Seeing the Forest and the Trees

Tuning Out the Noise

The Alpha and Beta of Alternatives

The Market Impact of the U.S. Elections

Investing in America’s Infrastructure

Lending Support & Advice to the Next Generation

The Coming Employment Crisis

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A Message from the CEO

In a low-growth world, American investors have fared relatively well. We have for seven years remained sheltered from the massive shift in economic policy underway in fits and starts in China (although many of our companies have certainly been affected), the ongoing crises in the European experiment, and massive destabilization in parts of the Middle East.

The S&P 500 index has gained almost 15% on an annualized basis in this post-Great Recession period, outstripping all other major markets. Our domestic politics have bemused the world, with a 16-day government shutdown in 2013 and several near misses since, but we have enjoyed stability nonetheless. Unemployment and inflation are low.

Our good fortune gives us no grounds for complacency, however, especially in this fractious election year. As stewards of our clients’ wealth, we are focused on the risks and opportunities that change represents. We have addressed our capital market assumptions and our views of the impact of volatility in several recent issues of Independent Thinking. Here we focus on some of the other financial, political, and social risks affecting the markets in which we invest on behalf of our clients.

Financial risk is always on our minds. The goals – and constraints – of our clients shape our approach to global wealth management, strategic wealth planning, and trusts and family wealth services. You’ll see articles here on each of these topics, by our own partners and senior wealth and fiduciary professionals, as well as a piece by one of our carefully chosen external managers, Ronen Israel at AQR’s Multi-Strategy Alternative Fund. We are committed to measuring our performance not only by traditional industry benchmarks but also by our success in meeting each client’s goals, in the context of his or her attitudes to risk.

Terry Haines, head of political analysis at Evercore ISI, observes on page 8 that investors everywhere will be impacted by the November elections, which will determine the presidency, the entire House of Representatives and one-third of the Senate. He is addressing Evercore Wealth Management clients in several cities in Florida this spring in what we expect will be lively discussion. We will revisit this topic in the next two editions of Independent Thinking, as well as in a number of other client events.

Social risk is also on our mind at present. Martin Ford, the author of The New York Times bestseller “The Rise of the Robots: Technology and the Threat of a Jobless Future” tackles what many observers perceive as some of the reasons for the rise of populist candidates. He recently addressed Evercore Wealth Management clients at an interesting event in the De Young Museum in San Francisco that left many wondering how best to help children and grandchildren who may struggle in a changing economy.

In my 47 years in wealth management, I have found a near universal desire among successful parents to use their wealth to help their children. I have witnessed a very mixed record of success, however. With this in mind, I write here from the perspective of my generation, the aging Baby Boomers, on what we can do to help young graduates, this spring and in the years to come.

I hope you enjoy this issue of Independent Thinking. Please contact your advisor or any of us here at Evercore Wealth Management to discuss the topics addressed here or with any suggestions you may have for future issues and related events. We are proud to serve you and your family, and we welcome your engagement.

Jeff Maurer
Chief Executive Officer
Seeing the Forest – and the Trees

By John Apruzzese

Recognizing change is difficult. It is far more comfortable to extrapolate into the future familiar assumptions about a conventional U.S. president-elect, a growing Chinese economy, controlled oil prices, union in Europe, and positive interest rates, even as evidence mounts to the contrary. But long-term investors need to concentrate now on managing risk.
A striking feature of these risks is how intertwined many of them are. The impact of the U.S. elections, addressed by Evercore ISI Senior Political Strategist Terry Haines on page 8, will be felt around the globe, even as the slowdown in China continues to influence everything from Japanese interest rates to Saudi oil policy to valuations in S&P 500 index companies. These aren’t the only drivers of market change, of course. Diversification, along with a focus on value and on maintaining a margin of safety, should be the mainstay of investment portfolios.

Diversification has to be managed carefully. Risks that are unrelated but purely speculative are not useful, and overdiversification, along with the associated fees, can water down returns to very mediocre levels. We see some unconventional opportunities that are uncorrelated to the stock and bond markets and have sound expected returns. As we discuss on page 6, we have made several investments in our diversified market strategies and illiquid alternatives asset classes that we anticipate will stabilize portfolios and generate alpha, even as the stock and bond markets struggle.

In these, as in any investment, value – or the price of an asset relative to its expected future cash flows – is the single most critical element. Overpaying for anything, no matter how attractive, will result in disappointing returns. We take a fundamental approach to determining value, reviewed on page 5, and have a slightly contrarian bias. Avoiding overpriced assets and identifying undiscovered opportunities requires critical thinking.

Proper valuation must include a margin of safety, which incorporates an assessment of the level of confidence around the future projections. This is also not an easy exercise, as it requires self-awareness so that common behavioral mistakes are minimized.

It also requires patience, in investors and clients alike. Communications technology and the investment media are encouraging investors to focus on increasingly short time frames, at the expense of a more thoughtful approach. We remain focused on three-to-five-year-plus time horizons and sound economic rationale when considering an investment, an approach.

### Global GDP Forecasts

**Year-end 2015 and Forecast for 2016**

<table>
<thead>
<tr>
<th>Country</th>
<th>2015 GDP Growth (%)</th>
<th>2016 GDP Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>-2.0</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>-1.0</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>-0.5</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>Other DM</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Other EM</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>1.7</td>
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</tr>
<tr>
<td>Mexico</td>
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<td></td>
</tr>
<tr>
<td>Other EM</td>
<td>0.5</td>
<td></td>
</tr>
</tbody>
</table>

**World 2015 GDP = 3.2%**

Sources: Goldman Sachs, November 2015.
Global Investment Management

that has historically served our clients well.

All successful investment strategies go through periods of short-term underperformance, however, and our own core equity strategy is no exception. The past few months have been trying, as the market became increasingly narrow, with index returns skewed by the performance of a few large speculative stocks. But cooler heads will eventually prevail. Our belief is that the best time to invest or add to a strategy that has a sound investment approach and good long-term performance is after a period of short-term underperformance. We think our core equity strategy fits the bill.

Looking further ahead, change seems inevitable after seven years of a bull market without a 20% drawdown. To date, the market has taken the increasingly astonishing headlines about the U.S. election in stride, still betting on a more predictable outcome.

