





Steffes Group

T. Rowe Price

UMB Bank

Vanguard

Trustate Corporation

9:30 am

10:30am

11:30 am



AGENDA

As of April 18, 2025	Tuesday, April	22
American Cancer Society	4:30 - 6:30 pm	Registration
Broadridge	5:00 - 6:30 pm	Opening Reception in Exhibit Hall
Cannon Financial Institute	6:30 - 7:00 pm	Opening Dinner
CAPIS	7:00 - 7:50 pm	No Bad Days Hunter Pinke, Northwood ND
Cheetah		
Compliance Alliance	Wednesday, Ap	ril 23
EPIC Retirement Plan	7:45 am	Breakfast Buffet in Exhibit Hall
Services	8:30 am	Welcome and Introduction of Exhibitors Group 1
Farmers National Company	8:30 am	Economic Outlook Lauren Henderson, Stifel Financial, Chicago IL
FCI Advisors	9:30 am	Using J.P. Morgan's Guide to Retirement to Help Clients Retire with Confidence
Federated Hermes	oloo alli	Sharon Carson, JP Morgan Chase, New York NY
FIS	10:30 am	Morning Break in Exhibit Hall
Fi-Tek Franklin Templeton	11:05 am	Hot Fiduciary Compliance Topics for Trustees Patrick Alyward, TrustWorthy Consultants, Atlanta GA
FusionIQ		
	11:55 am	Introduction of Exhibitors Group 2
Infovisa	12:00 pm	Luncheon in Exhibit Hall
IntraFi	1:00 pm	Introduction of Exhibitors Group 3
John Hancock	1:05 pm	Scouting Report on Recent Tax-Related Estate Planning Developments Steve Murphy, McGuireWoods LLP, Richmond VA
JP Morgan	0.00	
MainStreet Advisors	2:30 pm	Dessert and Final Break with Exhibitors I Door Prize Drawings
MineralTracker	3:10 pm	A.I. in Wealth Trust: Developing the Use Cases Mike Tropeano, Fi-Tek, Boston MA
Monroe Capital	4:15 pm	Rapid-Fire Roundtables
National Care Advisors	·	
ND Community Foundation	5:00 pm	Networking Reception followed by Dinner on Your Own
Northern Trust	Thursday, April	24
Peoples Company	7:45 am	Continental Breakfast
Pifer's Auction & Realty	8:15 am	Thriving in Chaos: Addressing 7 Challenges Impacting
Proxytrust	0.10 um	Wealth Management
Ritchie Bros.		Phil Buchanan, Cannon Financial Institute, Athens GA
Simplify ETFs	9:15 am	Morning Break

BSA/AML/OFAC Compliance Essentials for Fiduciaries Jeff Kropschot, Kropschot Consulting Partners, Springville UT

Global Market Outlook

Closing and Adjourn

Chris Dillon, T. Rowe Price, Port Deposit MD



April 22-24, 2025 Delta Hotel by Marriott

Fargo, ND



Thank you, Sponsors!

















Continuing Education Credits

The 2025 Tri-State Trust Conference has been approved for continuing education credits:

Self-Report

ABA Professional Certifications ND Commission for Continuing Legal Education Minnesota Board of Continuing Legal Education

NDBA Will Report*

CFP Board North Dakota Insurance Department South Dakota Division of Insurance

*Email dorothy@ndba.com with required information.

CTFA: 10.25 credits 8.25 ND CLE credits (0 Ethics credit) 8 Standard CLE credits

8 hours total 8 hours General 8 hours of Life/Health

American Cancer Society

Contacts: Heather Englin or Scott Rollin Phone: 515-217-4947 or 952-443-3415 Emails: <u>heather.englin@cancer.org</u> or <u>scottrollin923@gmail.com</u>



At the American Cancer Society, we have a vision to end cancer as we know it, for everyone. We're improving the lives of cancer patients and their families through advocacy, research, and patient support to ensure that everyone has an opportunity to prevent, detect, treat, and survive cancer. The American Cancer Society is fortunate to have many friends share our vision to end cancer as we know it, for everyone, by making us the beneficiary of a gift through a bequest, trust agreement or other form of planned gift. When you're working on an estate gift for a client who included the American Cancer Society, we're here to help with everything from general information to restrictive gift language.

Broadridge Financial Solutions

🔀 Broadridge

Contacts: Kevin Trnka or Pete Della Flora or Marcos Ferreira Phone: 212-918-6968 or 720-956-5422 or 631-275-8143 Emails: <u>kevin.trnka@broadridge.com</u> or <u>pete.dellaflora@broadridge.com</u> or <u>marcos.ferreira@broadridge.com</u> **Sponsor: Welcome Reception**

Broadridge Financial Solutions (NYSE: BR) is a global technology leader with the trusted expertise and transformative technology to help our clients and the industry operate, innovate, and grow. We power investing, governance, and communications – driving operational resiliency, elevating business performance, and transforming investor experiences.

Cannon Financial Institute

Contact: Dave Moore Phone: 214-978-4725 Email: <u>dave.moore@cannonfinancial.com</u>



Trust professionals play a vital role in preserving wealth, ensuring compliance, and guiding clients through complex financial decisions. At Cannon Financial Institute, we provide the technical expertise, regulatory insight, and strategic confidence needed to excel in this field.

Our programs go beyond the fundamentals, delivering realworld education that prepares professionals to navigate fiduciary responsibilities, client relationships, and evolving industry challenges. What sets Cannon apart is our commitment to applied learning. We don't simply teach concepts; we develop professionals who think like trusted advisors. Every course, case study, and coaching session strengthens decision-making, problem-solving, and client communication skills.

CAPIS



Contact: Ed O'Dowd Phone: 214-978-4725 Email: <u>eodowd@capis.com</u>

Capital Institutional Services, Inc. (CAPIS) offers global execution services and commission management solutions, pairing leading-edge trading technologies with an unparalleled dedication to client service.

- High-touch trading for sophisticated block-trading clients;
- Electronic trading to improve speed and responsiveness;
- FIX Connectivity to trust accounting systems for straightthrough-processing; and
- Research credit available on global equities, fixed income and options.

Cheetah



Contact: Trent Seed Phone: 800-686-0470 Email: <u>trent.seed@trustasc.com</u>

Cheetah is an industry-leading digital solutions provider for trust and wealth managers. Our mission is to equip wealth managers with agile technology that spurs efficiency, enhances relationships, and increases productivity by streamlining operations, automating workflows, harnessing the power of business intelligence, and providing mobile experiences for your team and your clients.

Compliance Alliance

Contact: Chris Lingafelter Phone: 512-776-0713 Email: ChrisL@compliancealliance.com



Founded in 2011, Compliance Alliance is the only banking industry compliance resource that is owned, operated and managed by 38 State Bankers Associations. Based on the needs of community bankers, Compliance Alliance provides members an all-inclusive set of bank compliance tools and services that help them stay up-to-date with consumer and regulatory requirements.

Compliance Alliance members receive:

- Access to an extensive collection of community banking compliance resources created specifically for them by industry experts.
- A hotline for compliance-related concerns.
- Reviews of company advertising or marketing campaigns, policies, procedures, disclosures and new products.

Compliance Alliance is the only banking compliance resource in the market today that includes all of our products and services in our annual membership fee with unlimited access to all member employees of subscribing banks.



Epic Retirement Plan Services Contact: Bob Leahy Phone: 630-338-7650 Email: rleahy@epicrps.com



EPIC Retirement Plan Services is a premier retirement plan provider. Since 1993, EPIC Retirement Plan Services has provided custom plan and outsourcing solutions for your business. We work with nearly 100 institutional clients and support over 9,000 plans nationwide covering over 380,000 plan participants and over \$35B in plan assets.

Farmers National Company



Contacts: Dale Weston, Terry Longtin or Troy Swee Phone: 701-237-0059, 701-780-2828 or 605-929-3039 Emails: dweston@farmersnational.com, tlongtin@farmersnational.com or tswee@farmersnational.com

Farmers National Company is the largest landowner services company in the U.S. Farmers National provides services such as farm management, real estate sales, appraisals, oil and gas management, insurance, forest resource management and a national hunting lease program. Farmers National provides local staff to provide the services needed with national expertise if needed. Farmers National is employee-owned, with humble beginnings in 1929.

FCI Advisors



Contacts: Stephen Lawler or Richard Soares Phone: 203-447-1863 or 203-447-1877 Emails: stephen.lawler@fciadvisors.com or richard.soares@fciadvisors.com

At FCI Advisors, our mission is to help wealth advisors and trust officers serve their clients and grow their business. We are committed to helping wealth advisors and trust officers achieve their business goals by offering a wide range of separate securities investment strategies, asset allocation, mutual fund/ETF portfolios, direct contact with our portfolio managers and service professionals and assistance with RFPs, prospect proposals and client presentations.

Federated Hermes Contact: Shawn Knutson



Phone: 952-484-2866 Email: shawn.knutson@federatedhermes.com **Sponsor: Wednesday Reception**

Federated Hermes is a leading global investment manager. Guided by our conviction that responsible investing is the best way to create wealth over the long term, our investment solutions span equity, fixed-income, alternative/private markets, multi-asset and liquidity strategies and a range of separately managed accounts, distributed through intermediaries worldwide.

FIS

Contact: Daniel Metzendorf Phone: 262-665-4447 Email: daniel.metzendorf@fisglobal.com

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500[®] Index.

Fi-Tek



Contacts: Rob Mounts or Marc Reed Phone: 701-866-2051 or 917-596-7459 Emails: mounts@fi-tek.com or mreed@fi-tek.com

Fi-Tek is a premier financial technology company focused on industry-leading solutions and products that address the complex needs of Bank & Trust Wealth Management providers. Fi-Tek's Global Wealth Enterprise Solution (GWES) has a proven track record of successfully serving the industry's top-tier clients and catering to their evolving needs.

Franklin Templeton

Contacts: Thomas Antonovich or **TEMPLETON** David Solon or Jimmy Graham



Phone: 952-221-8874 or 612-310-4100 or 816-863-9794 Emails: tom.antonovich@franklintempleton.com or david.solon@empower-retirement.com or jimmy.graham@franklintempleton.com Sponsor: Wednesday Breakfast

Franklin Templeton is a global investment management organization with subsidiaries serving clients in over 150 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company offers specialization on a global scale, bringing extensive capabilities in equity, fixed income, alternatives, and multiasset solutions. With more than 1,500 investment professionals, and offices in major financial markets around the world, the California-based company has over 75 years of investment experience.

FusionIQ

Contact: Danny Streiff Phone: 704-904-7553 Email: <u>dstreiff@fusioniq.io</u>

FusionIQ is the most comprehensive cloud-native Digital Wealth Management solution, seamlessly integrating four core modules— onboarding, digital advice, self-directed investing, and advanced advisor tools—through a unified workflow that empowers both investors and advisors. FusionIQ's suite of products makes scaling simple for banks, broker-dealers, family offices, RIAs, and asset managers.

***** fusionIQ

Infovisa

IntraFi

With a highly configurable, private-label platform that can be up and running in as little as six weeks, it's easy to see why FusionIQ's integrated, multi-custodial, multilingual, and multi-asset-type solution is the leading choice for financial services organizations looking to expand their footprint.

Infovisa

Contacts: Josh Severns or Michael Bovi Phone: 704-892-3270 Emails: <u>salesinfo@infovisa.com</u> or <u>michael.bovi@infovisa.com</u> Sponsor: Tuesday Opening Dinner

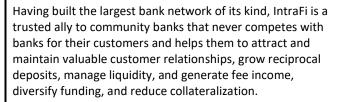
We Focus on You so You Can Focus on Your Clients

Software can't replace your wealth of experience and knowledge. But it can enable you to put it to better use. We designed trust accounting software from the ground up to let you spend more time consulting, advising and thinking – and less time tracking, organizing and reporting.

For trust professionals at community banks, our powerful, secure, real-time software is backed up by accessible, knowledgeable people who are focused on helping you do more of what you do best. That's trusted focus.

Intrafi

Contact: Bradley Cole Phone: 402.212.4145 Email: <u>bcole@intrafi.com</u> Sponsor: Tuesday Night Speaker



Work with the market leader to grow profitability and increase franchise value. IntraFi's innovative balance-sheet management solution – known as IntraFi Deposits (formerly CDARS, ICS, and IND deposit solutions) – empowers institutions to increase profitability, grow franchise value, manage liquidity more easily, and serve customers better. *NDBA Services, Inc. Endorsed Business Partner*

John Hancock



Contact: Alex Jamieson Phone: 617-314-1587 Email: <u>ajamieson@jhancock.com</u>

At Manulife John Hancock Investments, we serve investors through a specialized multimanager approach, complementing our extensive in-house capabilities with a broad network of asset managers backed by some of the most rigorous investment oversight in the industry.

Leveraging our world-class in-house asset management talent is just the beginning of the story. We scour the specialized expertise at unaffiliated managers whose skill sets complement our own. As a result, we're able to offer a variety of options in each category, a unique approach that we believe truly serves the best interests of our investors.

J.P. Morgan Asset Management Contact: Bill McNeill

Phone: 612-308-0483 Email: <u>bill.j.mcneill@jpmorgan.com</u> J.P.Morgan Asset Management

At J.P. Morgan Asset Management, we have one key goal: to help our clients build stronger portfolios. And for more than 150 years, we've been doing just that – for institutions, intermediaries, and individuals alike. No matter what your goals, you'll find insights and investments to help you make better decisions, build stronger portfolios, and achieve greater success.

MainStreet Advisors



Contact: John Gorman Phone: 312-223-0270 Email: jgorman@mainstreetadv.com Sponsor: Wednesday Dessert Break

Managing client expectations while growing your business doesn't have to mean doing it all yourself. At MainStreet Advisors, we empower you to deliver exceptional results by outsourcing key investment and marketing functions.

Why Outsource with Us?

Save Time and Resources: Focus on your core strengths while we handle the heavy lifting. Let us manage the details, so you can concentrate on your growing business. Enhance Client Offerings: Access comprehensive solutions like AI-enabled Direct Indexing, Separately Managed Accounts (SMAs), and institutional-quality Private Equity and Debt Alternatives.

Scale with Confidence: Our tailored, outsourced solutions adapt to your business needs, freeing you to expand and grow without operational bottlenecks.

Differentiate Your Brand: Leverage integrated marketing tools and private-label content to showcase your unique value and deepen client relationships. **Your Success is Our Mission**



MineralTracker



Contacts: Steve Nelson or Powered by First International Bank & Kyle Brown Phone: 701-751-8598 or 763-465-7742 Emails: <u>isnelson@fibt.com</u> or <u>kyle.brown@fibt.com</u>

MineralTracker is part of mineral and land services at First International Bank & Trust, a full-service department with eight lines of business. The team provides a single clearinghouse for all issues facing mineral and royalty owners. Our goal is to maximize the value of mineral and land assets through strategic solutions and diverse expertise. The department was built on the belief that mineral and royalty owners deserve **Unparalleled Service** through **Diligent Management**, **Innovating Technology**, and **Goal Oriented Strategies**.

Monroe

Contact: Nicole Mullen Phone: 312-270-0337 Email: <u>nmullen@monroecap.com</u>



Monroe Capital LLC is a premier asset management firm specializing in private credit markets across various strategies, including direct lending, technology finance, venture debt, alternative credit, structured credit, real estate, and equity. Since 2004, the firm has been successfully providing capital solutions to clients in the U.S. and Canada. Monroe prides itself on being a value-added and user-friendly partner to business owners, management, and both private equity and independent sponsors.

Monroe's platform offers a wide variety of investment products for both institutional and high net worth investors with a focus on generating high quality "alpha" returns irrespective of business or economic cycles.

National Care Advisors Contact: Kristin Avendano

Phone: 954-397-9885



Emails: kavendano@nationalcareadvisors.com

National Care Advisors is a national consulting firm serving individuals with complex care needs in all 50 states. We provide life care planning, quality of life assessment, thirdparty benefits analysis, education consulting and case management for trustees, financial planners, attorneys and their client families.

North Dakota

Community Foundation



Contacts: Amy Stromsodt or Scott Nicholson Phone: 701-741-3193 or 701-892-2007 Emails: amy@ndcf.net_or scott@ndcf.net

The North Dakota Community Foundation helps individuals, families, and businesses give back to their hometown,

school, and favorite ND charities in tax-wise ways. NDCF is a 501(c)(3) public, nonprofit organization with offices in Bismarck, Larimore, Dickinson, and Wahpeton, ND.

Our charitable-giving experts have more than 90 years of experience in a variety of tools and incentives including Charitable Gift Annuities, the state's 40% income tax credit for gifts to qualified ND endowment funds, and numerous planned giving vehicles.

