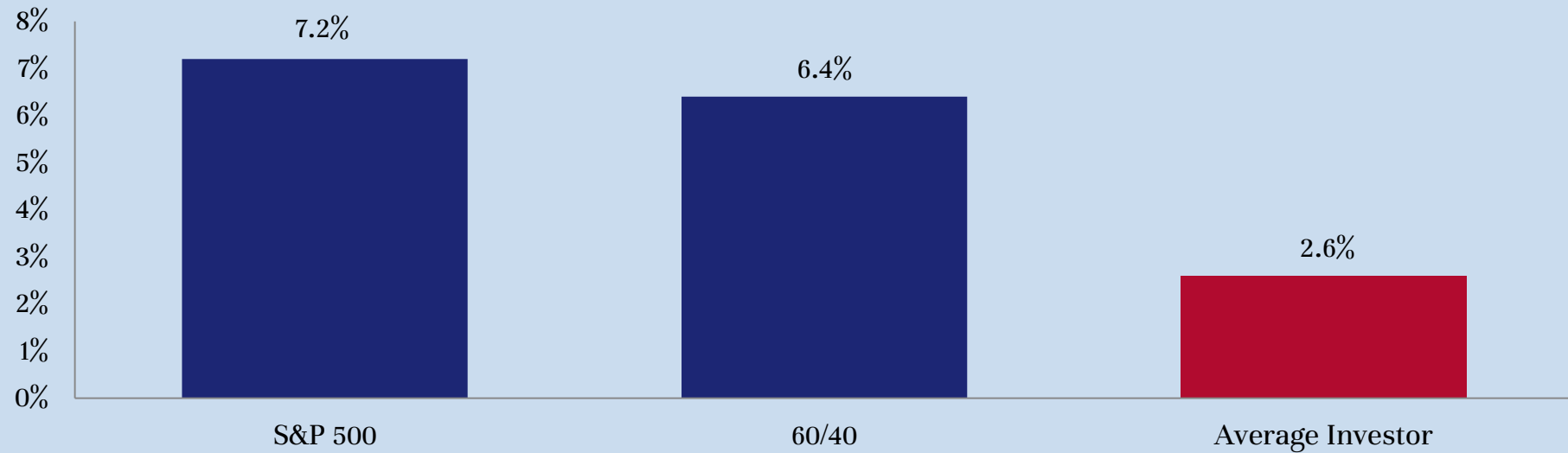


Source: J.P. Morgan Guide to the Markets – December 31, 2018

AVERAGE INVESTOR RETURN

Investors in equity mutual funds tend to underperform.

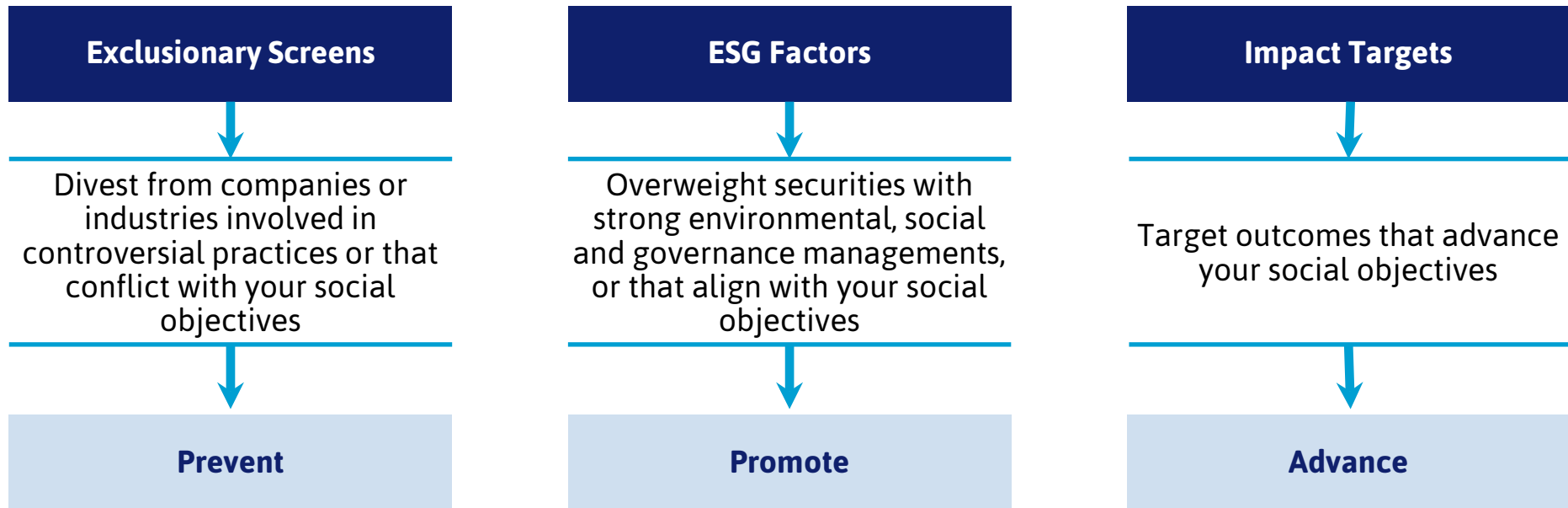
20-YEAR ANNUALIZED RETURNS (1998 - 2017)