Low oil prices are an important long-term positive for the United States

In the interim, the focus remains more on China’s growth rate, an issue that affects us all. World economic growth is projected by Goldman Sachs and others to rise 3.2% in 2016. But, as the chart on page 3 shows, that assumes that China grows at the government’s public target of 6.5%. Hard numbers that cannot be manipulated by the Chinese government – such as China’s imports and exports, which are down considerably as shown in the chart below – imply that China is actually growing somewhere between 0% and 3%. The resulting slowdown will be a real drag on revenues for companies worldwide, including the components of the S&P 500 index and on oil prices, which we do not expect to trade much above $40 for the rest of the year.

Falling global growth should cause the Fed to slow down the pace of rate increases, while monetary easing in Europe and Japan should support the markets in the near term. It’s worth noting that low oil prices are an important long-term positive for the United States, as well as for Europe, Japan, and China. Indeed, the vast majority of companies around the world are beneficiaries of low energy prices. In the interim, the United States economy remains resilient, with pockets of real opportunity, as well as considerable risk.

John Apruzzese is the Chief Investment Officer at Evercore Wealth Management. He can be contacted at apruzzese@evercore.com.

China Exports and Imports (year-over-year, in U.S. dollars)

March 7, 1996 – March 2, 2016

Source: Bloomberg, DoubleLine
Tuning Out the Noise

By Tim Evnin

Invest with a long-term horizon. That’s easier said than done in markets saturated with news coverage, but it’s important to resist the influence of short-term gyrations in the markets.

Investing shouldn’t be a spectator sport, and nonstop commentary on every economic and corporate data point is not necessarily adding value. Indeed, it probably does more harm than good, even when the predictions are right. Nothing emboldens a wizard like a correct guess.

As we work with clients, we endeavor to understand their long-term goals and objectives. We combine this understanding with our long-term view of asset classes and securities to build the portfolios that we think will best achieve those goals. We do this precisely so that we can resist the influence of the short-term emotion of gyrating markets and volatile securities. This is not to say that we ignore the short term. New information is incorporated into our long-term view of the attractiveness of each investment but with the knowledge that any single data point may not be that meaningful.

What is true for our broader view on asset classes is also very true for our view on individual equity securities. We are long-term, fundamental investors and purchase equities with the intent of holding them for many years. Our average turnover in client accounts is less than 20%. In our collective experience, this is one of the few ways to improve the chances of outperforming the broader market.

By fundamental, we mean that for each equity security we decide to buy for client accounts, we attempt to develop an understanding of how the business works: how revenues are generated, how those revenues flow through the income statement, and how they will hopefully generate significant profit. How that profit is then used is critical as well. Is it returned to shareholders? If so, how? Is it used to reinvest in the business or make acquisitions? Ultimately, the goal is to determine what we think a business is worth now and what it could be worth in the future.

While equity markets are generally rational over long periods of time, they are also wildly irrational in the short and medium terms. Swings in sentiment can be driven by any number of events, some directly related to equities, some only tangentially. And changes in investor sentiment can, in turn, fuel further change, temporarily overwhelming valuation.

A case in point is the recent move in the price of the commercial real estate service company CBRE (CBG). In December it was over $37.00 per share and, we thought, fairly valued. Over the next six weeks, it dropped as low as $23.00 per share, a 40% decline on no significant news. While the decline was painful, it also represented a great opportunity to add to a core holding at much lower prices, as our view of the value of the business was unchanged.

As John Apruzzese discusses in the cover article of this issue of Independent Thinking, eventually cooler heads will prevail.

Tim Evnin is a Partner and Portfolio Manager at Evercore Wealth Management. He is also a manager of the Evercore Equity Fund (EWMCX). He can be contacted at evnin@evercore.com. For further information on the fund, please visit www.evercoreequityfund.com.
The Alpha and Beta of Alternatives

By Brian Pollak

As returns in traditional stock and bond markets struggle to live up to past experience, adding different return streams to portfolios makes sense. In addition, assets that zig when other markets zag, as uncorrelated assets are meant to, assets provide the added benefit of reducing the volatility in the overall portfolio and smoothing out the return streams.

Academically, these concepts are very powerful. In theory, a portfolio of assets with low correlation to each other and with an attractive long-term return expectation will improve the overall risk-adjusted return of the portfolio by lowering the portfolio level volatility. In practice, however, many managers in both the hedge fund and liquid alternative space have struggled mightily since the financial crisis, while assets have flooded these relatively untested strategies and markets. As alternative investments

It’s Not All Greek

Alpha can be defined as the excess return of a fund or strategy relative to the return of the strategy’s benchmark or index. In other words, it’s the portion of return that cannot be explained by common risk factors in the market, such as equity risk manager or interest rate risk. Those common risks factors are known as beta.

Risk-adjusted returns measure the return of a portfolio against the amount of risk taken to attain those returns. The most common measurement of risk-adjusted return is the Sharpe Ratio, a measurement that subtracts the risk-free rate from the return of an asset, and then divides the difference by the standard deviation of that asset.

A hedge fund is a pooled investment vehicle, typically within a limited partnership structure. It has a wide investment latitude, both in terms of types of assets and investment strategies, and is able to invest in both long and short assets, often using leverage. Hedge funds generally charge high fees, often including a carried interest, or a percentage of the profits delivered to the end investor. Hedge funds gained popularity after an impressive run of good returns in the 1990s and early 2000s, and had low correlation to the equity and bond markets. They have struggled over the past 10 years as new capital and new managers flooded the space, and high fees ate away at returns.

Liquid alternatives are relatively new. They can encompass everything from long-only mutual funds that own equities of Master Limited Partnerships (MLPs) or Real Estate Investment Trusts (REITs), to funds using strategies historically only available in hedge fund form, like long/short equity, merger arbitrage, and macro funds. Many liquid alternatives also have a stated goal of having a low correlation to equity and bond markets.
have gained in popularity, it has become increasingly challenging to identify managers who can consistently provide additive returns.

The hedge fund industry generally has not been able to produce any alpha over the past one-, three-, five- and 10-year periods. (See the chart below.) Even more disturbing, many strategies can’t even boast of low correlation, giving investors weak returns that are actually correlated to the rest of their portfolio. Although fees are a bit lower, liquid alternative managers have also failed as a group to deliver alpha on a persistent basis.