Northern Trust Contact: Liz Longo

Phone: 616-240-8088

Email: eav2@ntrs.com



NORTHERN TRUST

ASSET MANAGEMENT

Northern Trust Asset Management is a global investment manager that helps investors navigate changing market environments in efforts to realize their objectives. Entrusted with \$1.3 trillion in assets,¹ we understand that investing ultimately serves a greater purpose and believe investors should be compensated for the risks they take. That's why we combine capital markets research, portfolio construction and risk management to craft efficient solutions that seek to deliver targeted outcomes.

¹Assets under management as of December 31, 2024

Peoples Company



Contacts: Lindsey Brown or Jeff Post Phone: 701-371-5538 or 515-222-1347 Emails: <u>lindsey@peoplescompany.com</u> or jeff.post@peoplescompany.com

Peoples Company leads the nation in providing integrated land solutions as one of the few firms with core competencies in land brokerage, agricultural appraisal, land and energy management, crop insurance, and capital markets, providing clients with a one-stop solution for agricultural transactions across the United States. Peoples Company's local land professionals are experienced in working with landowners, farmers, institutional investors, and family offices to achieve industry-best outcomes.

Pifer's Auction & Realty

Contacts: Morgan Almer or Tyler Berby or John Pierce Phone: 218-477-3014 or 218-477-3028 or 218-477-1968 Emails: <u>morgan@pifers.com</u> <u>tberby@pifers.com</u> <u>jpierce@pifers.com</u>



Pifer's Auction & Realty and Land Management has a team of professionals to service all your real estate, auction, land management, machinery sales, business liquidation, mineral interests, and graphic design needs. Integrity. Innovation. Results.

Proxytrust

Contact: Cameron Sentell Phone: 615-982-5705 Email: <u>csentell@proxytrust.com</u>

Proxytrust customers benefit from comprehensive proxy voting and strategic partner solutions including policy voting, capital changes, and cost basis research. Our strict focus on the trust market, consultative relationship management, and extensive industry experience add significant value to customers through greater operational efficiency and increased compliance.

Our customer-driven core values as a privately-held, independent company, uniquely positions us as a trusted partner and growing industry leader.

Ritchie Bros.

rb RITCHIE BROS: | rb GLOBAL"

✓proxytrust

Contact: Joe VanDeWiele Phone: 605-838-9934 Email: <u>ivandewiele@ritchiebros.com</u> Sponsor: Wednesday Lunch and Thursday Break

Ritchie Bros. (RB Global) is a leading, omnichannel marketplace that provides value-added insights, services and transaction solutions for buyers and sellers of commercial assets and vehicles in 170 countries, the world's largest auctioneer of commercial assets and vehicles.

Simplify ETFs

Contacts: Clint Rogers Phone: 515-201-8808 Emails: <u>clint.rogers@simplify.us</u>

Simplify was founded in 2020 to make institutional-grade alternative strategies available to all investors through the low-cost and transparent ETF vehicle. Simplify ETFs helps advisors build better portfolios with an innovative set of building blocks. By thoughtfully incorporating alternative investment strategies into the traditional balanced portfolio, we hope to help investors enhance risk-adjusted returns beyond what is possible with traditional equity and bond investments.

Steffes Group



Contacts: Martin Peterson or Joel Swanson or Scott Hoovestol Phone: 320-905-5325 or 701-371-7152 or 701-319-5028 Emails: <u>martin.peterson@steffesgroup.com</u> or joel.wanson@steffesgroup.com or scott.hoovestol@steffesgroup.com

For over 60 years, Steffes has been a nationally recognized leader in the auction industry, engaged in the business of marketing farm, construction, transportation equipment, and real estate at public auction.

T. Rowe Price

Contacts: Jason O'Connor or Sebastian Mitchell or Alec Mielnicki Phone: 410-241-8568 or 630-248-2644 or 949-391-5959 Emails: jason.oconnor@troweprice.com sebastian.michell@troweprice.com alex.mielnicki@troweprice.com Sponsor: Wednesday Morning Break

T. Rowe Price is a premier global asset management organization that works with individuals, advisors, institutions, and retirement plan sponsors. We identify and actively invest in opportunities to help people thrive in an evolving world, bringing our dynamic perspective and meaningful partnership to clients so they can feel more confident.

Trustate

Contact: Tara Faquir Phone: 978-697-8604 Email: <u>tara@trustate.com</u>



T.RowePrice

Trustate helps **trust companies streamline trust and estate administration** by automating time-consuming tasks, reducing manual effort, and ensuring accuracy in asset and liability discovery and management. By simplifying workflows, Trustate allows trust officers to focus on client relationships and decision-making rather than paperwork

and administrative bottlenecks. This means:
Faster trust/estate settlements with automated asset discovery and document generation

- Improved compliance and accuracy through standardized processes
- **Greater efficiency** by reducing administrative burdens and manual data entry

Trustate integrates seamlessly with existing trust administration systems, enhancing operational effectiveness and allowing teams to manage estates with greater speed, precision, and confidence.

UMB Bank



Contact: Stephen DuMont Phone: 816-860-8707 Email: <u>stephen.dumont@umb.com</u>

UMB Bank is a dedicated partner to North Dakota banks. As your strategic balance sheet management partner, UMB Bank can provide access to a comprehensive suite of solutions including budgeting and forecasting, interest rate risk reporting, capital planning and management, liquidity risk management and contingency funding, and investment portfolio management and safekeeping services. For more information, visit //umb.com/capitalmarkets.com.

Products, Services and Securities offered through UMB Bank, n.a. Capital Markets Division are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED

Vanguard

Vanguard Contact: Christian Torres Phone: 610-669-1234 Email: <u>christian torres@vanguard.com</u>

Founded in 1975, Vanguard is one of the world's most respected investment management companies. The firm offers investments; advice and retirement services; and insights to individuals, institutions, and financial professionals. Based in Malvern, PA, Vanguard has offices worldwide and manages more than \$9.5 trillion* on behalf of more than 50 million clients*. Vanguard operates under a unique, investor-owned** structure and adheres to a simple purpose: To take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.

*Note: All figures as of June 30, 2024. ** Investor-owned means fund shareholders own the funds, which in turn own Vanguard. Thank you to all the Tri-State Trust Conference exhibitors and sponsors!



SAFE BANKING FOR SENIORS

Did you know that older Americans lose \$2.9 billion each year to fraud?

Our bank is participating in the American Bankers Association Foundation's Safe Banking for Seniors campaign in a nationwide effort to help older customers and their financial caregivers understand the risks of fraud and financial abuse and how to protect themselves and their loved ones.

Financial abuse against older Americans can take many forms, from illegal debits, to third-party scams and even unauthorized withdrawals by an approved financial caregiver.



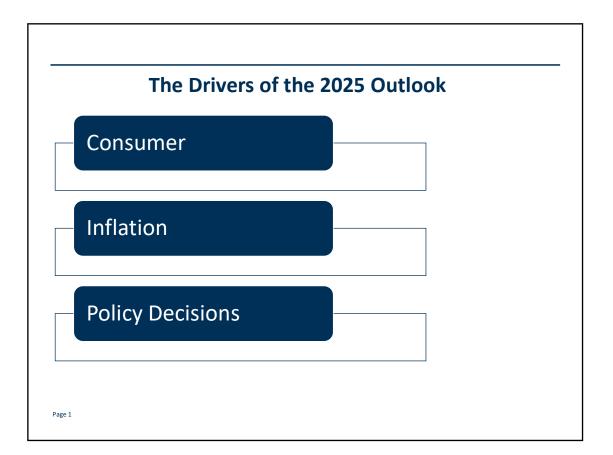
For more information and other consumer resources, visit aba.com/seniors

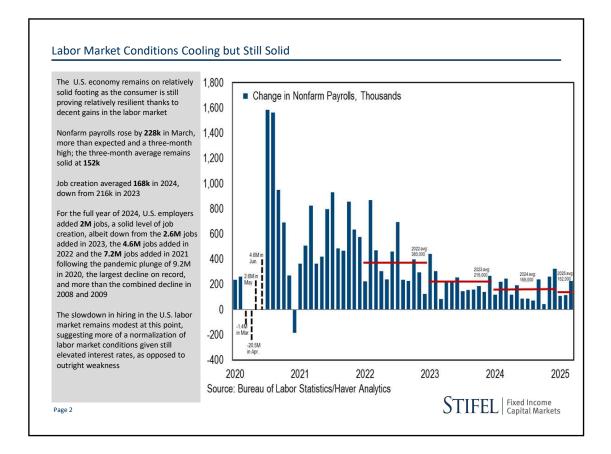
© 2016 American Bankers Association Foundation. All Rights Reserved. Reproduction and distribution by registered Financial Institutions participating in the Safe Banking for Seniors Program is authorized without prior permission provided that the advertisement is properly credited and not altered or modified.