Source: J.P. Morgan Guide to the Markets – December 31, 2018

SRI, ESG AND SUSTAINABLE INVESTING

Investors today have a variety of options for investing along their social objectives. These include strategies classified as “Socially Responsible Investing” (SRI), or “Environmental, Social and Governance” (ESG) investing, or “Sustainable” strategies.



Source: The Importance of Being Earnest, J.P. Morgan Asset Management, 2013.

ANTICIPATE CHANGE

It is important to look ahead and anticipate change.



PLANNING

Marriage:

- Have you discussed your short- and long-term financial goals with your partner and created a budget?
- Who will be in charge of paying the bills and record keeping?
- If you and your spouse have separate health insurance coverage, do you have a cost/benefit analysis of each plan?
- Have you discussed how your assets will be titled, separate or joint or in the name of your revocable trust?
- Are your beneficiary designations up to date?
- Prenuptial/Postnuptial agreements: Do you need one? What would be divided in the case of a divorce? What would pass to children from a prior marriage?
- If you are currently a beneficiary of a trust, does its terms and conditions protect the funds from unintended beneficiaries?

PLANNING

Retirement:

- What are your current expenses? What will they be at retirement?
- Are you taking full advantage of all the tax-deferred retirement vehicles available to you and contributing the annual maximum?
- Have you analyzed how to optimize when you should claim Social Security and pension benefits?
- Have you analyzed the costs and benefits of long-term care insurance in your situation?
- Have you reassessed your life insurance coverage – is it enough or too much, can you apply for better coverage?
- If you are considering changing domicile, are you meeting the appropriate state and tax residency rules?

CONTINGENCY PLANNING

Divorce:

- Whose health insurance plan should cover the children?
- Do you have an understanding of your balance sheet and can your current income and assets support your future lifestyle needs and goals?
- Which assets do you want to keep and which are you willing to give to your spouse?
- Do you earn enough money to adequately support yourself, or should alimony be considered?
- Will you have enough money to pay the outstanding debt on whatever assets you keep?
- Are you eligible for Social Security benefits based upon your spouse's earnings record?
- If you are recently divorced, have you updated the beneficiary designations for your retirement plans and life insurance policies? Have you updated your health care directives?

CONTINGENCY PLANNING

Incapacity, Illness and Death:

- Can you still live on your own or do you have to explore other options? What options are available?
- What are your wishes, who knows about them, and who will carry them out? Do you have a health care proxy and living will?
- Who will manage your assets if you are incapacitated? Do you have a power of attorney?
- Are all of your wills, trust documents, and beneficiary designations up to date?
- How will your estate be divided amongst family and charity? How much do you want them to receive outright versus in trust? Are you comfortable with the amounts and timing?

HOW DO YOU EVALUATE A FINANCIAL ADVISOR?

DIRECT RELATIONSHIPS

- Does your advisor take the time to get to know you; your family, businesses, aspirations, and commitments?
- Do you work directly with senior professionals?

INDEPENDENT ADVICE

- Is your advisor exclusively focused on your best interests?
- Is the firm free from many of the conflicts inherent in large financial institutions?
- Are the fees transparent?

PLANNING AND INVESTMENT EXPERTISE

- Does your advisor have experience in strategic wealth planning, portfolio management, fiduciary and client service?
- Does your advisor integrate wealth planning, asset allocation, investment management, and trust and fiduciary services?

COMMUNICATION

- Does your advisor communicate with you regularly, in both good and bad markets?
- Do you feel comfortable asking questions?
- How often does your advisor review your goals and objectives?

DISCLOSURES

Evercore Wealth Management, LLC ("EWM") is an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. EWM prepared this material for informational purposes only and should not be viewed as advice or recommendations with respect to asset allocation or any particular investment. It is not our intention to state or imply in any manner that past results are an indication of future performance. Future results cannot be guaranteed and a loss of principal may occur. This material does not constitute financial, investment, accounting, tax or legal advice. It does not constitute an offer to buy or sell or a solicitation of any offer to buy or sell any security/instrument, or to participate in any trading strategy.