Good performance does exist, both in hedge fund and mutual fund form, but these are few and far between and often have either volatile return streams, high fees or are closed to new investors. As demonstrated in the chart below, in recent years, hedge fund and liquid alternative benchmarks aren’t beating a combination of the S&P 500 and Barclays U.S. Aggregate, even on a risk-adjusted basis.

The answer is not to stay away completely, in our view, but to identify investment strategies that achieve our portfolio goals and are appropriate for our clients. Our asset allocation attempts to group investments based on their risk profile and the way in which they will correlate to each other, allowing us to better understand and manage the risks inherent in our clients’ portfolios.

Our Diversified Market Strategies asset class is designed with two purposes in mind: to provide a negative correlation with equities and bonds; and an expectation to generate a positive return through a full market cycle, typically defined as five to seven years. Ideally, the individual strategies within this asset class should also be uncorrelated to each other. We prefer simplicity, lower fees, and better liquidity.

So how do we set about finding the right strategy to fit our needs in a sea of underperforming strategies? Instead of chasing the white whale – the alpha-producing hedge fund or liquid alternative – we look for alternative betas. Alternative betas are common risk factors shared by a group of investment strategies, outside of both equities and bonds.

Think of a portfolio of reinsurance risk, exposed to catastrophes. This portfolio may have a risk and return profile that looks similar to an equity portfolio, but a downturn in this strategy is unlikely to coincide with a downturn in equities, as the coming of a hurricane has nothing to do with a bear market in stocks.

While we don’t currently invest in reinsurance, primarily due to pricing and valuation levels in the insurance space today, we are trying to achieve use of this same principle in capturing alternative beta. These strategies have associated risks, but they are unlikely to rear up at the same times that equities are struggling. (See the interview with AQR on page 12 for an overview of one of our current investments.)

We also aim for a significant diversification of securities. Often, alpha is driven by a concentrated portfolio in which the managers make large bets on their best ideas. We prefer highly diversified portfolios that bet on a pervasive, repeatable investment process.

If these alternative betas generate positive returns, and truly are uncorrelated with equity returns, bond returns, and to each other, then we can expect relatively smooth returns that provide a ballast to the portfolio, dampening the volatility and increasing the portfolio’s risk-adjusted return.

Brian Pollak is a Partner and Portfolio Manager at Evercore Wealth Management. He can be contacted at brian.pollak@evercore.com.

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### On the Bench

<table>
<thead>
<tr>
<th>Annualized Total Return as of February 29, 2016</th>
<th>Sharpe Ratio</th>
<th>Correlation to S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Year</td>
<td>3 Year</td>
</tr>
<tr>
<td>Hedge Fund Research HFRI Fund Weighted Composite Index</td>
<td>-4.80%</td>
<td>2.01%</td>
</tr>
<tr>
<td>Credit Suisse Liquid Alternative TR USD</td>
<td>-4.29%</td>
<td>2.57%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>-6.18%</td>
<td>10.73%</td>
</tr>
<tr>
<td>Barclays US Agg Total Return Value Unhedged USD</td>
<td>1.50%</td>
<td>2.21%</td>
</tr>
<tr>
<td>50% S&amp;P 500/50% Barclays US Agg</td>
<td>-2.34%</td>
<td>6.47%</td>
</tr>
</tbody>
</table>

Source: Data from Bloomberg. Sharpe Ratio and Correlation based on 10-year data for the respective indices as of 02/29/2016.
The Market Impact of the U.S. Elections

By Terry Haines

Investors of all kinds are keenly interested in the 2016 U.S. elections, which feature not just the presidential election but the entire lower House and one-third of the Senate as well. The elections will be consequential for markets, whatever the outcome. Here are a few suggestions for assessing market impacts, and a look at the candidates’ positions on policy issues and their likely impacts.

First, some suggestions on keeping this race in perspective:

• Candidates’ statements sometimes create headline risk for markets today. At present, candidates are trying to motivate voters, not talk to markets. But occasionally campaign statements and markets collide and produce headline risk that affects sectors and industries, as with Hillary Clinton’s vow to regulate drug pricing. Clinton’s first statement on drug pricing in September 2015 caused the Nasdaq Biotechnology Index to fall by almost 5% that day, even though there is practically no chance that drug pricing regulation would happen in either 2016 with a Republican Congress, or 2017 in a likely divided government. Subsequent statements by Clinton and other candidates have helped to keep pharmaceutical and biotech stocks volatile for months.

• What a candidate says does not predict performance in office. Campaign statements are not accurate predictors of future presidential action. Once in office, the new president must navigate policy and political realities that change priorities and attainable policy goals. For example, President Obama entered office vowing to increase domestic spending and curtail military spending, but had to compromise with Congress to achieve budget and spending deals that have kept both flat to slightly positive in recent years.

• Congress matters: No new president will have a free policy hand. Congress writes the bills; the president makes them law. The makeup of Congress is as important for U.S. policy direction as who becomes president: What policy issues get jointly prioritized and acted upon will provide the real policy sparks and market impacts in 2017. At present, we think Republicans will maintain their current majority in the House and will have either a small majority or a large minority in the Senate. So, for example, a President Clinton would have to compromise with Congress to achieve anything.

As of writing, Clinton is the almost-certain Democratic candidate and the likely next president. Donald Trump is the Republican front-runner, but if he does not win an outright delegate majority, another candidate could be selected at the convention. Here we provide policy contrasts that illustrate some sectoral and industry impacts of Clinton vs. Trump or Clinton vs. another Republican in the general election.

• Trade/Exports: Clinton opposes the Trans Pacific Partnership, or TPP, but we
expect that as president her views would be more positive for high-skilled workers, with corresponding positive impact on U.S. exporting industries.

- **Climate change:** All Republican candidates are opposed to new environmental regulation and desirous of rolling it back, which would be positive for fossil fuel industries. Ted Cruz opposes ethanol subsidies, while Trump supports them. Clinton will continue the Obama push to promote green energy at the cost of fossil fuels.

- **Immigration:** Clinton is likely to try to regularize unauthorized migrants and to expand larger numbers of high-skilled migrant visas, a positive for tech, hotels, and restaurants. Most of the other Republicans are similarly supportive; Trump opposes, but recently has softened on high-skilled workers, which would be a positive for technology industries.

- **Health care:** Republicans would repeal and replace the Affordable Care Act, or ACA; encourage more competition among plans; and keep coverage of pre-existing conditions. Trump wants government to negotiate drug prices. Clinton would improve the existing ACA framework and keep the individual mandate. Clinton also wants to regulate drug pricing and stop inversions, both market negatives for the pharmaceutical industry.