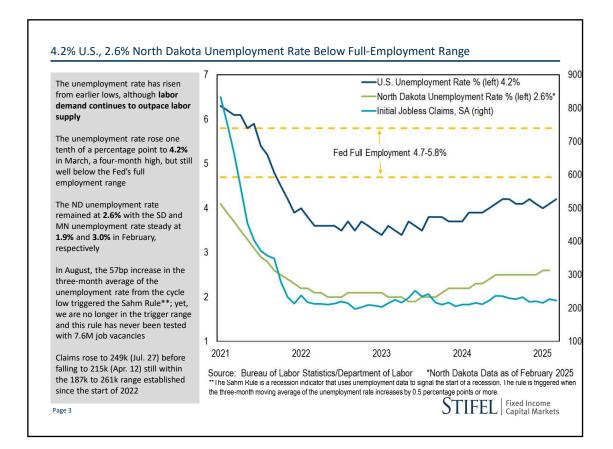


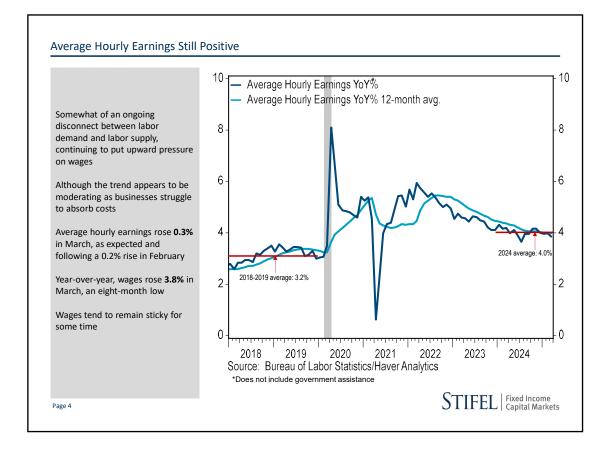
_ _

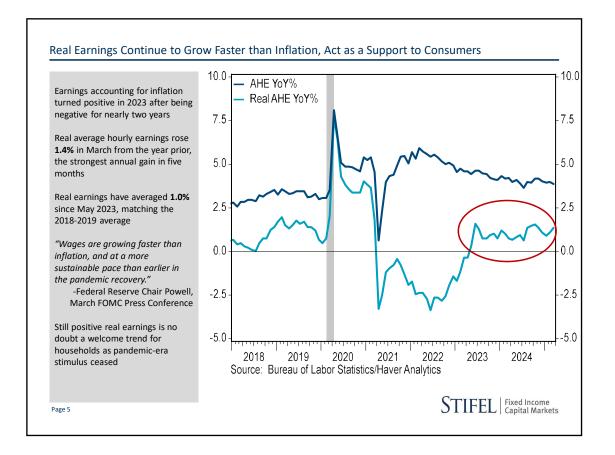


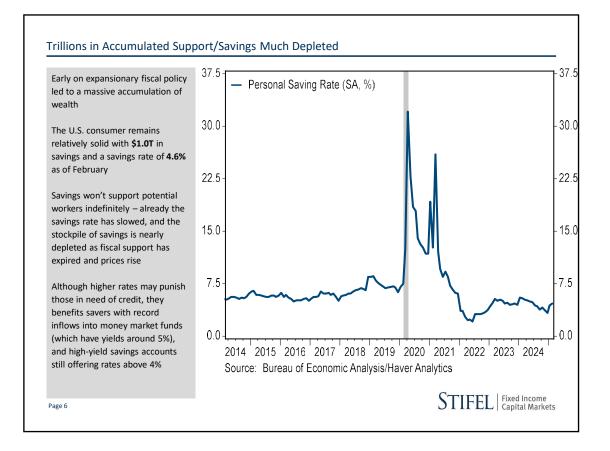


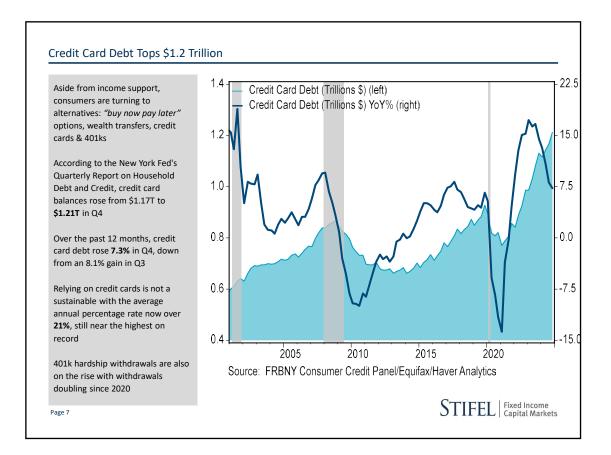


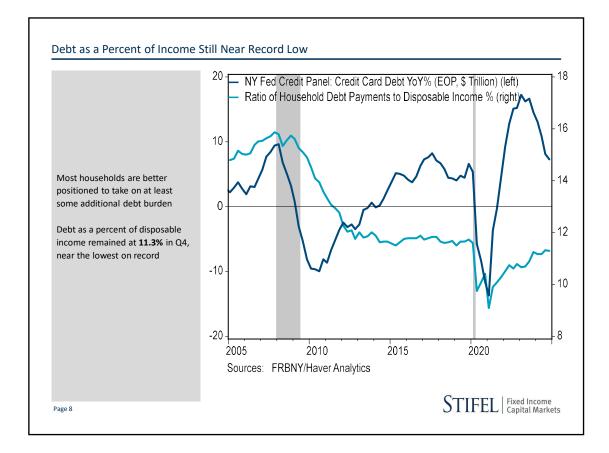


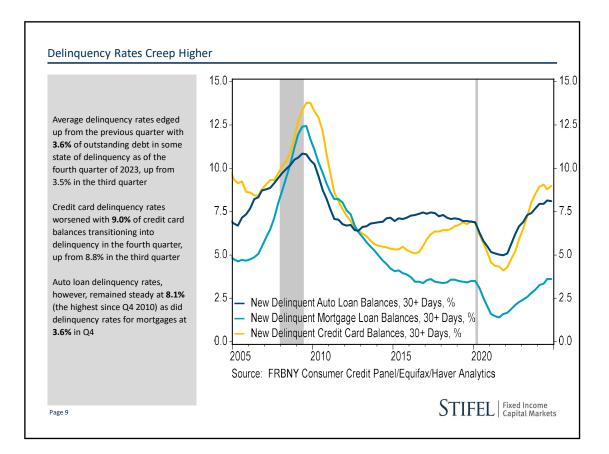


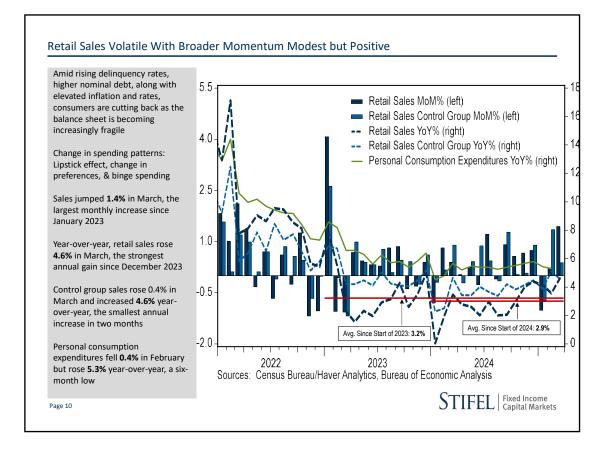


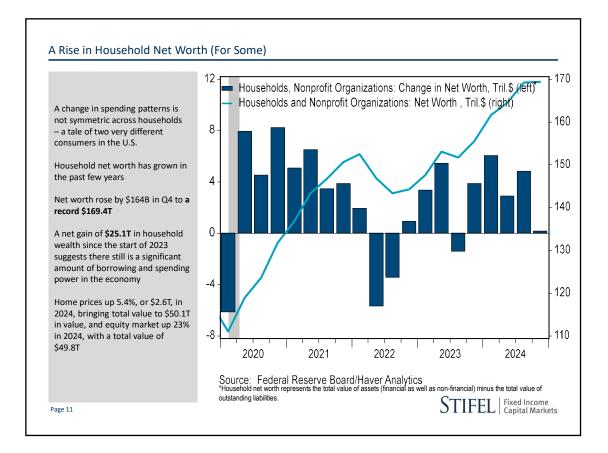


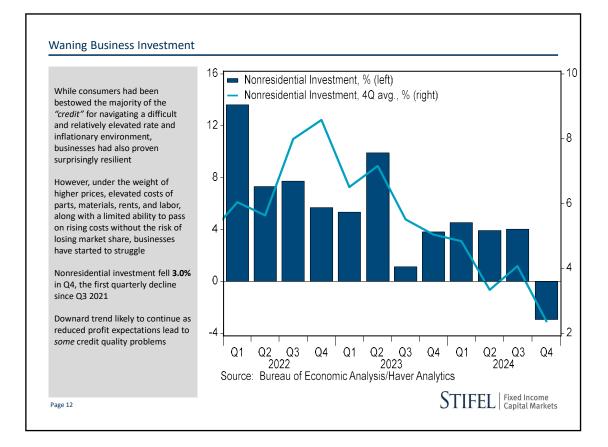


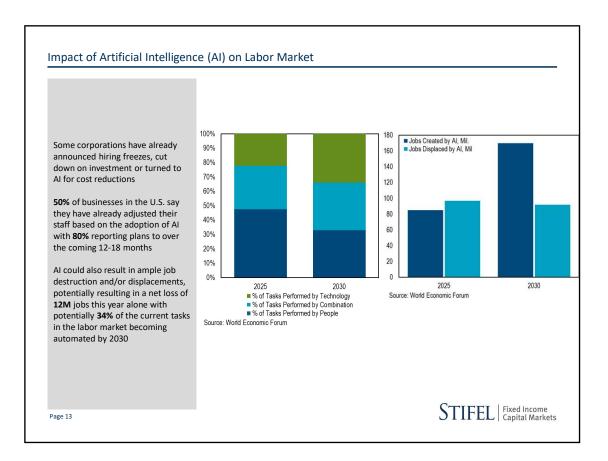


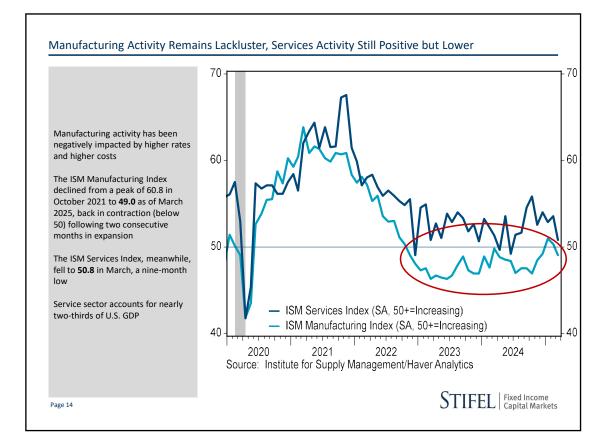


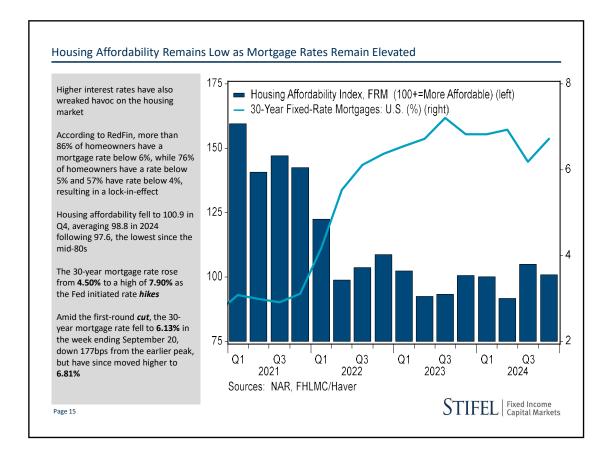


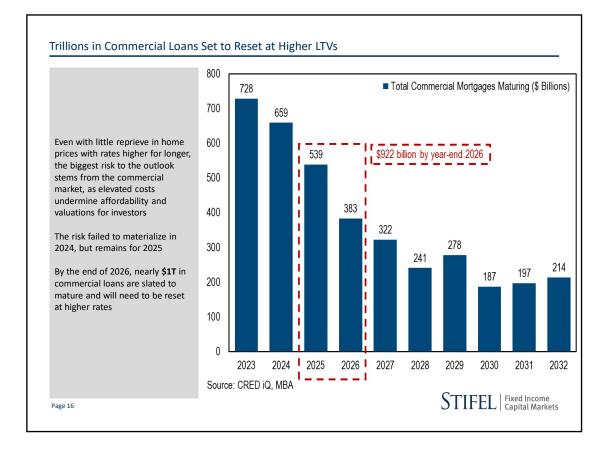


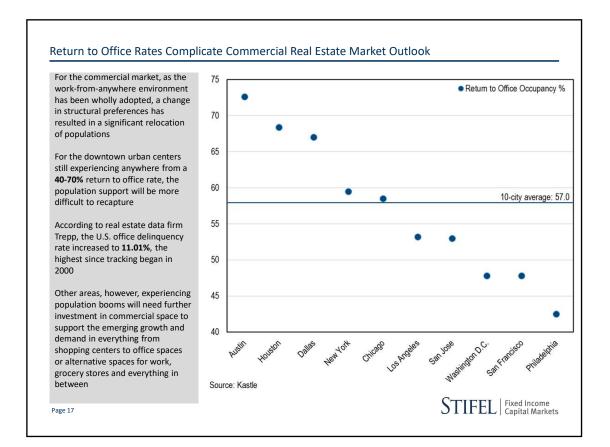


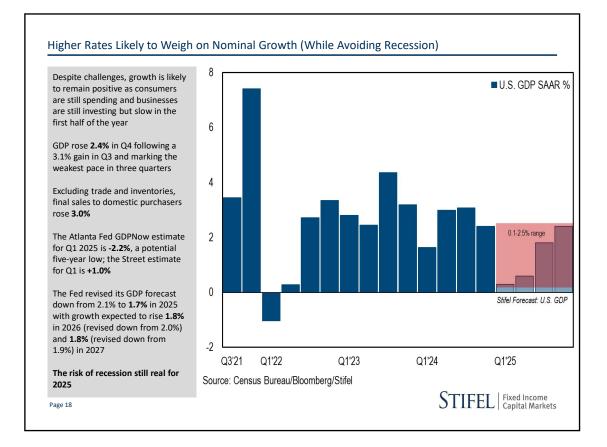


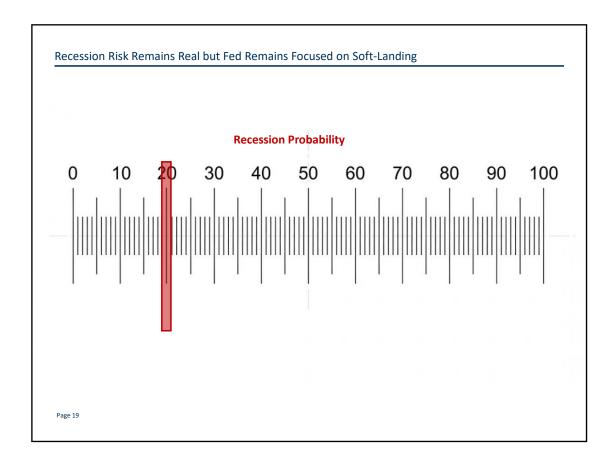


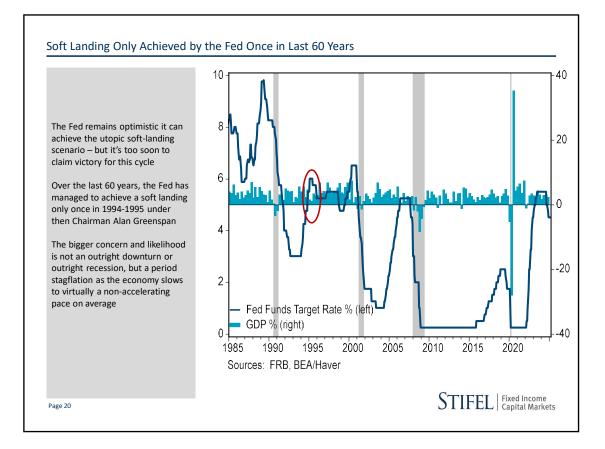


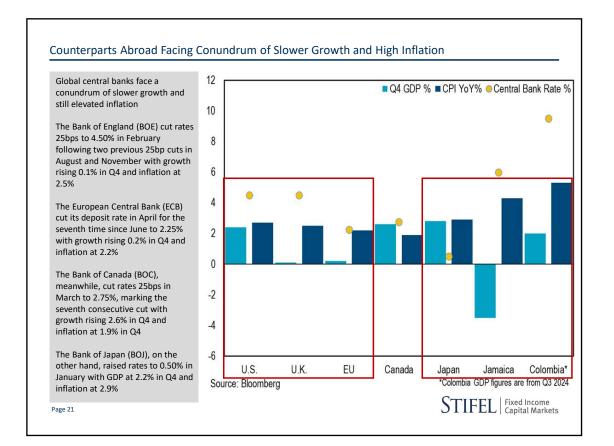


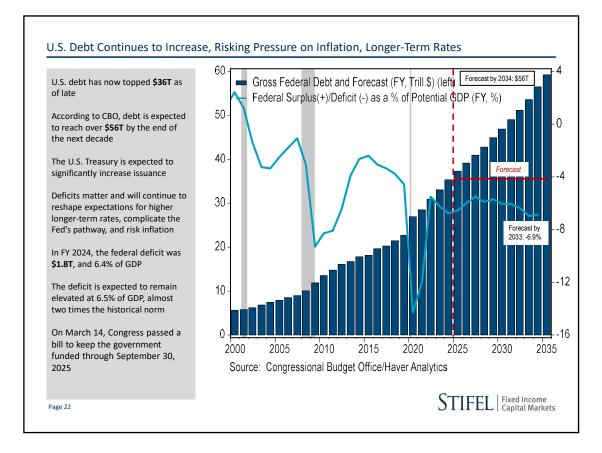


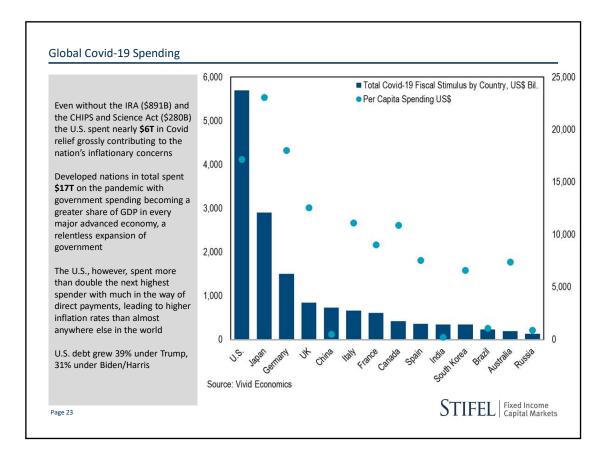


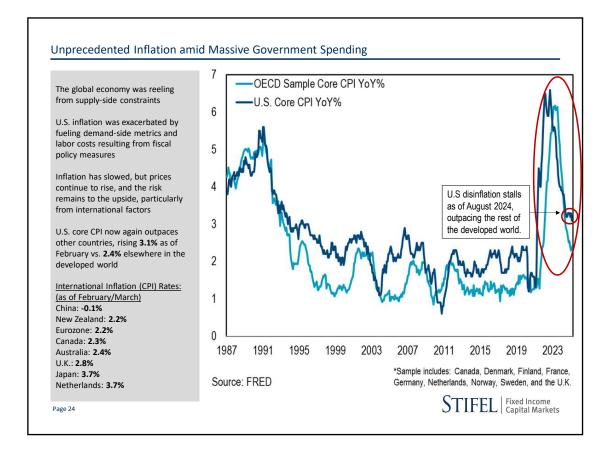




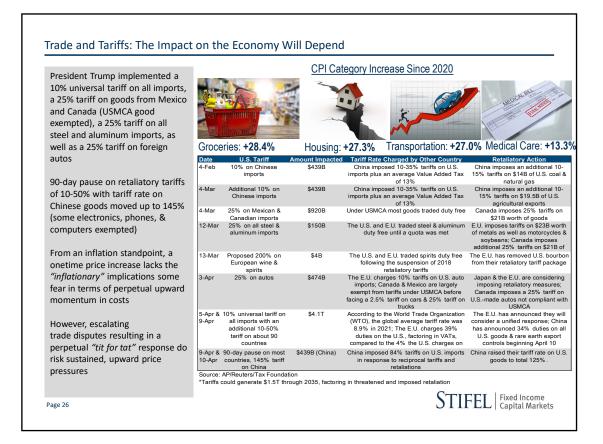


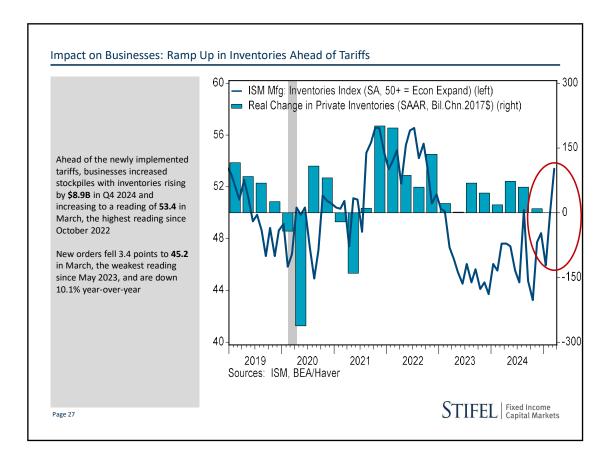


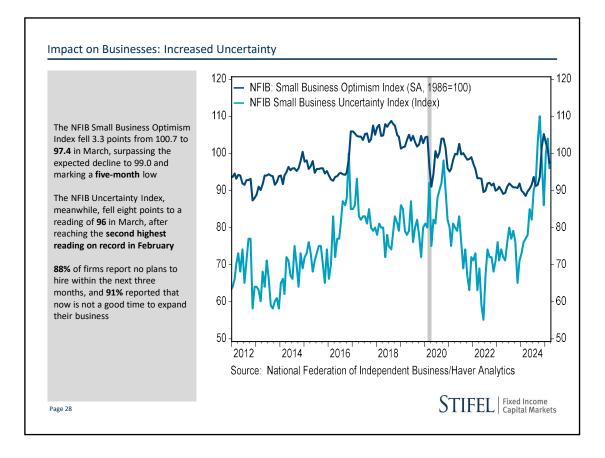


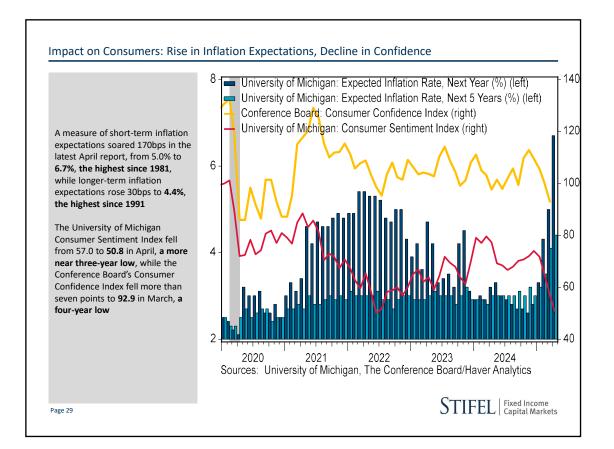


	Trump's Policy Proposal	Potential Consequences
Tariffs	 20% tariff on Chinese imports. 25% tariff on Canadian and Mexican imports. 25% tariff on steel and aluminum imports. 25% tariff on imported autos. 10% tariff on all imports, reciprocal tariffs of 11-50% on products from 60 countries, 90-day pause on most countries, 145% tariff on goods from China. 	Not Inflationary: A onetime price increase lacks the "inflationary" implications some fear in terms of perpetual upward momentum in costs. Higher Inflation: However, escalating trade disputes resulting do risk sustained price pressures.
Taxes Corporate Taxes	Extend the Tax Cuts and Jobs Act (TCJA) of 2017. Suggested on Sept.18 that he would restore full state and local tax deduction (SALT) expire. Exempt tips, overtime pay, and Social Security from income tax. Cut corporate the corporate tax rate to 20% and to 15% for companies that make their products in the U.S.	Higher Inflation: A sizable reduction in taxes could result in inflationary tax-cut fueled spending as well as have a meaningful budget impact in the near term. Increase in Debt: Expected loss of roughly \$4 trillion in reduced Growth: Potential pickup in longer-run growth.
Investment Income	•No proposed changes	
Immigration	 Implement stricter border measures. Mass deportations of illegal immigrants. 	Labor Supply Shortage & Higher Production Costs: Additional immigration restrictions could exacerbate the already existing labor supply shortage and result in higher production costs and wage pressures. Reduced Costs: Cost reduction on social programs.
Energy	Roll back incentives for buying and producing electric vehicles. Restarting permitting for liquid and natural gas exports. Open up more land for drilling oil. Respeal/relax environmental regulations.	Environmental Impact: U.S. unlikely to meet emission-reduction targets set by EPA. Energy Independence: Maintain dominance as the world's leading energy producer.
Fed Leadership	 Select next Fed Chair as Chair Powell's term as Chairman ends in May 2026. Select replacement for Fed Governor Adriana Kugler as her term on the Board ends in January 2026. Select new Vice Chair of Bank Supervision as Michael Barr stepped down on February 28. 	Fed Leadership: Stack the proverbial Fed deck with more dovish-leaning members inclined to support less restrictive policy.
Healthcare	•Possibly try to repeal the Affordable Care Act.	Social Impact: Potential increase in the number of uninsured. Cost Reduction: Decrease government spending/entitlement spending.
Summary	Increase deficits by around \$4T in next 10 years with GDP rising over ne	xt 10 years
*The six-month funding	bsites, Tax Foundation, Stifel's Chief Washington Policy Strategist Brian Gerdner 5 bill passed on March 14 keeps the governement funded through September 30, 2025, and inclu xx Cuts and Jobs Act was not included.	ides a \$6B increase in defense spending and a \$13B cut in domestic nondefense spending.