The securities/instruments discussed in this material may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Specific needs of a client must be reviewed and assessed before determining the proper investment objective and asset allocation which may be adjusted to market circumstances. EWM may make investment decisions for its clients that are different from or inconsistent with the analysis in this report. EWM clients may invest in categories of securities or other instruments not covered in this report. Descriptions provided in this material are not substitutes for disclosure in offering documents for particular investment products. Any specific holdings discussed do not represent all of the securities purchased, sold or recommended by EWM, and the reader should not assume that investments in the companies identified and discussed were or will be profitable. Upon request, we will furnish a list of all securities recommended to clients during the past year. Performance results for individual accounts may vary due to the timing of investments, additions/withdrawals, length of relationship, and size of positions, among other reasons. Prospective investors should perform their own investigation and evaluation of investment options, should ask EWM for additional information if needed, and should consult their own attorney and other advisors. Indices are unmanaged and do not reflect fees or transaction expenses. You cannot invest directly in an index. References to benchmarks or indices are provided for information only.

EWM obtained this information from multiple sources believed to be reliable as of the date of publication; EWM, however, makes no representations as to the accuracy or completeness of such third party information. Unless otherwise noted, any recommendations, opinions and analysis herein reflect our judgment at the date of this report and are subject to change. EWM has no obligation to update, modify or amend this information or to otherwise notify a reader thereof in the event that any such information becomes outdated, inaccurate, or incomplete.

EWM and its affiliates engage in a wide range of activities for their own account, and for their clients and the accounts of their clients, including corporate finance, mergers and acquisitions, equity sales, trading and research, private equity, and asset management and related activities. The observations and views expressed herein have been prepared by the individual author and, unless otherwise specifically stated, are solely those of the individual author and not EWM or any of its affiliates or any of their respective personnel. Other professionals of EWM and its affiliates may provide oral or written advice, services, market commentary, trading strategies and other material to clients that reflect observations and views that are contrary to those expressed herein. The author of this material may have discussed the information contained herein with others within or outside EWM and the author, EWM and/or such other persons may have already acted on the basis of this information (including by communicating the information contained herein to other customers of EWM and its affiliates).

EWM's Privacy Policy is available upon request. EWM is compensated for the investment advisory services it provides, generally based on a percentage of assets under management. In addition to the investment management fees charged, clients may be responsible for additional expenses, such as brokerage fees, custody fees, and fees and expenses charged by third-party mutual funds, pooled investment vehicles, and third-party managers that may be recommended to clients. A complete description of EWM's advisory fees is available in Part 2A of EWM's Form ADV. Trust services are provided by Evercore Trust Company, N.A., a national trust bank regulated by the Office of the Comptroller of the Currency an affiliate of EWM. Custody services are provided by Evercore Trust Company, N.A.

The use of any word or phrase contained herein that could be considered superlative is not intended to imply that EWM is the only firm capable of providing adequate advisory services. This material does not purport to be a complete description of our investment services. This document is prepared for the use of EWM clients and prospective clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of EWM. Any unauthorized use or disclosure is prohibited.

The Chartered Financial Analyst® and CFA® trademarks are the property of CFA Institute. Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, Certified Financial Planner™ and CFP® in the U.S.

Post-liquidation: The post-liquidation return reflects the tax effects for an investor who realizes all projected gains at the end of the time period. Projected gains could include taxes not only on dividends, but also on any capital gains realized. If an investment appreciated over the course of the holding period, the investor would owe taxes on those gains. If the investment lost money, the investor might have capital losses that could partially offset gains. The capital gains/losses can be short-term or long-term, based on the investor's holding period.

DISCLOSURES

Hypothetical and Future Looking Statements

This document includes projections or other forward-looking statements regarding future events, targets, intentions or expectations. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. There is no guarantee that projected returns or risk assumptions will be realized or that an investment strategy will be successful. No representation, warranty or undertaking is made as to the reasonableness of the assumptions made herein or that all assumptions made herein have been stated. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this document, will be profitable, equal any corresponding indicated performance level(s), or be suitable for your portfolio.

The expected performance results do not reflect the impact that material economic and market factors may have on Evercore Wealth Management's future decision-making. Model performance results cannot completely account for the impact of financial risks associated with actual market conditions. These returns should not be considered as indicative of the skills of the investment adviser. Investments in the various strategies involve risk including the loss of principal.

A client's actual return will be reduced by the advisory fees and any other expenses which may be incurred in the management of an investment advisory account.

EVERCORE | Wealth Management
Trust Company

THE NEW STANDARD IN WEALTH MANAGEMENT