- **Tax reform, repatriation, inversions:** Both Clinton and the Republicans are likely to seek business-friendly tax reform, including repatriation. Trump’s tax plan is the most aggressive, and so would be the most positive for U.S. business generally. Clinton’s tax plan, we think, would also be positive for U.S. business but would be more incremental than that of any Republican. Clinton also wants to expand anti-inversions regulation, a market negative for inverting industries including pharmaceuticals.

- **Housing:** Any Republican candidate is likely to privatize housing finance and push for a larger private sector bank role. Clinton will want to maintain a prominent role for government in housing finance and support affordable housing. On balance, we think Clinton would be marginally more positive for housing.

- **Mergers and acquisitions:** Any Republican candidate would support a freer merger and acquisitions environment, and would not want government picking industry or sector winners and losers, a generally business-positive result. Clinton would continue the current antitrust approach and also would seek to use anti-inversions laws and rules as a policy tool.

- **Defense:** All Republican candidates express pro-defense policies: Cruz and John Kasich are conventional defense posture candidates, but Trump expresses isolationist and noninterventionist instincts that could change deployments of forces, weapons and systems, and have corresponding market impacts. Clinton also is a conventional defense adherent. So Clinton and Republicans, apart from Trump, are broadly positive for defense industries. Any new president would be constrained by current and future budget and spending deals that have kept defense spending largely flat over the past few years.

The fundamental question for financial markets in the 2016 presidential election is not whether a Republican or Democrat wins the presidency. It is whether establishment or insurgent candidates are nominated and whether there is a possibility that an insurgent candidate may become the next president. Establishment candidates of either party can be expected to work within well-trodden policy parameters and contribute to broader U.S. policy stability, therefore providing more comfort and certainty to the markets.

If an insurgent candidate wins one of the nominations, political and policy uncertainty increases, because new and untried policy solutions become real possibilities. Many policy solutions of insurgent candidates of either party have more in common with each other than with the consensus positions in their own political parties. Trump versus other Republican candidates on trade is a prime example: As discussed, Trump’s position on trade is markedly different from that of other Republican candidates as well as Clinton, and likely would have negative market effects. A Trump presidency also could have some positive market effects: For example, Trump’s desire to aggressively reform the U.S. tax code to make U.S. business more competitive in world markets would generally be a market positive for U.S. business.

Today, establishment candidate Clinton is the overall presidential favorite: Her election and the resulting consistency of approach with the outgoing president would likely be a general market positive after the election.

For further information on Evercore ISI, please visit www.evercore.com.
Inventing in America’s Infrastructure

By Howard Cure

The United States has an infrastructure problem. Globally, the United States ranks 19th in the quality of its infrastructure. Quantifying infrastructure investment – and the related opportunities and risks – is a challenge, but is critically important in this election year, for our economy and our long-term competitiveness.

A good starting point for investors is to look at the amount of money the government spends on buildings and large-scale projects. Nationwide, public construction spending is just over 1.5% of our annual gross domestic product – the lowest since 1993. While the federal government’s monetary contribution to our infrastructure needs has steadily declined over time, it still holds significant sway over the critical approval process, which can add time and costs to any project.

Most of the money that is spent on public infrastructure comes from state and local governments, not from the federal government. As of 2015, more than 90% of the $291 billion spent by the public sector was at the state and local level, according to the latest Census Bureau report on construction spending.

With interest rates at record lows and improving fiscal conditions for most states, why aren’t states borrowing to spend on big capital projects? Part of the problem is that state and local governments remain heavily indebted. They are on the hook to pay pensions and benefits to retired government workers, and they borrowed a lot of money in the capital markets in the run-up to the 2008 financial crisis. As a result, they’ve been more focused on paying down debt than on investing in big capital projects. Disagreements among U.S. government leaders – at the local, state and federal levels – over how to pay for new investments have also contributed to a policy of inaction.

Editor’s note: This article is extracted from a paper recently published by Evercore Wealth Management. To view the paper in full, please visit www.evercorewealthmanagement.com.

$2.2 Trillion to fix an outdated U.S. Infrastructure system, according to the American Society of Civil Engineers

There have been spurts of finance dedicated by the federal government; most recently through the American Recovery and Reinvestment Act, or ARRA, of 2009, which was designed to provide temporary relief programs for those most affected by the recession and to invest in infrastructure, education, health and renewable energy. Of the ARRA’s total estimated cost of $831 billion, infrastructure investment totaled over $105 billion, a relative drop in the bucket. While this has provided some stimulus, it is
no substitute for federal long-range planning and financing.

The U.S. infrastructure system is so outdated that it will take some $2.2 trillion to fix, according to the American Society of Civil Engineers. That means increasing infrastructure spending by 1% of gross domestic product to meet future needs.

The American Road & Transportation Builders Association published a special report in March discussing the remaining presidential candidates’ position on funding transportation.

Candidates Bernie Sanders and Hillary Clinton stress the job-creating potential of major infrastructure programs in the highway and transit funding proposals. They both propose financing sources derived from various tax reform measures. Republican candidate Senator Ted Cruz has consistently supported devolution proposals of the federal gas tax and voted against passage of the FAST Act. Governor John Kasich earlier sponsored several proposals to reduce the federal gasoline tax to a few pennies per gallon. New York businessman Donald Trump said infrastructure modernization would be one of his top priorities as president, although he has provided few specifics about how to finance the realization of this vision.

The problem is clear. The challenge has been finding a politically viable solution to pay for this investment, as well as better coordination in approving projects to reduce costs. New or varied financing sources also provide investment opportunities and risks. The legal structures associated with these potential bond offerings are also important to prevent overleveraging of volatile revenue sources.

Our analysis in pursuing the bonds secured by these various financing options is based on the volatility of the revenue stream, the construction and operating risk of specific projects, and the underlying economics, while providing safeguards against overleverage. Continued conversations with our clients help us assess their risk appetite in this rapidly evolving sector.

Howard Cure is the Director of Municipal Bond Research at Evercore Wealth Management. He can be contacted at cure@evercore.com.