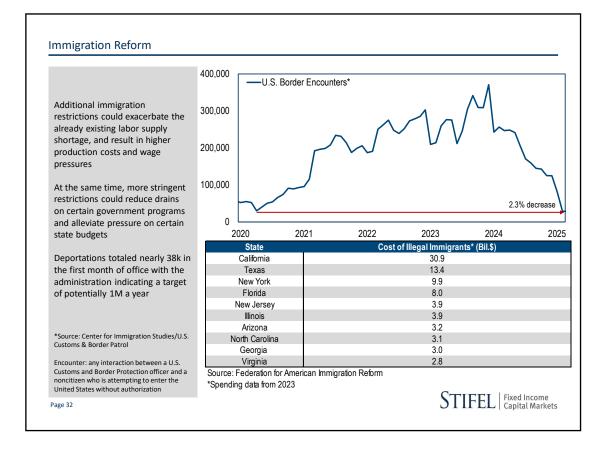


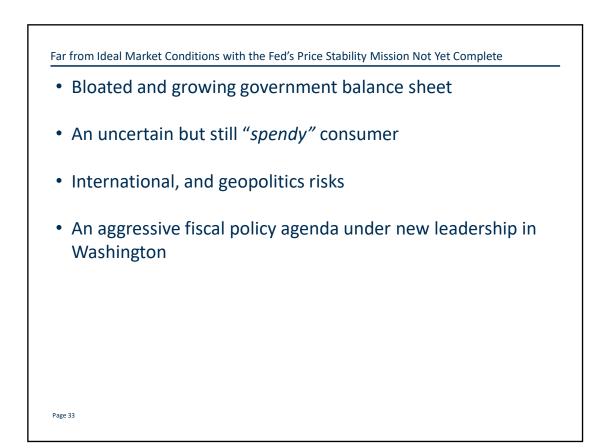


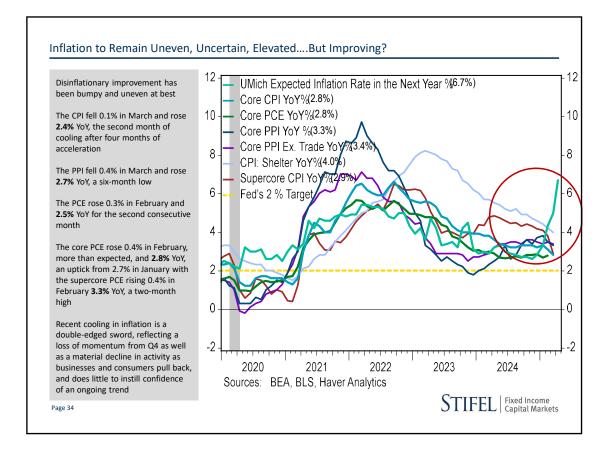


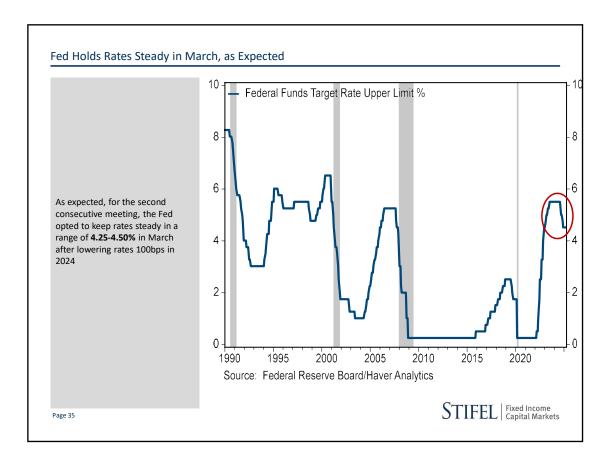
<u>Opponents</u>	<u>Supporters</u>
Opponents argue increase in tariffs will:	Supporters argue increase in tariffs will:
•Slow growth	•Potential remedy of unfair trade practices
•Lead to higher prices	practices
	 Revitalization of American
Forecasts: •Less than 1% growth in first half	industries
	•Raise revenue for federal
 Inflation elevated near 3% 	budget; help pay for extension of
through year-end	Tax Cuts and Jobs Act

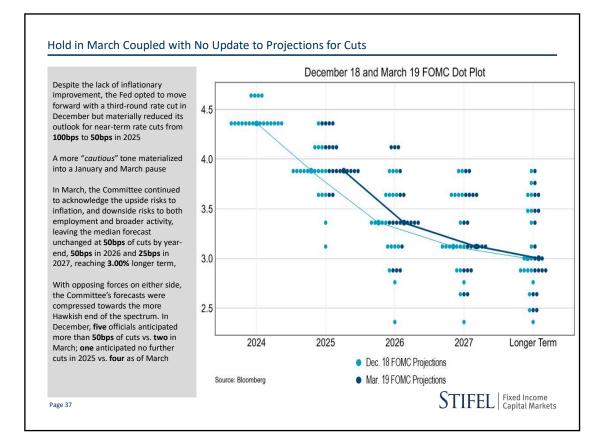
		Department USAID			Total Department Size			
			\$27,015.5 \$16,700.3	2,000	10,000 80,199			
Tax-cut fueled spending could p	rove	Department of Health and Human Services Department of the Interior	\$16,700.3	2,300	71,510			
1 0 1		Department of State	\$2,769.2	2,300	11.622			
inflationary and impact governm		Department of Defense	\$2,758.3	-	104.231			
revenues by \$2-4T over the next	t ten	Department of Treasury	\$2,435.3		109,145			
vears		Department of Education		\$1.638.4 6.500				
		Department of Agriculture	\$1,265.6		96.340			
		Department of Homeland Security	\$1.073.6	400	186,136			
However, a reduction in waste co		Housing and Urban Development	\$1,068.3	4,000	9,685			
potentially offset a loss of reven	ues	Department of Veterans Affairs	\$872.2	2,400	300,002			
and add to longer-run growth ov	ver	Department of Energy	\$737.9	700	16,453			
the same period		Department of Labor	\$458.0		16,246			
the same period		US Agency for Global Media	\$419.7	1,300	3,500			
		Office of Personnel Management	\$404.5	-	5,907			
About 61% of the federal budget	t is	General Services Administration	\$386.3	600	12,682			
mandatory spending, 26% is		Environmental Protection Agency	\$362.5	380	18,448			
, , , ,,		Department of Commerce	\$160.2		50,846			
discretionary spending, and the	rest	Department of Justice	\$123.5	75	113,694			
is interest payments on debt		Department of Transportation	\$102.5	400	57,816			
		Consumer Financial Protection Bureau	\$87.5		1,700			
TCJA is not extended, the rates and brackets	e will	National Aeronautics and Space Administration	\$79.5	23	18,000			
esemble their 2017 structure.	5 WIII	Social Security Administration	\$51.4		67,486			
		Internal Revenue Service National Office	\$43.5	6,700	93,654			
ncome brackets before and after the Tax Cuts and Jobs /	Act (TCJA)	International Assistance Programs	\$36.8					
Prior law (2017) 2024		Small Business Administration	\$36.4	45	3,877			
		National Science Foundation	\$35.8	85	1,504			
Not over \$19,050 10% Not over \$23,200	10%	Securities and Exchange Commission United States Fish and Wildlife Service	\$29.7 \$28.3	-	3,750 8.000			
\$19.051-\$77.400 15% \$23.200-\$94.300	12%	Geological Survey	\$28.3	200	7,900			
	12.10	Office of the Secretary	\$27.9	200	7,900			
\$77,401-\$156,150 25% \$94,301-\$201,050	22%	National Park Service	\$26.2		20.000			
\$156.151-\$237.950 28% \$201.051-\$383.900	24%							
100,1014201,000 2010 4201,0014000,000	2470	Total Cuts	155.000*	59.800**	1,458,394 2,963.000			
\$237,951-\$424,950 33% \$383,901-\$487,450	32%	Source: Department of Government Efficiency (as of 4/4			2,903,000			
\$424.951-\$480.050 35% \$487.450-\$731.200	35%	*\$155B in cuts is equivalent to 2.3% of total federal budg						
	3376	**59,800 in reported firings is equivelant to 2.0% of total rederal budg						











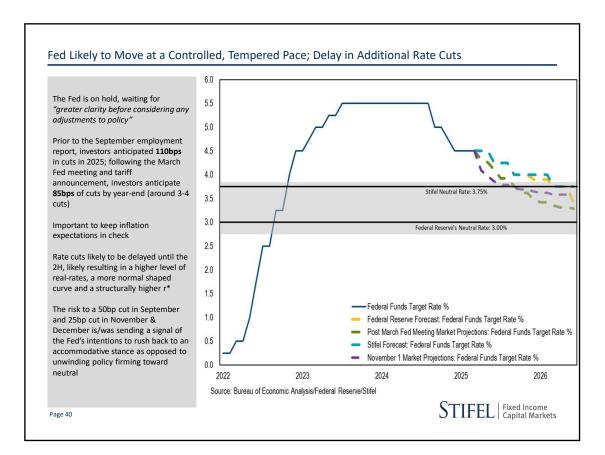
Outlook for Slower Growth a	nd Higher	Infla	tion										
	March 19 Summa		nomic Pr	ojections									
The Summary of Economic		Median					Tendency			Range			
Projections (SEP) shows an	Variable	2025	2026	2027	Longer Run	2025	2026	2027	Longer Run	2025	2026	2027	Longer
expectation for higher inflation and slower growth resulting in no change	Change in real GDP	1.7	1.8	1.8	1.8	1.5-1.9	1.6-1.9	1.6-2.0	1.7-2.0	1.0-2.4	0.6-2.5	0.6-2.5	1.5-2.
to the median forecast for policy	December projection	2.1	2.0	1.9	1.8	1.8-2.2	1.9-2.1	1.8-2.0	1.7-2.0	1.6-2.5	1.4-2.5	1.5-2.5	1.7-2
Likely underscoring the expected impact of tariffs, the Committee	Unemployment rate	4.4	4.3	4.3	4.2	4.3-4.4	4.2-4.5	4.1-4.4	3.9-4.3	4.1-4.6	4.1-4.7	3.9-4.7	3.5-4
increased its headline inflation forecast from 2.5% to 2.7% and from	December projection	4.3	4.3	4.3	4.2	4.2-4.5	4.1-4.4	4.0-4.4	3.9-4.3	4.2-4.5	3.9-4.6	3.8-4.5	3.5-4
2.5% to 2.8% for the core in the current year; although policy makers	POEinflation	2.7	2.2	2.0	2.0	2.6-2.9	2.1-2.3	2.0-2.1	2.0	2.5-3.4	2.0-3.1	1.9-2.8	2.0
remain optimistic in reaching the 2%	December projection	2.5	2.1	2.0	2.0	2.3-2.6	2.0-2.2	2.0	2.0	2.1-2.9	2.0-2.6	2.0-2.4	2.0
price target by 2027	Core PCE inflation	2.8	2.2	2.0		2.7-3.0	2.1-2.4	2.0-2.1		2.5-3.5	2.1-3.2	2.0-2.9	
The growth outlook, meanwhile, was revised down from 2.1% to 1.7% in	December projection	2.5	2.2	2.0		2.5-2.7	2.0-2.3	2.0		2.1-3.2	2.0-2.7	2.0-2.6	
2025, and from 2.0% to 1.8% next					Memo: Pi	ojected a	ppropria	te policy	path				
year	Federal funds rate	3.9	3.4	3.1	3.0	3.9-4.4	3.1-3.9	2.9-3.6	2.6-3.6	3.6-4.4	2.9-4.1	2.6-3.9	2.5-3
	December projection	3.9	3.4	3.1	3.0	3.6-4.1	3.1-3.6	2.9-3.6	2.8-3.6	3.1-4.4	2.4-3.9	2.4-3.9	2.4-3
	Source: Federal R	eserve			5								

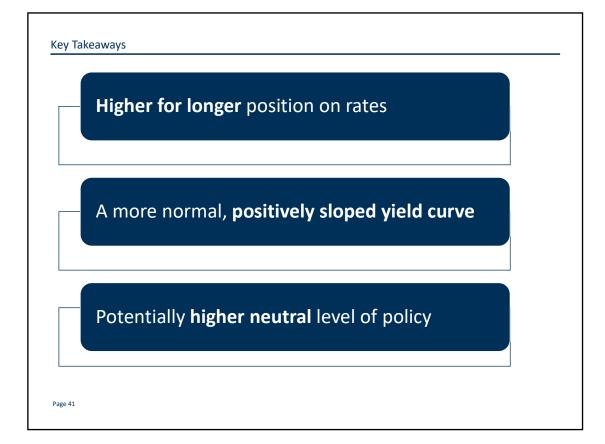
Page 38

STIFEL | Fixed Income Capital Markets

Powell Notes Fed is Not in a "Hurry" to Cut Rates Further

"The economy seems to be healthy. We understand that sentiment is quite negative at this time." "If it's *transitory*. And that can be the case in the case of tariff inflation. March pause widely anticipated and fully priced into the market "As I noted, uncertainty today is unusually elevated." The upwards assessment of the labor market and downwards ... "Our obligation is to keep longer-term inflation assessment of inflation expectations well anchored and to make certain that improvement in the statement a one-time increase in the price level does not become suggests the Fed is increasingly willing to take a position on the an ongoing inflation problem." sideline until the uncertainty is resolved For the time being, we are well positioned to wait for The Fed is "no rush" to lower rates greater clarity before considering any adjustments to our policy." Federal Reserve Chairman Jerome Powell Speaking at the FOMC Press Conference & Economic Club of Chicago March 19, 2025 & April 16, 2025 STIFEL | Fixed Income Capital Markets Page 39





Economic Foreca	st Gri	a													
Publish Date: April 2025												Appual E	ate 2022-2025		
	Q3 20 24	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	2022	2023	2022-2023	2025	2026
Growth indicators															
GDP, QoQ %	3.1%	2.4%	0.3%	0.6%	1.8%	2.4%	2.1%	1.8%	2.2%	2.4%	2.5%	2.9%	2.8%	1.6%	2.0%
Consumer Spending, %	3.7%	4.0%	0.3%	1.1%	1.5%	1.8%	2.1%	2.0%	1.8%	2.1%	3.0%	2.5%	2.8%	2.0%	1.9%
Fixed Investment, %	2.1%	-1.1%	3.0%	2.1%	3.6%	4.5%	5.0%	4.5%	4.8%	5.2%	2.7%	2.4%	3.8%	2.2%	4.5%
Housing Starts, k, end of quarter, yr end	1,355	1,499	1,500	1,510	1,520	1,530	1,550	1,600	1,610	1,620	1,340	1,568	1,499	1,530	1,620
Unemployment Rate, %, qtr avg, yr end	4.2%	4.2%	4.1%	4.5%	4.4%	4.4%	4.3%	4.3%	4.2%	4.1%	3.6%	3.8%	4.2%	4.4%	4.1%
Nonfarm Payrolis, k, qtr avg, ann avg	240	323	228	120	110	120	160	175	180	180	326	192	224	145	174
Inflation indicators, YoY%, yr end															
PCE	2.1%	2.6%	2.6%	3.1%	3.5%	3.6%	3.2%	3.2%	2.8%	2.5%	5.3%	2.6%	2.6%	3.6%	2.5%
Core PCE	2.7%	2.9%	2.8%	3.2%	3.3%	3.5%	3.0%	3.1%	2.5%	2.4%	4.6%	2.9%	2.9%	3.5%	2.4%
PPI	2.1%	3.4%	2.7%	3.0%	3.6%	3.8%	3.5%	3.1%	2.9%	2.6%	6.4%	1.1%	3.4%	3.8%	2.6%
Interest rate, %, end of quarter, yr end	5.00	4.50	4.50	1.0.5							4.50	5.50	4.50	1.00	
FF 3month USTbills	5.00 4.63	4.50 4.31	4.50 4.30	4.25 4.20	4.00 3.90	4.00 3.95	3.75 3.70	3.75 3.75	3.75 3.75	3.75 3.78	4.50 4.37	5.50 5.34	4.50 4.31	4.00 3.95	3.75 3.78
2yr UST notes	4.63 3.64	4.31	3.89	4.20	4.10	4.15	4.10	4.15	4.18	4.15	4.37	4.25	4.31	4.15	4.15
5vr UST notes	3.64	4.24	3.89	4.00	4.10	4.15	4.10	4.15	4.10	4.15	4.43	3.85	4.24	4.15	4.15
10 yr UST notes	3.78	4.57	4.21	4.40	4.25	4.60	4.65	4.40	4.80	4.30	3.88	3.88	4.57	4.60	4.30
30 yr USTbonds	4.12	4.78	4.57	4.65	4.70	4.75	4.80	4.90	4.95	4.95	3.97	4.03	4.78	4.75	4.95
3mon to 2s spread bps	-99	-7	-41	-20	20	20	40	40	43	37	6	-109	-7	20	37
3mon to 10s spread bps	-85	26	-9	20	65	65	95	100	105	97	-50	-146	26	65	97
2s to 10s spread bps	14	33	32	40	45	45	55	60	62	60	-55	-37	33	45	60
									-	l data in red (hown as an	nual
									chang						
												CT	TTTT	Elvod Inc	0.000
Page 43												S	TEFF	Fixed Inc Capital A	larkets
-														- capitatin	nui neta



Sharon Carson, JP Morgan Chase, New York NY

1/2
K NGP

Teach children that saving can be fun!

Join the ABA Foundation's Teach Children to Save program for grades K-8. Access turnkey resources to help you teach personal finance to kids in your community.

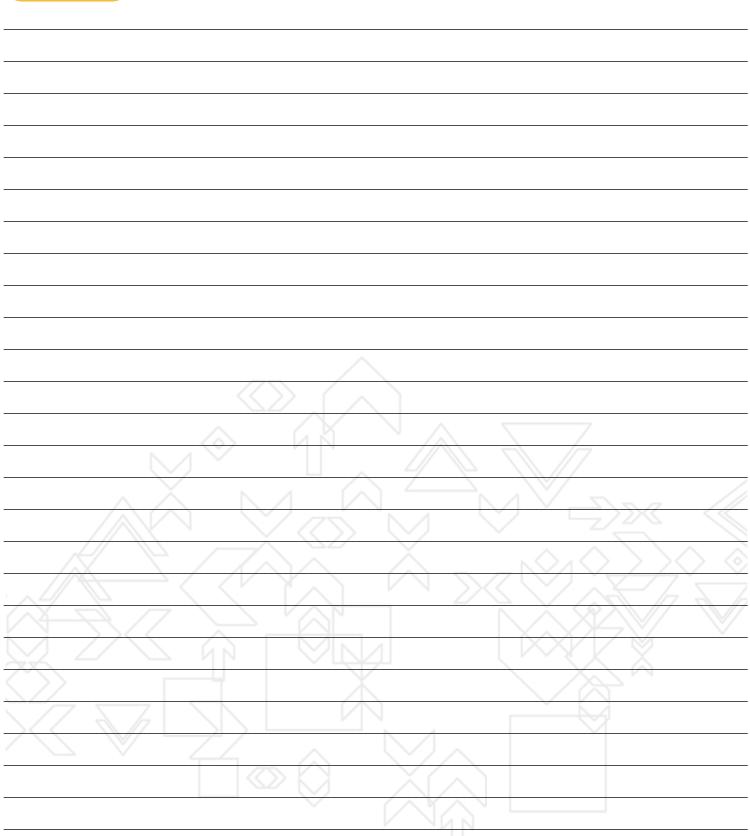


REGISTER FOR FREE aba.com/Teach





Patrick Alyward, TrustWorthy Consultants

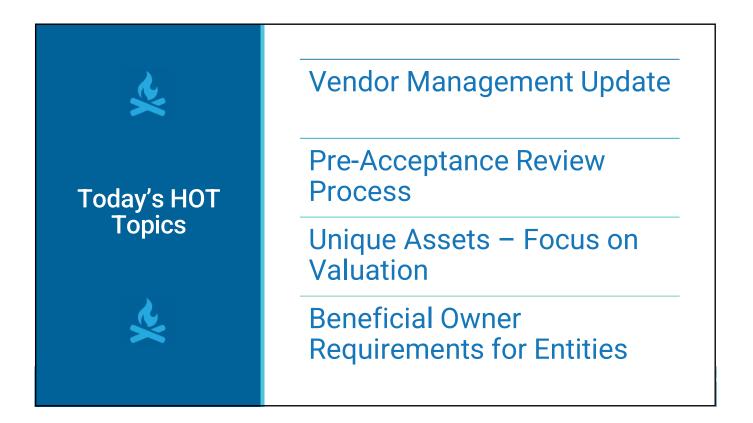




Hot Fiduciary Compliance Topics for Trustees

Patrick Alyward TRUSTworthy Consultants CEO

Email: patrick@trustworthyconsultants.com



Vendor Management

"Third-party relationship as a business arrangement between a bank/trust company and another entity (by contract or otherwise)". Examples are:

- Outsourced Services
- Network arrangements
- Use of independent consultants/contractors
- Services provide by affiliates/subsidiaries
- Other business relationships (ongoing)
- Regulators want a more defined risk-based approach
- > Adhere to Risk Management Life Cycle





Vendor Management

OCC Bulletin 2023-17 | June 6, 2023

Third-Party Relationships: Interagency Guidance on Risk Management

Summary

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) today issued the "Interagency Guidance on Third-Party Relationships: Risk Management."

Note for Community Banks

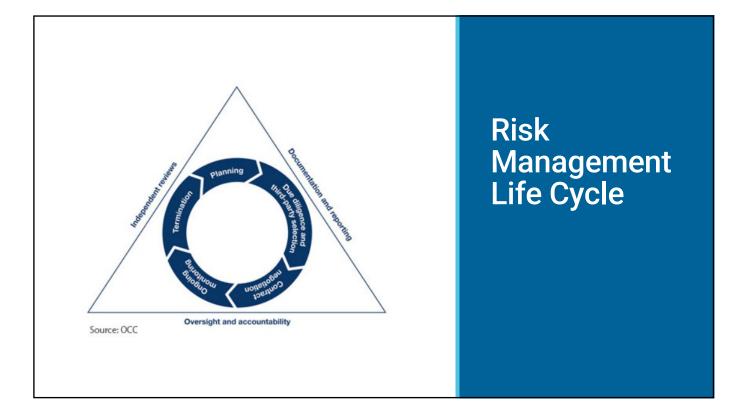
This guidance applies to all banks with third-party relationships. $\!^2$



Third Party Relationship Guidance

- Interagency OCC, FDIC, Federal Reserve System, Community Banks "Banks" refers collectively to national banks, federal savings associations, covered savings associations, and federal branches and agencies of foreign banking organizations."
- Objective Consistency in supervisory approach
- Outlines third-party risk management life cycle; Identifies principles applicable to each life cycle stage
- Clarification that not all third-party relationship have <u>same risk</u>
- Describes "things to consider" when developing and implementing third-party risk management practices

TRUST WORTHY



Vendor Management – Critical Vendors

- Banks/Trust Companies need to identify and define <u>"critical" vendors</u> additional due diligence for higher risk providers
 - What level of disruption would occur if provider services cease? Impact to staff?
 Clients?
 - What type of data is being accessed and stored?
 - Do you have a backup plan? Any Plan B in place?
 - Does the vendor significantly impact operations and revenue?
- Solution Rate your vendors and define "Critical/high risk" vendors
 - Conduct more extensive due diligence (Disaster recovery and business continuity)
 - Develop a "Plan B" (backup plan)
 - Meet regularly with them (assign point person); Establish meetings

Vendor Management – Ongoing Vendor Reviews

Do you review an ongoing vendor the same as a new vendor?

- "Ongoing" review of vendor process
- Identifying if anything has changed.....Are you checking?
- What can happen?
 - Mergers or acquisitions
 - Loss of key employees
 - Data breach issues significant system changes
 - Use of foreign contractors
 - Data storage provider changes or moves
- May apply to independent contractors you use Attorneys, CPA's Valuation experts, etc. (who else is accessing client information)
- Have you reviewed vendors contracts? Any vendors' services "not being utilized"?

TRUST WORTHY



Vendor Management Tips

- Understand applicability to your organization
- Review and enhance process for ONGOING vendors
- Create (revisit) definition of critical or high-risk vendors
 - Align enhanced due diligence
 - Schedule recurring meetings
 - Develop "Plan B" or backup
- Ensure vendor contracts with "no current and future usage" are properly terminated

Pre-Acceptance Review

12 CFR 9.6 (a) 12 CFR 150.200

- Screening the account and assets **before** account is accepted prompts to ensure for proper notification
 - Understand fiduciary responsibility (capacity), and identify risks
 - Evaluating assets and other key indicators
 - Do you have expertise to take on risk (or have access)?
 - Is it operationally possible?
- Set stage for strategy fiduciary and client expectations
- Account acceptance ratification (exceptions should be noted)



"Management should have a well-defined process for evaluating and inspecting an account before acceptance" OCC

It is what the regulators expect!!!

Regulators look for adherence to policies, proper approvals, and consistency



Client Introduction

- Purpose (intent) of relationship
- Gain "understanding" of fiduciary duty and responsibilities to be performed
- Account stakeholders
- Client Expectations
- Why is account coming??????



Account Acceptance Document Review

- Capacity/Authority
- Fiduciary duty and responsibilities Any joint responsibilities?
- Are document/agreement terms and conditions clear?
- Investment responsibility language

Fees

Resignation/termination verbiage



Other Acceptance Items

- Account asset composition
 - Source of funds
 - Unique assets <u>More to</u> <u>come!</u>
- Evaluation of risks
- Are all stakeholders reviewing?
- Identify conflicts
- Family dynamics & client
 Expectations
- Situs Taxes. Legal

State Situs Chart for Irrevocable Returns

State alphabetical)	Taxing Statute	Top 2024 Tax Rate	Under What Conditions does the State Tax a Non-Gr	antor Trust?	
Alabama	<u>Ala. \$\$40-18-1(33)</u>	5.00%	If the trust is set up by the Will of an AL resident or settlor was an AL resident at time t and an AL resident is a beneficiary or trustee for more than seven months dur		
Alaska	***No tax***	0%	***No tax***		
Arizona	Ariz. Rev. Stat. §43-1301(5)	2.50%	If there is at least one AZ trustee		
Arkansas	Ark. Code Ann. §\$26-51-201(a)-(c)	4.40%	If the trust is set up by the Will of an AR resident or settlor was an AR resident, and	there is an AR trustee	
California	<u>Cal. Rev. & Tax.</u> <u>Code §17742</u>	13.30%	If the trust has either a CA trustee or a CA non-contingent beneficiary, tax apportioned trustees and CA non-contingent beneficiaries vs. CA contingent beneficiaries and non- Incomplete Gift Non-Grantor Trusts retroactive to 1/1/2023; Top 2024 tax rate is 14.4	A beneficiaries; no more	
Colorado	Colo. Rev. Stat. §39-22-103(10)	4.40%	If the trust is administered in CO		
Connecticut	Conn. Gen. Stat. <u>\$12-701(a)(4)(C)-</u> (D), (a)(5), (a)(6)	6.99%	If the trust is set up by the Will of a CT resident or settlor was a CT resident at time pr irrevocable trust or at the time property transferred to revocable trust that later became for Will transfer, tax is modified fractionally to the extent there are nonresident ner-	rrevocable other than	
Delaware	<u>30 Del. C.</u> <u>\$1601(8)-(9); 30</u> Del. C. \$1636	6.60%	If the trust is set up by the Will of a DE resident, or settlor of trust was a DE resid trustees are DE residents for more than ½ the year; in all of such cases only if t		nent of the Treasury-Internal Revenue Service
Florida	***No tax***	0%	***No tax***	1041 U.s.	Income Tax Return for Estates and Trusts
Georgia	O.C.G.A. \$48-7-22	5.49%	If there is trust property located in GA or if the trustee is "managing funds for the l (but Sup, Ct, of U.S, savs statute is unconstitutional to tax just because of residen)	A Check all that apply: Decedent's estate	For calendar year 2022 or fiscal year beginning , 202: Name of estate or trust (If a grantor type trust, see the instructions.)
11	Haw. Rev. Stat.	11.000	Testioner to a TH secondary on testic second to administrational to TH, but only testications	Simple trust	
				Complex trust	Name and title of fiduciary
				Qualified disability trust	Number, street, and room or suite no. @ a P.O. box, see the instructions.)
				ESBT (S portion only) Grantor type trust	rearison, erren, ens rounn or early no. yr e P.G. DOX, 369 the instructions.)
				Bankruptcy estate-Ch. 7	
				Bankruptcy estate-Ch. 11	City or town, state or province, country, and ZIP or foreign postal code



/alidation of ownership, verification of property (tax eturns/K-1's, Deeds, Sec of State, Certificates)	
/alue - Recent appraisal/valuation, if real estate - ocation, property condition, etc. Where located?	
Trustee responsibilities/authority, specific language pertaining to unique assets (retention language)	
Supporting documents - leases, tax returns (K-1's), ncome and expense reports, capital improvements; Beneficial owner information (ownership and control)	Askingvs "what you
Supplemental Info – Insurance, taxes, environmental, other agreements, etc.	actually get"!

What can go Wrong during Account Opening?