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Infrastructure Spending: A Comparison

The United States Must Raise Infrastructure Spending by One Percentage Point to Meet Future Needs

<table>
<thead>
<tr>
<th>Country</th>
<th>Actual Spend</th>
<th>Estimated Need</th>
<th>Gap Between Historical Spend and Estimated Future Spending Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>3.6</td>
<td>3.3</td>
<td>-0.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.6</td>
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<tr>
<td>Germany</td>
<td>2.8</td>
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<td>Canada</td>
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<tr>
<td>Japan</td>
<td>2.6</td>
<td>5.0</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Q&A on Liquid Alternatives

Q: AQR has been a pioneer and leader in the liquid alternative investment field. What do you think about liquid alternatives? What do you think about the value of mutual fund structures versus more traditional hedge fund Limited Partnerships?

A: We define liquid alternatives as liquid, relative-value strategies that can provide meaningful diversification benefits to traditional portfolios. Investors who are already invested in traditional markets generally consider adding liquid alternatives to their portfolio as a way to increase returns and reduce risk through diversification.

Typically, a mutual fund structure has the advantage of liquidity and transparency. While not all traditional hedge fund strategies are conducive to a mutual fund structure, we believe properly implemented liquid alternatives are suitable with relatively minor modifications to the design and implementation of the strategies.

Q: How would you describe the investment approach of the AQR Multi-Strategy Alternative Fund?

A: The fund seeks to provide balanced exposure to a broad set of classic, liquid, relative-value strategies and is designed to have low correlation to traditional markets. Each underlying strategy is built from the bottom up using a systematic and transparent process, investing across global stock, bond, commodity and currency markets. The multi-strategy structure helps to enable investors to benefit from diversification, rebalancing, and more efficient portfolio construction.

The strategy is designed to be a core holding for investors seeking exposure to alternatives, often in conjunction with satellite allocations to other complementary strategies.

Q: Can you tell us a bit more about “hedge fund beta”? What does it mean for investors in hedge fund offerings?

A: We believe hedge fund strategies can be decomposed into three return sources: traditional beta, which is exposure to traditional markets; hedge fund beta, which is exposure to well-known, dynamic sources of alternative returns; and true alpha, which
describes the portion of returns that are derived from idiosyncratic investment processes and cannot be explained by the first two.

This matters for two reasons: one, it represents a more transparent and systematic way to capture many of the core drivers of hedge fund strategies; two, when implemented properly, hedge fund beta can offer attractive, long-term, risk-adjusted returns, which — just like alpha — have historically been uncorrelated to traditional markets.

Q: How do you expect the Multi-Strategy Fund to perform in different market environments (e.g., bull markets, bear markets and through the cycle)?

A: The fund is designed to have low correlation to traditional markets, so the performance should not be driven by where we are in the cycle or whether equity markets are up or down, but rather by how the nondirectional underlying investment themes perform. In other words, the fund has the ability to make or lose money in both up and down markets, and sometimes the factors that may drive the performance of the equity markets could also have a secondary influence on the performance of the nondirectional underlying investment themes of the fund. However, over the intermediate and longer term, we expect the fund’s performance to be largely independent of, and resilient to, bull and bear markets.

Q: Hedge funds and liquid alternatives generally have had very weak relative performance over the short and medium term, even on a risk-adjusted basis. What do you believe has driven poor performance in the asset class?

A: Hedge funds include many different strategies, so it’s hard to narrowly attribute the performance of the industry. However, one consideration is the level of correlation to traditional markets. Historically, most hedge funds and liquid alternatives have demonstrated very high levels of correlation to equity markets, leading to better performance when equity markets are doing well (and thus, worse performance when equity markets are doing poorly).

Q: Any other topics you think are noteworthy?

A: Many clients ask about how to best benchmark the fund. Given that the strategy is designed to deliver low correlation to traditional markets (such as stocks and bonds), cash is the most suitable benchmark. Some will compare the fund to hedge fund indices, but the indices are highly correlated to equity markets, and contain many biases and suboptimal strategy allocations, thereby making hedge fund indices a less than perfect benchmark.

This interview represents the views of Ronen Israel and not necessarily the views of Evercore Wealth Management.

For further information on the AQR Multi-Strategy Alternative Fund and other holdings on the Evercore Wealth Management Efficient Architecture investment platform, please contact Brian Pollak at brian.pollak@evercore.com.
Consider a married couple in their early 60s who wish to create a trust to provide for their children and grandchildren. Like many people who have accumulated wealth, they have a large – and still growing – concentrated holding that they wish to preserve.

In this case, the couple wants to fund the trust with the husband’s general partner interest in a private equity fund, currently worth approximately $10 million but expected to increase significantly in value over time. The couple’s other assets are expected to generate sufficient income for their retirement, and they would therefore like to see the fund’s profits accrue to their children and grandchildren.

A traditional generation-skipping transfer trust, or GST Exempt Dynasty Trust, probably won’t help them accomplish their goals. The couple would need to empower the trustee with full discretionary authority over the investments in the trust, as well as over distributions – and a big part of the trustee’s responsibility is to diversify investments, in line with the Prudent Investor Rule. This would likely make the trustee very reluctant to accept the husband’s general partner interest in the private equity fund as the trust’s sole source of funding. He or she would instead propose transferring cash or other liquid assets to the trust, so that a diversified portfolio of stocks, bonds, REITS, and other customary trust investments could be created.

It’s a reasonable approach. But in this case, it’s not in the family’s best interest. In planning for their estate, the couple has already determined that it makes sense to transfer the husband’s general partner interest in the private equity fund now, as it has a high probability of increasing significantly in value as the fund’s investments start to mature. The unique value creation potential of this carried interest results in an effective way to leverage the couple’s gift tax exemption.

The trustee’s discretion over trust distributions could also prove problematic. The husband and wife would likely choose broad discretionary language to guide the trustee in making distributions to one or more of their children for their health, education, maintenance and support. No matter how carefully the language of a trust agreement is framed, future contingencies are unpredictable, and the decision over whether or not to distribute funds to the children (or grandchildren) would have been consigned exclusively to the trustee. The children could be required to jump through numerous hoops to demonstrate their need for funds, including detailed budgets and tax returns.
Delaware law allows a trust to hold almost any type of asset

A better, more flexible solution for this family – and the many others in similar circumstances – is a Delaware Direction Trust. Delaware does not impose income or capital gains taxes on trusts administered in the state. Asset protection is arguably stronger in Delaware than in any other trust jurisdiction. Further, and particularly relevant to this couple, Delaware allows a trustee’s traditional duties to be spread across two or more persons. That means that a trust’s investments can be overseen by an investment advisor, and distribution decisions can be entrusted to a distribution advisor, both of whom would be empowered to direct the trustee’s actions in their respective areas of competence.