A "few" examples are:

- Disagreement with Co-Trustee
- Vague language in agreement (retention of assets)
- Unique assets!
- Unforeseen tax impacts
- Controversial beneficiaries
- Unproductive property
- Concentrated positions
- "Misjudged" fee (more time and effort than you thought)

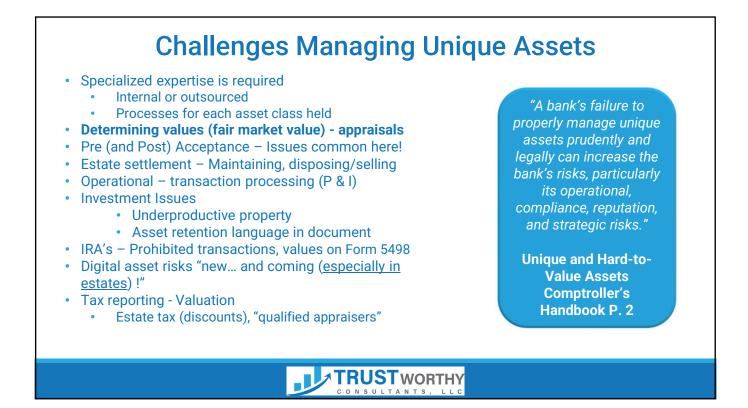
Consequence examples:

- Create operational and reputational risks
- Violate UPIA and Prudent Investor Rule
- Liabilities for Trustee
- Non-compliance

Can turn into:

- Losses and lawsuits
- Regulatory issues
- EXTRA TIME effort vacuum





Valuation - Fair Market Value

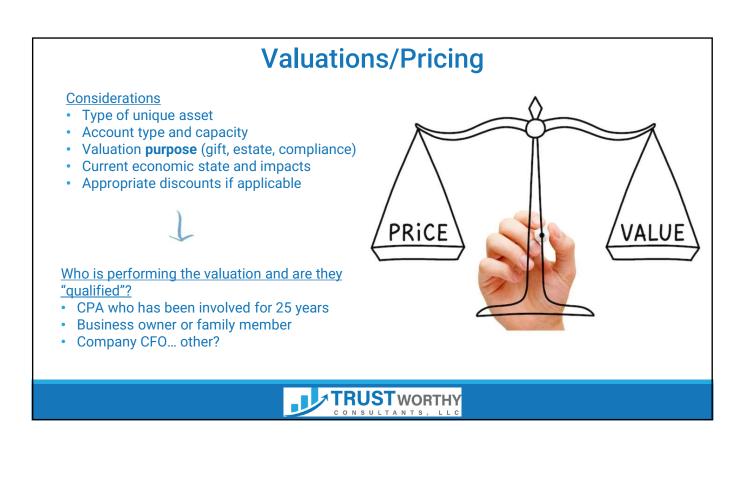
Standard of value:

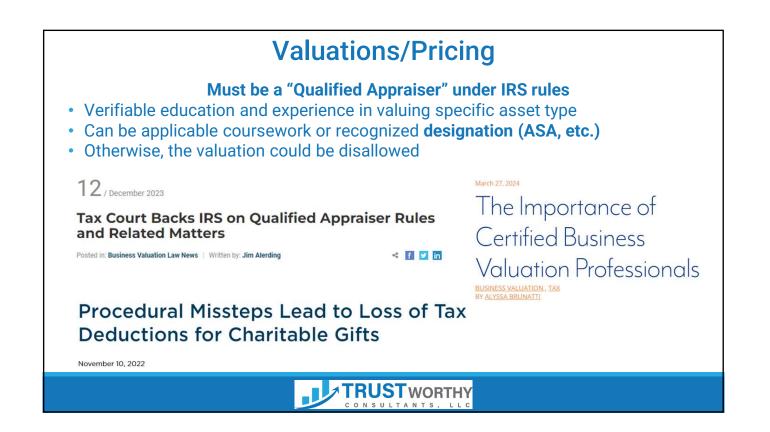
- Common standards of value
 - Fair value
 - Intrinsic value
 - Investment/fundamental value
- The standard of value applied to all estate, gift, and income tax matters concerning the IRS is "Fair Market Value (FMV)".
 - The most widely recognized & accepted standard of value
 - Applies to federal/state tax filings such as Estate & Gift taxes (Form 706/709), ESOPs, charitable contributions, and other inheritance/ income taxes
 - IRS Rev Ruling 59-60 approach, methods & factors for valuations

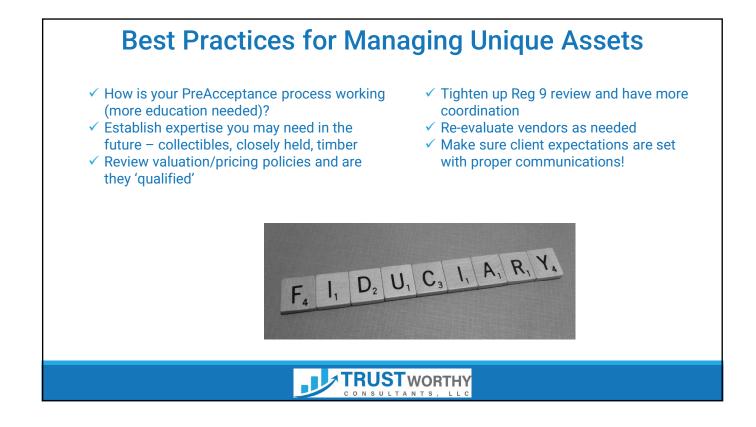
FMV Definition

"The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts." – AICPA SSVS1

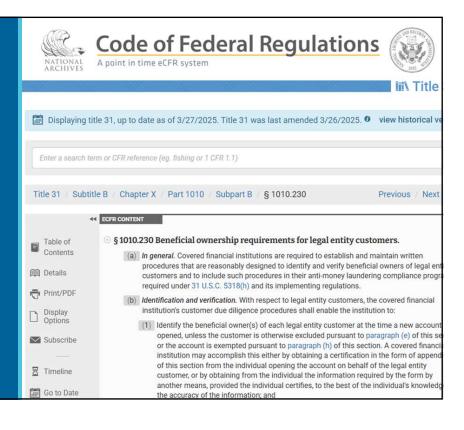
TRUSTWORTHY CONSULTANTS, LLC

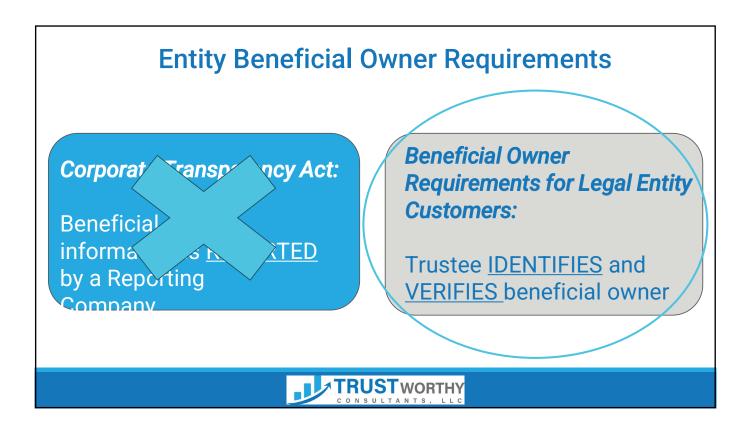


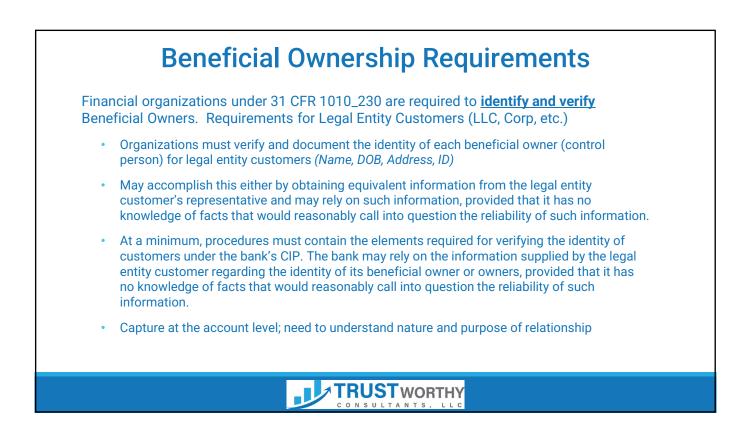




Beneficial Owner Requirements for Entities







Beneficial Owner Requirement Details

Must have written procedures (usually included in AML/BSA Program - CIP)

Objective – to identify and verify beneficial owners of legal entity customers

Two tiers – <u>Ownership</u> (directly or indirectly) of 25%+ of equity interests

Two tiers – <u>Control</u> where owner with "significant responsibility" to control, manage, or direct entity

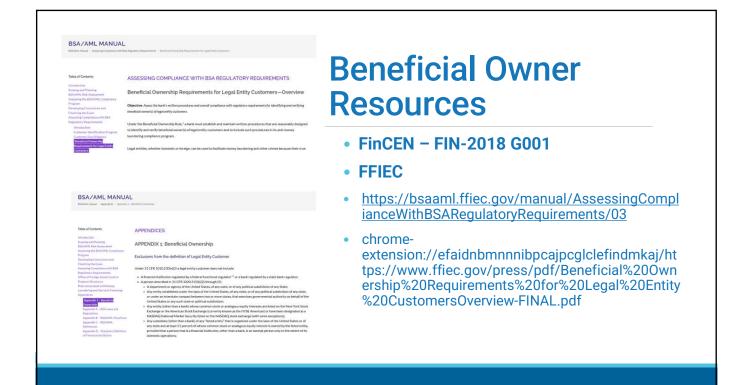
Recordkeeping & Retention Requirements



Exclusions and exemptions



Beneficial Owner – Documenting Information (Form) Why? Purpose of Form (Why is information needed?) FINANCIAL CRIMES **ENFORCEMENT NETWORK** Who? Criteria for person to complete form RESOURCES -CAREERS -What? Details - Ownership NEWSROOM -ADV and Control Parameters BENEFICIAL B⊕I **OWNERSHIP INFORMATION** Information Gathering (EDD) Verification (U.S. vs Foreign)





Steve Murphy, McGuireWoods LLP, Richmond VA

Scouting Report on Recent Tax-Related Estate Planning Developments

2025 Tri-State Trust Conference Fargo, North Dakota April 23, 2025

PRESENTED BY Stephen W. Murphy

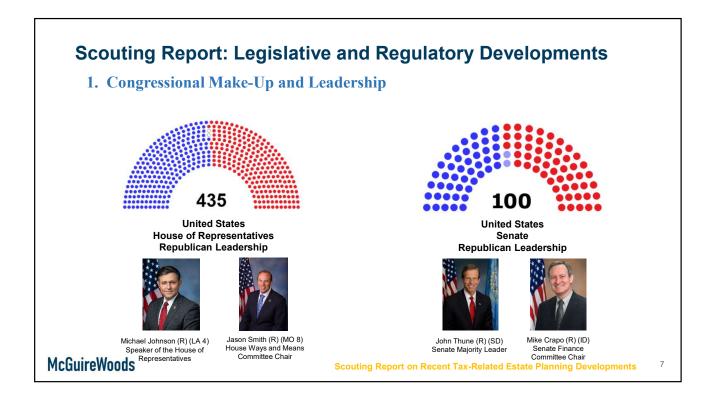
McGuireWoods LLP

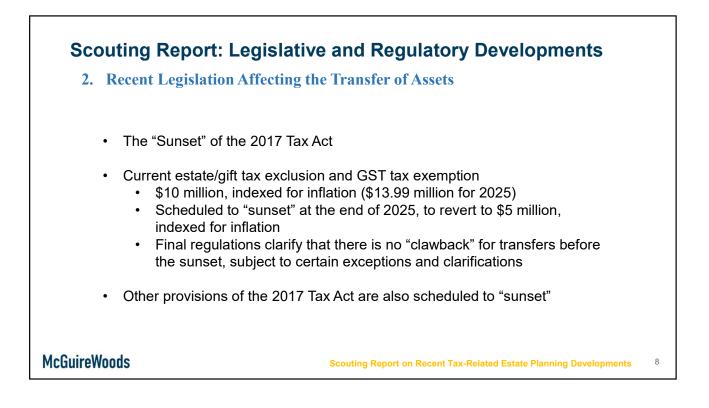
McGuireWoods

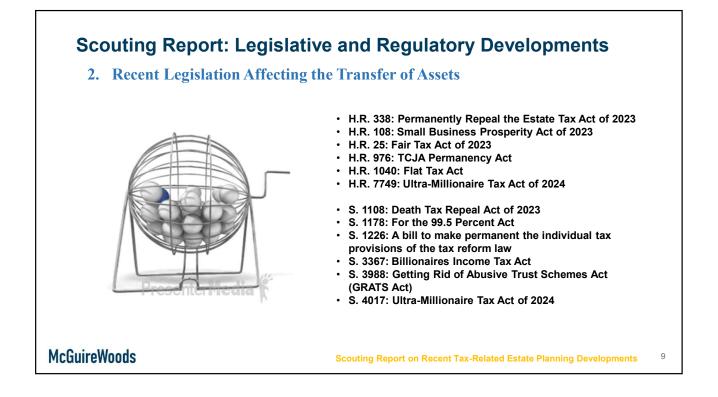
Agenda

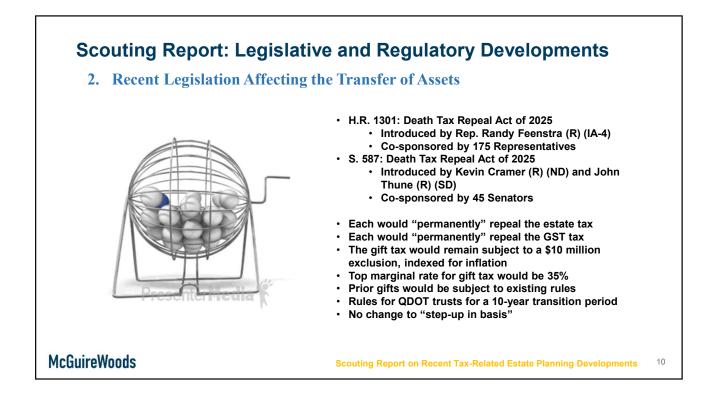
- Legislative and Regulatory Developments
- Gift Tax
- Charitable Gifts
- Estate Tax and Estate Inclusion
- Marital Deduction and Portability
- Generation-Skipping Transfer ("GST") Tax
- Other Items of Interest: SLATs and FBAR

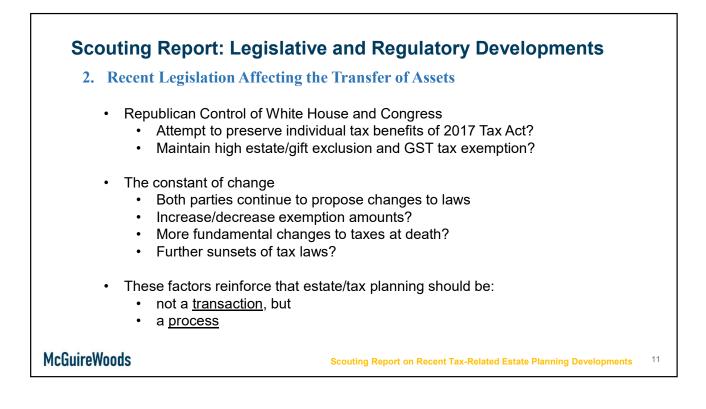
McGuireWoods

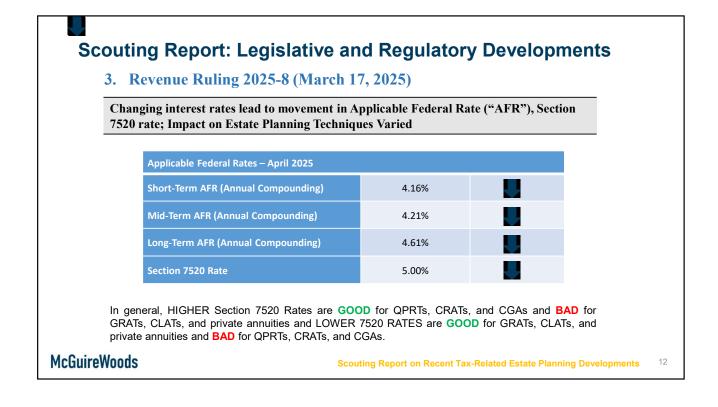


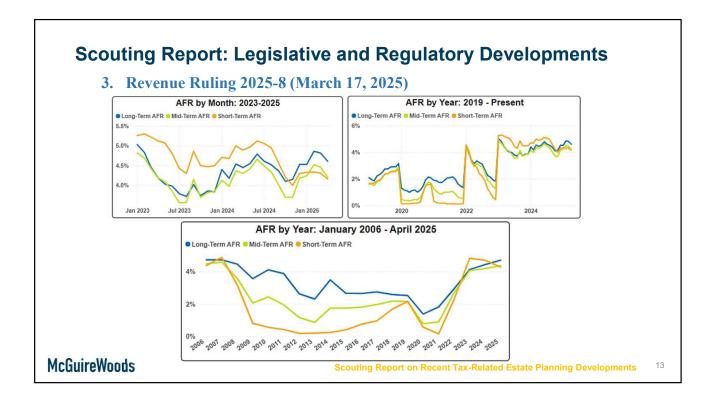


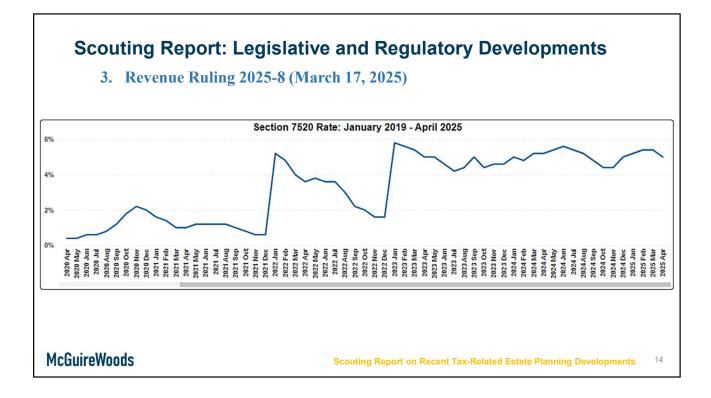




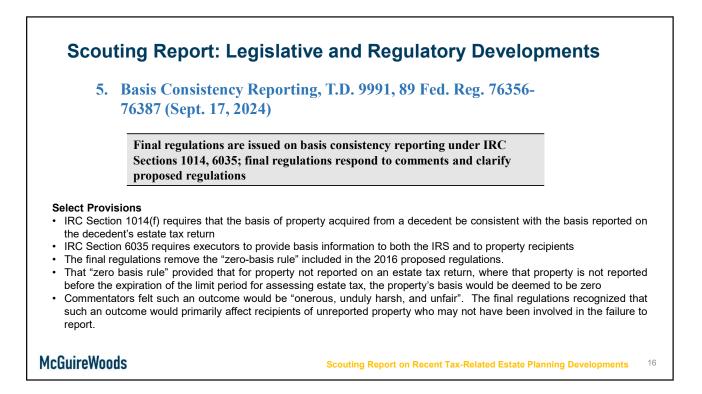


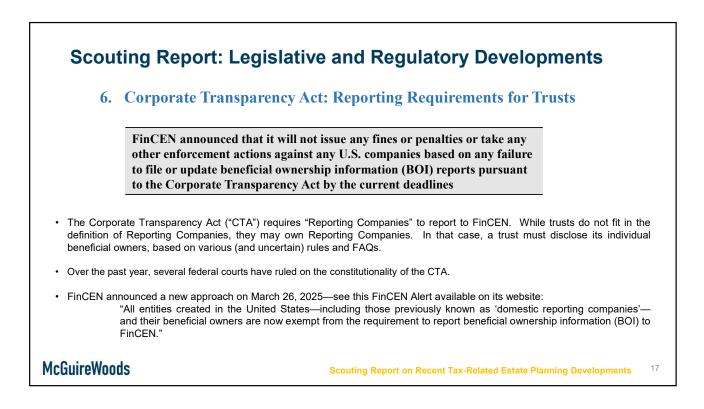


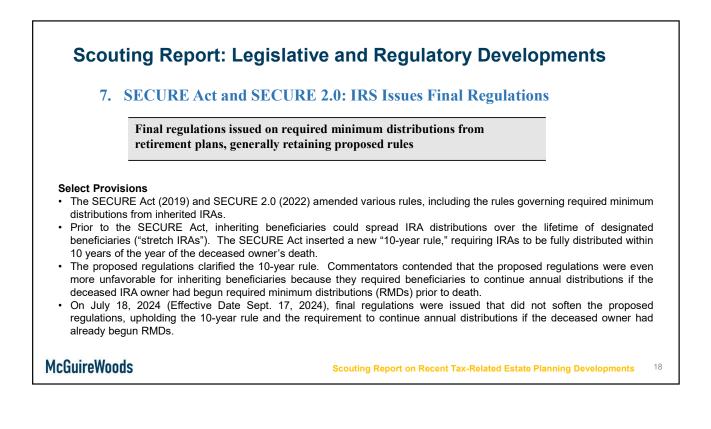




Scouting Report: Legislative and Regulatory Developments						
4. Revenue Procedure 2024-40 (October 22, 2024)						
	IRS announces inflation adjustmen	its for 2025				
Select Provisions						
Gift/Estate Tax Exclusion (Basic Exclusion Amount): <u>\$13,990,000</u>						
GST Tax Exemption: <u>\$13,990,000</u>						
Annual Exclusion for Gifts: <u>\$19,000</u>						
Gifts to a Spouse Who Is Not a U.S. Citizen: <u>\$190,000</u>						
Income Tax Rates for Trusts & Estates:						
	If Taxable Income is:	The Tax is:				
	Not over \$3,150	10% of the taxable income				
	Over \$3,150 but not over \$11,450	\$315 plus 24% of the excess over \$3,150				
	Over \$11,450 but not over \$15,650	\$2,307 plus 35% of the excess over \$11,450				
	Over \$15,650	\$3,777 plus 37% of the excess over \$15,650				
McGuireWoods	;	Scouting Report on Recent Tax-Related Estate Planning Developments	15			







Scouting Report: Gift Tax

8. Huffman v. Commissioner, T.C. Memo (January 31, 2024)

Stock sold pursuant to an option agreement for less than fair market value was, in part, a gift subject to gift tax

- Lloyd and Patricia Huffman were employees and shareholders of Dukes. Lloyd was President of Dukes for a period of time before stepping down so that his son, Chet, could become President.
- Lloyd entered into an option agreement giving him the right to purchase all of the shares owned by the majority shareholder of Dukes, and then assigned that agreement to Chet. Chet exercised that option agreement in 1993 and became the majority shareholder.
- Later, Chet entered into two more option agreements to purchase additional Dukes shares from (1) a separate entity of which Patricia was the owner; and (2) the Huffman Family Trust, which had been established by Lloyd and Patricia.
- Just before a transaction to sell Dukes for over \$50M, Chet exercised the two option agreements and bought 55% of the shares of the company for a total of \$5M.
- The IRS argued that the sale price of the company should be used to value the 55% of shares sold under the option agreements, as opposed to the agreed-upon price in the agreements.
- The Tax Court, in considering IRC Section 2703, agreed with the IRS.
- The Court determined that gift tax should be assessed to Patricia and Lloyd's estate based on the difference between 55% of the sales prices of the company and the agreed-upon price in the agreements.

McGuireWoods

Scouting Report on Recent Tax-Related Estate Planning Developments ¹⁹

Scouting Report: Gift Tax

9. CCA 202352018 (November 28, 2023)

IRS issues memorandum addressing gift tax consequences of modifying a grantor trust to add a tax reimbursement clause

- The IRS considered what, if any, gift tax consequences arise when the trustee of a grantor trust seeks to modify the trust, with the consent of the trust beneficiaries, to allow the trustee to make discretionary distributions to reimburse the grantor for income taxes paid as a result of being treated as the owner of the trust.
- The IRS asserted that such modification and consent from the beneficiaries would constitute a gift from the beneficiaries, because the beneficiaries would be relinquishing a portion of their interest in the trust. The CCA did not provide guidance on valuing the gift or how to allocate the gift among different beneficiaries.
- Notably, this CCA was a departure from the IRS' prior position stated in PLR 201647001. That prior position provided that "the modification of a trust to add a discretionary trustee power to reimburse the grantor for the income tax paid attributable to the trust income is administrative in nature and does not result in a change of beneficial interests in the trust."

McGuireWoods

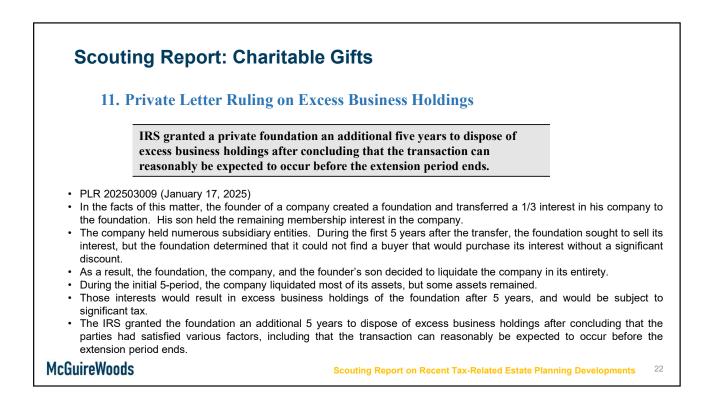
Scouting Report: Charitable Gifts

10. Taxes on Taxable Distributions From Donor Advised Funds Under Section 4966, 26 CFR Part 53, REG-142338-07 (November 14, 2023)

Proposed regulations offer guidance, but leave big questions unanswered

- IRC Section 4966 provides a set of rules governing Donor-Advised Funds (DAFs), which are accounts or funds sponsored by charitable organizations to facilitate charitable gifts by donors, and which are popular alternatives to private foundations.
- In November 2023, proposed regulations were issued to clarify certain rules and definitions under IRC Section 4966. For example:
 - **Donor:** The definition of a "donor" to a DAF was updated to exclude other public charities and governmental units, meaning that accounts or funds funded exclusively by either of those types of contributors would not be DAFs.
 - **Donor-Advisor:** The definition of "donor-advisor" was updated to include (1) persons appointed with an advisory role as to distributions or investments, (ii) the person who established the DAF, and (3) personal investment managers providing investment advice with respect to the DAF's assets or to the personal assets of the donor. By including investment managers, any compensation paid to an investment manager from the DAF would be deemed an excess benefit transaction incurring excise tax.

McGuireWoods



Scouting Report: Estate Tax and Estate Inclusion 12. Estate of William Barron Hilton v. Commissioner, Dkt. No. 1804-24 (February 2, 2024) IRS issues notice of deficiency for \$1.16 billion against the estate of deceased hotel heir: Executor challenges the deficiency · William Barron Hilton, the son of hotel magnate Conrad Hilton, passed away in 2019 and his estate plan devised \$2.9 billion to the Conrad N. Hilton Foundation and \$1 million to Ducks Unlimited (a public charity). For purposes of estate taxes, the Executor of William's estate claimed corresponding charitable deductions. William, throughout his life and in his estate plan, conveyed his intent to leave most of his estate to charity. Nonetheless, a number of William's heirs made claims against his estate, which, if successful, would reduce the amount of William's estate that would ultimately be distributed to charitable purposes. For estate tax purposes, the Executor of William's estate claimed as deductions the amounts passing to charity and the claims of William's heirs, along with administrative and legal fees in defending against those claims. The IRS disagreed, determining that if the claims against William's estate were successful, the assets used to satisfy those charitable bequests would be distributed to William's heirs and not to charity. Accordingly, the IRS argued that no charitable deduction is available for these amounts. **McGuireWoods** 23 Scouting Report on Recent Tax-Related Estate Planning Developments

Scouting Report: Estate Tax and Estate Inclusion

13. Connelly v. United States, 602 U.S. 257 (2024), aff'g 70 F.4th 412 (8th Cir. 2023)

U.S. Supreme Court confirms that for purposes of valuation of a company, value should take into the consideration the proceeds of life insurance for a buy-sell agreement

- Michael and Thomas Connelly were brothers and the two shareholders of a closely-held business. The business entered into a buy-sell agreement wherein the business would redeem a brother's shares upon his death. The business also bought a life insurance policy on each brother's life, such that the business could use the proceeds to carry out the redemption.
- Michael died in 2013. Thomas, as Executor of Michael's estate, filed an estate tax return valuing Michael's interest in the business at \$3 million, which <u>did not</u> include the proceeds of the life insurance policy on Michael's life. Thomas, as Executor, argued that the terms of the buy-sell agreement made the redemption price of Michael's share of the business a liability of the business, which reduced its valuation.
- The U.S. Supreme Court ultimately agreed with the IRS' position that the proceeds of the life insurance policy would be an
 asset of the company at the time of Michael's death and therefore should be included in the valuation of the business for
 estate tax purposes.

McGuireWoods

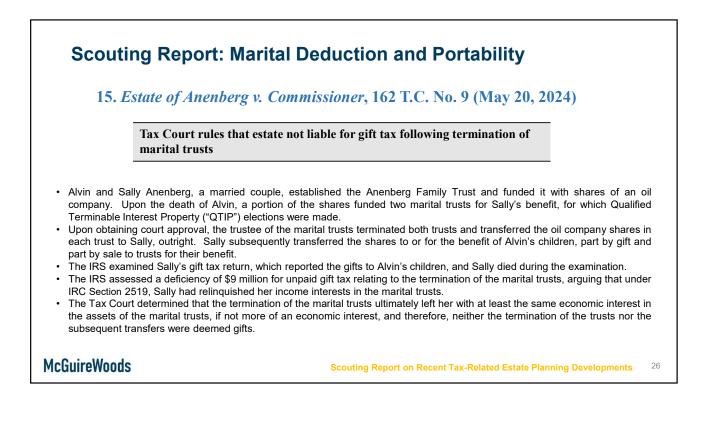
Scouting Report: Estate Tax and Estate Inclusion

14. Estate of Fields v. Commissioner, T.C. Memo 2024-90

Tax Court rules that assets contributed to limited partnership are included in decedent's estate for estate tax purposes and denies discount

- For family limited partnerships and related entities, this is another case of bad facts leading to a bad result for the taxpayer, and perhaps leading to uncertainty for others.
- In this case, the taxpayer's agent under power of attorney transferred \$17 million of her assets to a partnership, with the taxpayer retaining a 99.9941% limited partner interest.
- The taxpayer died about a month later, and the executor claimed a discount of 15% for lack of control and 25% for lack of marketability, such that the estate's interest was valued at \$10.8 million.
- The Tax Court found that the taxpayer retained sufficient control and sufficient implicit rights to the benefits of the property that the underlying assets should be considered to be included in her estate, at their full value.
- The Tax Court also found that while there were "plausible" arguments for a substantial nontax purpose, those did not rise to the level of a "bona fide" transaction that would keep the underlying assets out of the estate for estate tax purposes.
- The full value of the assets was included in the estate, and the estate was assessed a 20% accuracy-related penalty.
- This case underscores the risk of this kind of transfer shortly before death or using such an entity, and the critical importance of the transaction meeting the standard of a "bona fide" transaction with a substantial nontax purpose.

McGuireWoods



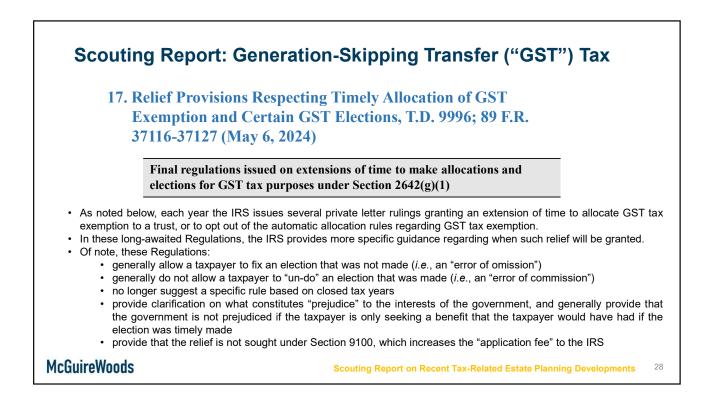
Scouting Report: Marital Deduction and Portability

16. McDougall v. Commissioner, 163 T.C. No. 5 (September 17, 2024)

Tax Court follows *Anenberg* on case involving commutation of QTIP Trust interest; adds holding that remainder beneficiaries made gifts to surviving spouse as a result of transactions

- Clotilde McDougall died in 2011 and her estate plan provided that the residue of her estate would be held in trust for the benefit of her surviving spouse, Bruce. As Executor of Clotilde's estate, Bruce made a QTIP election for the resulting trust. Bruce was entitled to annual distributions of the trust's income and distributions of principal for support and health. Upon Bruce's death, and subject to Bruce exercising a power of appointment over the trust assets, the trust would be distributed to the children of Bruce and Clotilde, Peter and Linda.
- Bruce, Peter, and Linda entered into a nonjudicial settlement agreement to terminate the trust and distribute the trust assets to Bruce, outright. Bruce subsequently sold the trust assets to trusts for the benefit of Linda, Peter, and their descendants, in exchange for promissory notes.
- · Like in Anenberg, the Tax Court held that the termination of the trust did not result in a gift from Bruce to Peter and Linda.
- However, unlike Anenberg, the Tax Court held that, by entering into the nonjudicial settlement agreement, Peter and Linda had "given up something for nothing" by relinquishing their remainder interests in the trust. Accordingly, the trust termination resulted in a gift from each of Peter and Linda to Bruce. This issue—the before and after positions of the remainder beneficiaries of a terminated QTIP trust and the potential gift tax implications for the children—was not considered by the Anenberg court.

McGuireWoods



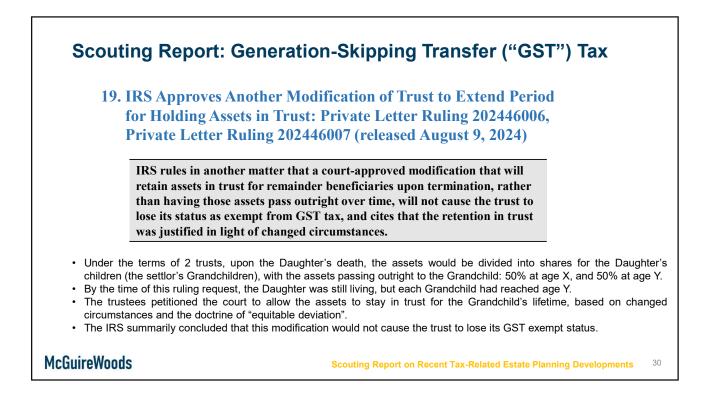
Scouting Report: Generation-Skipping Transfer ("GST") Tax

18. IRS Approves Modification of Trust to Extend Period for Holding Assets in Trust: Private Letter Ruling 202432013, Private Letter Ruling 202432016 (released August 9, 2024)

IRS rules that a court-approved modification that will retain assets in trust for remainder beneficiaries upon termination, rather than having those assets pass outright, will not cause the trust to lose its status as exempt from GST tax.