Delaware law allows a trust to hold almost any type of asset. The portfolio performance is based upon the entire portfolio, rather than on an asset-by-asset basis. In this case, the couple will be able to achieve their estate-planning objective of leveraging their combined GST exemptions while transferring the husband’s general partner interest in the private equity fund to the trust, in advance of its expected growth. While trusts drafted in other jurisdictions may include specific language regarding a concentrated asset (such as a family business or a large stock holding) to protect the trustee in terms of the amount of diversification required, the structure of a Delaware Direction Trust more clearly delineates the responsibilities of the trustee and investment advisor.

A trustor can choose a long-term financial advisor (including himself or herself) to serve as the investment advisor of the trust, to be entirely responsible for investing the trust assets. Interests in a limited liability company, limited partnership, real estate, or low basis stock are all investment options for a Delaware Direction Trust. The trustee in this situation takes on more of an administrative role, facilitating the trades, maintaining the trust account, and managing all of the tax reporting.

While a Delaware Direction Trust could include a traditional trustee role with regard to making discretionary distributions of trust income and principal, many trustors are opting for a more personal distribution advisor. A distribution advisor can be a longtime advisor, reliable friend or family member. This individual is entirely responsible for directing all of the distributions of income and principal not otherwise provided for in the instrument. He or she knows the family members personally and can respond to their needs appropriately.

The trustor may also choose to name a trust protector. This individual can also be a trusted friend, family member or longtime advisor. He or she can be granted the authority to make certain changes to the trust, to add or remove beneficiaries, to change situs or governing law, and to appoint, remove and replace the trustee. In other words, a trust protector has the power to make changes to the trust that will keep it aligned with the trustor’s wishes for many generations to come.

Delaware provides trustors with a different landscape for their family trusts. Families aren’t restricted to traditional trust investments, or waiting for discretionary distribution committee decisions. The ability to name investment advisors, distribution advisors and trust protectors enables them to create a trust that is custom-made to fit a family’s needs and wishes for the future.

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1 Income is taxable if one or more of the trust beneficiaries reside in the state of Delaware.

Darlene Marchesani is the Chief Trust Officer and Trust Counsel of Evercore Trust Company of Delaware. She can be contacted at darlene.marchesani@evercore.com.
Lending Support & Advice to the Next Generation

By Jeff Maurer

As we celebrate this season’s crop of graduates, it’s worth keeping in mind that this is a challenging time to enter the workforce. Employment rates for college graduates have improved since the Great Recession but remain well below 2007 figures, as do wages.\(^1\) At the same time, technological progress through robotics and artificial intelligence, described by Martin Ford on page 18, is displacing even highly skilled jobs. Careers in areas of medicine, law, academia and financial services that once promised security may be as vulnerable in the future as the Dustin Hoffman character in *The Graduate* might find his potential career in plastics now.

Those of us who had the good fortune to start our working lives in simpler times wonder how we can best help our children, grandchildren, and other young people. I wrote in an earlier edition of *Independent Thinking*\(^2\) that, with good planning, we can contribute to their educations in a tax-efficient manner. As I reflect on my 47-year career of working closely with clients and their families, it strikes me that our role in lending support and advice should not end on graduation day.

Support can come in many forms. Deciding whether and when to give money directly to children and grandchildren is the subject of a number of our articles and educational programs. I have seen the children of our clients unable to earn a living because they were given too much when they were young. Of course, others with similar backgrounds have become extraordinarily successful. It is difficult to generalize on the outcomes that financial advantage can produce, but it is possible to distinguish between those forms of support that can breed entitlement and unhappiness and those that are genuinely helpful. For example, my wife and I chose to contribute to Manhattan rents after each of our children secured their first jobs; we did not try to ease their paths in other ways.

It is important to distinguish between forms of support

I’ve seen clients successfully give or lend money to their children to start businesses, invest in real estate, or attend graduate school. More often than not, giving a child right out of school a job in the family business does not work, especially if the child has not expressed any real interest in the business. But help with further education can pay dividends, if it’s relevant to their careers and not a way to mark time.

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2 Summer 2014.
Advice is free. We should all encourage young people to meet as many people as possible, to ask us about our careers, and to gain exposure through summer jobs and internships. The Evercore investment banking intern, analyst and associate positions are among the most competitive and sought-after career experiences in finance; there are similar programs in many other fields and countless less formal opportunities. Certainly, there is no substitute for hands-on experience.

I will be giving that advice to my grandchildren. I will also try and put aside a safety net for them in case my advice or their implementation doesn’t work out.

Jeff Maurer is the Chief Executive Officer of Evercore Wealth Management and the Chairman of Evercore Trust Company, N.A. He can be contacted at maurer@evercore.com.

Change and disruption can provide opportunities

The more strongly young people feel that they have chosen their own careers – whether in a family business (most likely after gaining experience elsewhere) or in a totally different field – the more likely it seems that they will succeed. That was certainly my own experience. I was an indifferent student in college. But my first job, as a trust officer, turned out to be a great fit and encouraged me to really apply myself, simultaneously pursuing two professional degrees while starting a family. I persevered, overcame failures along the way, found the right nonprofits to contribute to, and I continue to learn every day.

For that reason, when I interview candidates, especially recent college graduates, I am more concerned about their life experiences and the passion they bring to the interview than I am about their grades. How bright are they? Will they work as part of a team? Will they put our clients first, and always?

My advice to young people is simple: Figure out what you might want to do and work really, really hard to do it well. Think about the impact of technology on your career, think about the pay, but don’t let either dissuade you from your passion. If it’s the right fit, keep going. If not, pick yourself up and start again. Either way, you are likely to experience failure. Change and disruption are part of life, and can provide opportunities to adapt and prosper.
The Coming Employment Crisis

By Martin Ford

There can be little doubt that computers, robotic technologies and other forms of job automation have been getting far more capable, and that as this trend continues, more workers are certain to be displaced in the relatively near future. A very large percentage of jobs are, on some level, essentially routine and repetitive in nature. In other words, the job can be broken down into a discrete set of tasks that tend to get repeated on a regular basis. It seems likely that, as both hardware and software continue to advance, a large fraction of these job types are ultimately going to be susceptible to machine or software automation.

I’m not talking about far-fetched science fiction-level technology here: This is really a simple extrapolation of the expert systems and specialized algorithms that can currently land jet airplanes, trade autonomously on Wall Street, or beat nearly any human being at a game of chess. As technology progresses, these systems will begin to match or exceed the capability of human workers in many routine job categories – and this includes a lot of workers with college degrees or other significant training. Many workers will also be increasingly threatened by the continuing trend toward self-service technologies that push tasks onto consumers.

One of the most extreme historical examples of technologically induced job losses is, of course, the mechanization of agriculture. In the late 1800s, about three-quarters of workers in the United States were employed in agriculture. Today, the number is around 2%-3%. Advancing technology irreversibly eliminated millions of jobs.

Obviously, when agriculture mechanized, we did not end up with long-term structural unemployment. Workers were absorbed by other industries, and average wages and overall prosperity increased dramatically. The historical experience with agriculture is, in fact, an excellent illustration of the so-called “Luddite fallacy.” This is the idea – and I think it is generally accepted by economists – that technological progress will never lead to massive, long-term unemployment.

The reasoning behind the Luddite fallacy goes roughly like this: As laborsaving
technologies improve, some workers lose their jobs in the short run, but production also becomes more efficient. That leads to lower prices for the goods and services produced, and that, in turn, leaves consumers with more money to spend on other things. When they do so, demand increases across nearly all industries – and that means more jobs. That seems to be exactly what happened with agriculture: Food prices fell as efficiency increased, and then consumers went out and spent their extra money elsewhere, driving increased employment in the manufacturing and service sectors.

The question we have to ask is whether or not that same scenario is likely to play out again. The problem is that this time we are not talking about a single industry being automated: These technologies are going to penetrate across the board. When agriculture mechanized, there were clearly other labor-intensive sectors capable of absorbing the workers. There’s little evidence to suggest that’s going to be the case this time around.

It seems to me that, as automation penetrates nearly everywhere, there must come a “tipping point,” beyond which the overall economy is simply not labor intensive enough to continue absorbing workers who lose their jobs due to automation (or globalization). Beyond this point, businesses will be able to ramp up production primarily by employing machines and software – and structural unemployment then becomes inevitable.

If we reach that point, then we also have a serious problem with consumer demand. If automation is relentless, then the basic mechanism that gets purchasing power into the hands of consumers begins to break down. As a thought experiment, imagine a fully automated economy. Virtually no one would have a job (or an income); machines would do everything. So where would consumption come from? If we’re still considering a market (rather than a planned) economy, why would production continue if there weren’t any viable consumers to purchase the output? Long before we’d reach that extreme point of full automation, it seems pretty clear that mass-market business models would become unsustainable.

If, at some point in the future, consumers look out the window and see a landscape where jobs are relentlessly getting automated away, and if it appears that getting additional education or training provides little protection, there’s likely to be a significant negative impact on consumer sentiment and discretionary spending. If we someday get into a reinforcing cycle driven by fear of automation, a very dark scenario could ensue. It’s difficult to see how traditional policies like stimulus spending or tax cuts would be effective because they wouldn’t address consumers’ concerns about long-term income continuity.

There must come a tipping point – and structural unemployment then becomes inevitable

If you look at issues like stagnating or declining wages for average workers, growing income inequality, increasing productivity, and consumption supported by debt rather than income, you can certainly find evidence that generally suggests we might be approaching that “tipping point” where structural unemployment is going to become a problem.

This article represents the views of Martin Ford, and not necessarily the views of Evercore Wealth Management.

To learn more about Evercore Wealth Management events in California, please contact Iain Silverthorne at silverthorne@evercore.com.
The volatility of the past seven months, after a seven-year bull market, the longest on record, has shaken investor confidence and reminded us all that traditional investment plans can jeopardize financial security and thwart aspirations. Inaction carries its own risks, however. Portfolios left untended will be more subject to inflation and event risk.

The starting point to confident investing is to assess an individual’s specific goals and true tolerance for risk, and to create in that context a strategic wealth plan that evaluates his or her entire financial circumstances, across existing holdings and related tax and family entities. The next steps – and our focus here – are to design an investment portfolio and to structure and manage its assets accordingly.

The real needs of private investors can be counterintuitive. Individuals planning for retirement are often focused exclusively on principal protection and income preservation. For some, that’s the right approach, and we construct current-income preservation portfolios for their total wealth that are designed, and regularly recalibrated, to adjust for inflation and for the timing and amount of investment and spending. ( Spending in down markets requires additional investment and/or higher returns to restore principal value.)

For others, the perceived risks can be disproportionate to their actual circumstances, and they are potentially shortchanging themselves and their heirs. For these individuals, distinct and prioritized asset pools with a clear purpose enable them to allocate capital across multiple objectives – a new business, for example, or a philanthropic legacy. In other words, we seek to effectively ring-fence lifestyle needs as much as possible before investing for growth. A balanced growth pool can be designed to maintain purchasing power and liquidity, for example, while a long-term appreciation pool can potentially enhance returns by assuming additional risks, such as concentrated assets or illiquidity.

Perceived risks can be disproportionate to circumstances

Seven years of strong returns made many investors complacent, and the recent volatility came as a shock. We need to be mindful of their long-term goals and consider their real appetite for risk in that context – and across their holdings.

At Evercore Wealth Management, all conversations begin at the strategic level and then drill down to the proper allocation for each objective to ensure that the client is fully engaged before discussing specific investments for each asset pool. We fund each asset pool according to its specific purpose and across five distinct asset classes:
For more information on the Evercore Wealth Management diversified market strategies allocation, see Brian Pollak’s article on page 6.

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Mission Possible: Socially Responsible Investing

By Iain Silverthorne

Most institutional investors and increasing numbers of individuals, notably women and Millennials generally, ask us about socially responsible investing, or SRI. Their interests are as varied as the investors themselves.

Environmental impact is a major concern, as are investments that relate to labor conditions and animal welfare, while questions about gender equality and local community engagement are on the rise.

Historically, investors – and their advisors – were turned off SRI by the relatively poor returns. The approach, which was founded in the abolitionist movement and garnered widespread public awareness in the drive to divest from apartheid-era South Africa, narrowed the investment horizon by screening out companies engaged in slavery, discrimination and, later, fossil fuels, weapons, tobacco or genetically modified foods.

Today, investors are wielding both carrots and sticks in attempting to drive change. SRI is increasingly paired with more proactive environmental, social and governance investing, or ESG, to encourage companies perceived as good corporate citizens.

Whether they promote environmental stewardship, diversity or even high levels of human capital engagement (as opposed to the robots described on page 18 by Martin Ford), chances are that the $21.4 trillion global SRI/ESG market (up from $13.3 trillion in just four years) is rewarding them for doing so.¹ In the United States alone, $6.6 trillion, or more than one out of every six dollars under professional management, is invested in SRI strategies.²

This shift to what looks like a virtuous circle of good seems to be reflected in improved returns. The MSCI KLD 400 index of socially responsible companies outperformed the more traditional MSCI USA index in each of the past three years, averaging 11.8% in annualized returns against the 11.2% return of its benchmark.

For us, SRI/ESG investing starts with a conversation. When we know each investor’s goals – whether individuals, families, endowments or foundations – we construct an allocation and determine the strategy, often in partnership with specialist research firms, adjusted for risk and the most cost-effective manner possible. We then invest accordingly, in companies that fit the mission and, importantly, have attractive fundamentals, as described by Tim Evin on page 5. We can arrange to vote the proxies of the underlying assets in a manner consistent with each investor’s goals and participate in resolutions. And we keep track, accessing and scoring investment data to continually inform and support the investor’s intentions.

For an increasing number of investors, SRI assets can be a rewarding component of their portfolios and a complement or even an alternative to their philanthropy. We will discuss our approach to deploying assets earmarked for impact-investing goals and engaging other family members in future editions of Independent Thinking. In the interim, please contact your wealth advisor to discuss whether socially responsible investing is right for you.

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¹ Global Sustainable Investment Alliance (GSIA) 2014 Review.
Safeguarding Digital Assets

By Carly McKeeman

Increasingly, our lives are conducted digitally. From communicating with loved ones, to storing documents and photos, to conducting financial activities, a significant portion of our activities are online. What happens to our digital lives upon death or disability – and why should we care?

Digital assets comprise a wide range of items, some more obvious than others (see the guide below). Some may have substantial monetary value, and others important sentimental value. Many require multiple levels of username and password verification to gain access. These layers of security protect us when we are alive and well, but can present problems down the road for family members or other trusted advisors. An executor or personal representative administering an estate is likely to need access to bank account statements and legal documents. A spouse or other family member may want to access family photos, digital music files, and shared devices. But hacking into these accounts may be deemed a violation of a provider’s terms of service. In some instances, it may even be criminal activity.

Fortunately, there are tangible steps you can take to plan for your digital assets, just as you would your personal property and other valuables. The first step is to create a digital inventory, including a description of each item

**Making the Intangible Tangible**

Digital assets include:

- **Digital photographs, emails, online music, and videos and other similar personal effects.** Often these are found on a smart phone, iPad, computer or thumb drive, or they may be housed on a digital storage platform (i.e., Gmail, Yahoo, Flickr, Shutterfly, Dropbox).
- **Social media accounts.** These can contain a range of information about a person, including public and private conversations, as well as storage of photographs and videos.
- **Financial and other records.** Nearly every brick-and-mortar financial institution has online banking functionality, the records of which may be digital email attachments or stored electronically. Other electronic records include PayPal and other payment service accounts, online tax and accounting records like Quicken, receipts, medical records, even end-of-life decisions such as funeral preparations.
- **Airline and loyalty program points.** Frequent flyer accounts, merchant credits, vouchers, and gift cards may all be electronic – stored on a merchant’s server and sent via email. Some are transferrable and potentially valuable.
- **Business accounts.** Online businesses that occur entirely via the Internet (eBay or other online stores) are growing in number. Even owners of more traditional businesses may store client information, accounting and other business documents online. Intellectual property is another potential business asset that may exist only in digital form, as are websites and domain names.
and the related usernames, PINs, and passwords. This could be in a table or other form, but should be accessible later by those who need it. Storing this list in a safe deposit box may not be practical, since many accounts require regular updates to passwords, and the list of providers is likely to change over time.

Ask your estate planning lawyer to include a digital property powers clause in your will

Instead, consider using a password vault. Password vaults are simple, stand-alone devices that can be purchased at office equipment or electronics stores, and contain all accounts and password information. The device is unlocked using a master key code, which can be given to a trusted fiduciary.

The next step is to ensure that your estate plan reflects your wishes for your digital assets, in case of death or disability. Ask your estate planning lawyer to include a digital property powers clause in your will, granting a trustee the power to access your digital accounts. If you have highly valuable or otherwise significant digital property, such as a high-volume website, you might consider appointing a special trustee to handle the property.

Individuals can also execute a separate digital property authorization form, similar to a power of attorney, which permits a trusted individual to access and modify accounts. This document might include instructions to preserve or destroy certain digital assets upon death, such as email accounts and social media profiles.

Planning for your digital assets can help your family at a time when they may really need that help. Your advisor can help you think through these issues, and will work with your estate planning lawyer to ensure that your wishes are fully executed.

Carly McKeeman is a Vice President and Financial Advisor at Evercore Wealth Management. She can be contacted at carly.mckeeman@evercore.com.

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Private Wealth Education at Evercore:

- Gloria Steinem: Engaged at Every Age
- Connecticut at a Crossroads: The Outlook for State Bonds
- Data Breaches, Identity Thefts, Hacks & Scams – Are You Prepared?
- David Golub: The Case for Middle Market Lending
- The World We Create: A Conversation About Climate Change with Frances Beinecke
- Sharna Goldseker: Shaping the Financial Conversation with Your Family
- Roger Altman: The Economic and Political Outlook
- What You Don’t Know About Healthcare Coverage Can Hurt You: An Educational Seminar

Wise Women Seminars:

- Women, Wealth & Wisdom
- Wise Investing: How to Build a Realistic, Tax-Efficient & Sustainable Portfolio
- Thoughtful Giving to Your Children

Please contact your advisor or Jewelle Bickford at jewelle.bickford@evercore.com for further details on upcoming Evercore Wealth Management events in your region.
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