- In the trust at issue in this case, upon the death of the Child,, the trust assets would pass to the Grandchildren, outright.
- The trustees petitioned a court for numerous changes, including to provide that a share for a Grandchild (or further descendant) would be held in trust, with that person as sole permissible distributee, and granting that person a general power of appointment.
- The IRS ruled that these changes would not impair the trust's GST exempt status, concluding that:
 - The terms of the trust would not shift a beneficial interest to a lower generation, and
 - The terms would not postpone "vesting" beyond the period of the original trust, because the trust would still grant that descendant a general power of appointment over the assets
- The trustees also modified provisions regarding trustees; the IRS approved of those changes as administrative in nature.

McGuireWoods



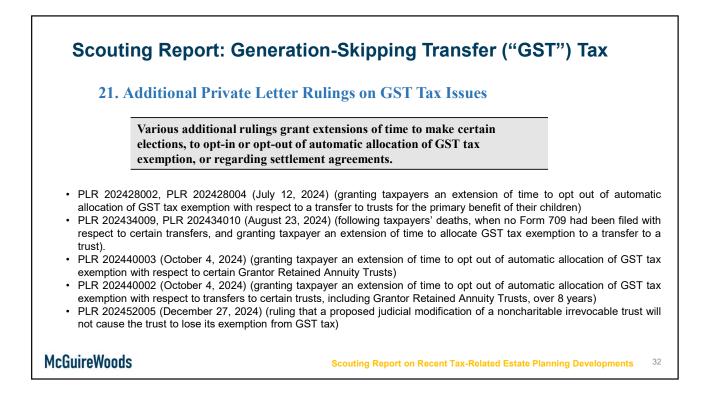
Scouting Report: Generation-Skipping Transfer ("GST") Tax

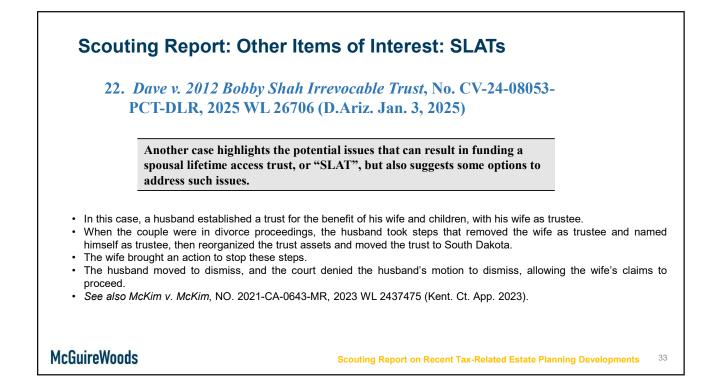
20. IRS Addresses Another Ambiguity Regarding Use of Term "Per Stirpes": Private Letter Ruling 202432016 (August 9, 2024)

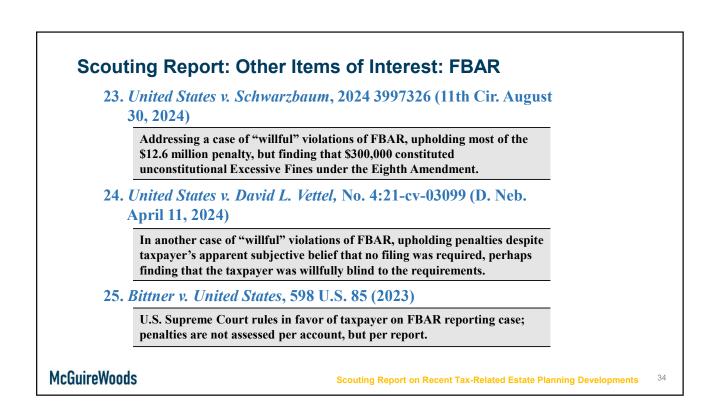
IRS rules that a state court construction of the term "per stirpes", and the division of a trust based on that construction, will not cause the trust to lose its status as exempt from GST tax.

- Years ago, a settlor had established a trust for the benefit of his descendants. By the time of this matter, the trust had 29 beneficiaries—all grandchildren, great-grandchildren, and great-grandchildren.
- The trust provided that upon the expiration of the perpetuities period, the trust would be distributed to the Settlor's descendants, "per stirpes".
- The parties concluded that this language was ambiguous, regarding whether the division among family lines should be at the level of the settlor's 2 children, or at the oldest level which had any living members.
- The state court concluded that the division should be at the level of the settlor's children, and modified the trust and divided it into shares for each child.
- The IRS ruled that this modification and division would not cause the trust to lose its status as exempt from GST tax.

McGuireWoods

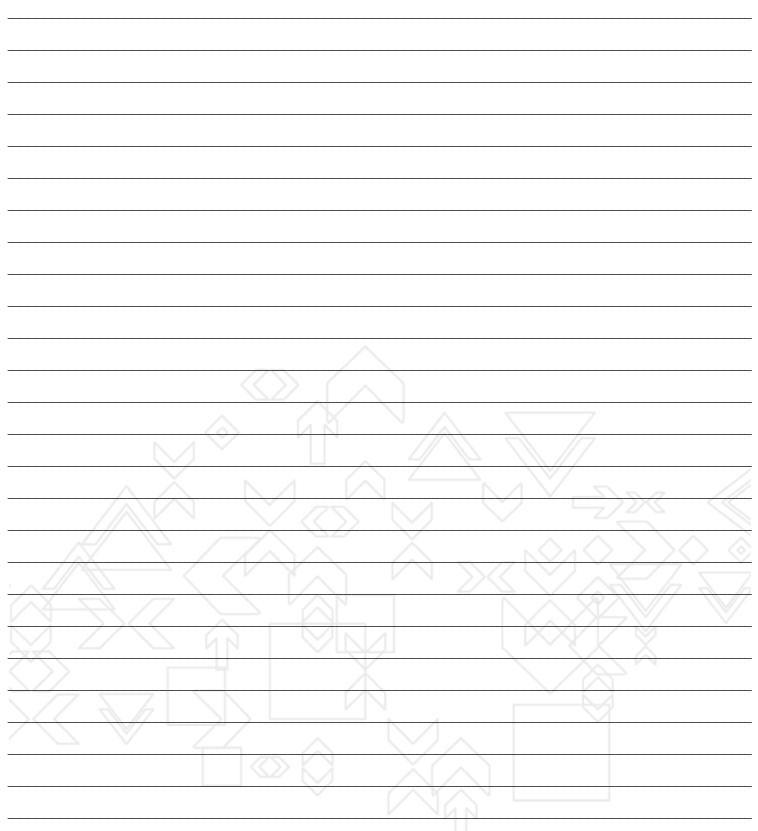








Mike Tropeano, Fi-Tek, Boston MA



A.I. in Wealth Trust: Developing the Use **Cases and Trust Needed to be successful**

April 23,2025

Mike Tropeano, CFA Senior Vice President Client Engagement and Practice Management



Where does AI fit within Wealth Management



- Here are some stats:
 - · Celent reported that 62% of wealth managers in the US are either in production, piloting, experimenting or exploring use cases with generative AI. This is not limited to large firms with 50% of firms between \$1B - \$20B doing something related to AI.
 - · More specifically, according to an Orion survey, Advisors plan on using AI and ML powered tools/services to serve clients more efficiently - 35%
 - · IoT Analytics data and BCG analysis found in the final quarter of 2024, mentions of Al agents on earnings calls increased more than 330% year over year
- · Use cases have been centered around:
 - · Creation of actionable insights from large data stores
 - · Determining of the next best action
 - · Deploying intelligent automation
 - · Delivering content on a timely basis
 - Increasing client engagement
- · Al should be viewed as an enabler to scale, not as a replacement for staff

What is Artificial Intelligence?

- According to Google AI Assistant Artificial intelligence (AI) is a field of computer science that focuses on enabling machines to perform tasks that typically require human intelligence. This includes learning, problem-solving, decision-making, and understanding natural language. Al systems learn from data, adapt to new situations, and can make predictions or recommendations based on their analysis.
- Commonly used AI tools in Wealth Management
 - Machine Learning Leveraging algorithms to learn from data without any specific programming to make predictions
 - Predictive Analytics Use of data, statistics, modeling, and machine learning to make predictions about future outcomes
 - Generative AI Creation of content (e.g., text, images) based on what it has learned from existing data. It
 is developed based on Large Language Models (LLM)
 - Natural Language Processing Processing where computers understand, interpret, and generate human language, it is related to Machine Learning
- · Where things are headed
 - Agentic AI AI systems that can autonomously make decisions and act to achieve specific goals with
 minimal human intervention. They can learn and adapt to new situations, improving their performance over
 time.

Fitek



Next Best Action based on client activity	Determination of clients at risk	Know Your Client
Document Review	Alternative Asset Servicing	Reconciliation
Administrative and Investment Reviews	Risk exposure	Addressing Key Person Risk



We need to address the challenges with AI

- Data privacy
 - Using PII within an AI model
 - Sharing of sensitive data across clients or in the public domain
- Hallucinations cause by gaps in the training of your model
 - Missing some of the questions that need to be answered
 Incorrect factoring when developing the algorithms
- Data access
 - AI models need to learn using past data, not all organizations have access to sufficient data to train and support the models
- Misrepresentation of results
 - Past returns are not an indicator of future results
 - Immature regulatory framework
 - Still have a responsibility as a fiduciary
 - Some existing rules have applicability



Fitek

Are bobcats native to Tampa? According to Microsoft Copilot

- Yes, bobcats are native to Tampa and can be found throughout Florida. These adaptable wildcats thrive in various habitats, including swamps, forests, and even suburban areas. They are solitary animals and tend to avoid humans, but sightings are not uncommon. Bobcats are smaller than Florida panthers and are known for their distinctive short tails and spotted coats.
- Yes, bobcats are indeed native to Tampa and can be found throughout Florida. These adaptable wildcats thrive in various habitats, including forests, swamps, and even suburban areas. Known for their short tails and spotted coats, bobcats are solitary creatures and are more active during dawn and dusk. They are an essential part of Florida's ecosystem, helping to control populations of smaller animals like rodents and rabbits.
- Yes, bobcats are native to Tampa and can be found throughout Florida. These adaptable wildcats thrive in various habitats, including forests, swamps, and even suburban areas. Known for their short tails and spotted coats, bobcats are solitary creatures and are more active during dawn and dusk. They play a vital role in the ecosystem by controlling populations of smaller animals like rodents and rabbits.



Fitek Question: Are bobcats native to Tampa?

Where do we go from here?



Fitek

Defining your strategy and plans for execution

- <u>Create a policy for Al usage</u> How comfortable are you with what your team can do? Cannot do? Does your team know?
- Define what you want AI to do for your firm– What are your use cases? Are they something that can be solved through AI?
- Develop the supporting user stories / epics What are the questions you want to answer?
- Inventory the data needed

 What is needed to answer the questions? What is the format? How 'clean' is it? How will you govern the quality?
- <u>Need to understand your partners plan</u> What technology are they deploying? Are they further ahead of you? Do they have a strategy and plan?
- <u>Set the roadmap to achieve your goal</u> What is a reasonable expectation on what can be done?



/ Fitek

Interested in learning more?



Upcoming Fi-Tek on FinTek events

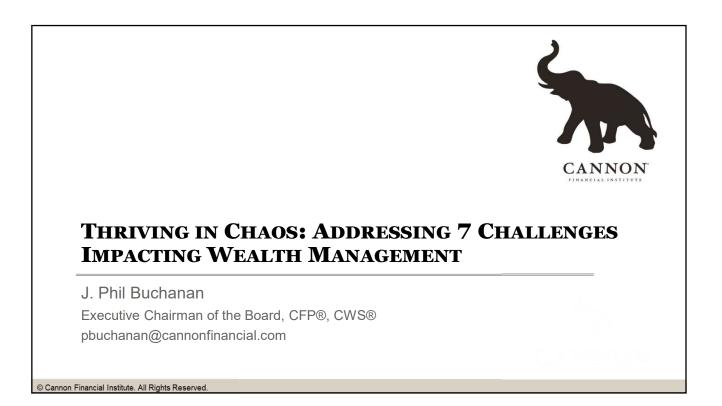
- Webinar (AI in Wealth Trust) May 21st
- Video (A primer on AI in Wealth Trust) May 28th
- Article (Understanding how AI can be impactful in Wealth Trust)– June 4th
- My Article of the Week delivered on Fridays, covering Fintech and Wealth Management (just provide your email)

You can also reach out to me directly, MTropeano@Fi-Tek.com

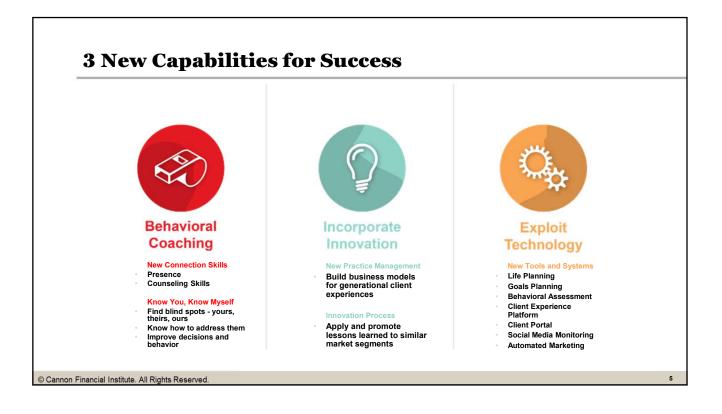
Fitek

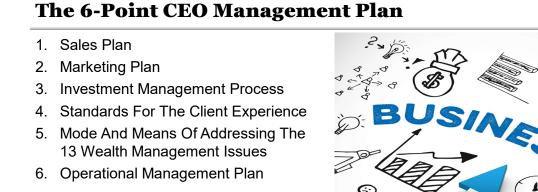


Phil Buchanan, Cannon Financial Institute, Athens GA







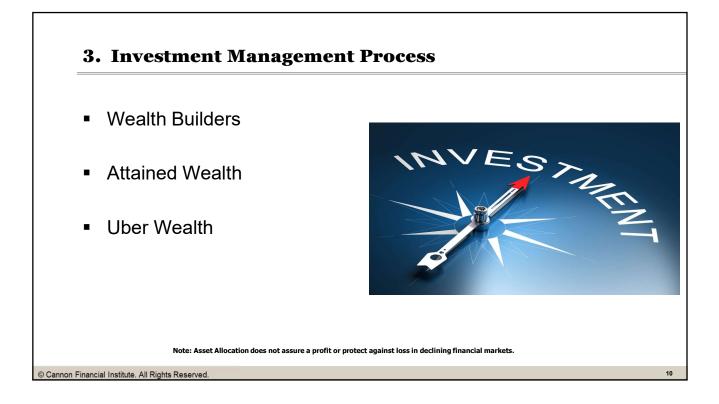




© Cannon Financial Institute. All Rights Reserved.

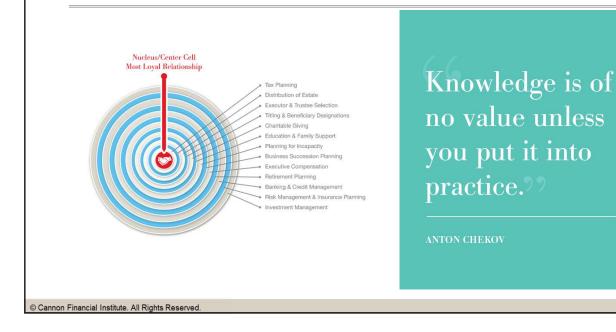
	Plan Worksl xample	neet	 Revenue from Existing Clients
Total Annual Revenue Goal - Recurring Revenue = Total New Revenue Needed	_	\$1,000,000 \$800,000 \$200,000	 Revenue from New Clients
	From Existing Clients	From New Clients	
Annual New Revenue Goal	\$50,000	\$150,000	
+ Working Months (10)	10	10	
= Monthly New Revenue Needed	\$5,000	\$15,000	
* Average Case Revenue	\$1,000	\$2,500	
= Number of Cases Needed	5	6	
+ Presentation Success Ratio	90%	75%	
= Number of Qualified Prospects to Present	6	8	
* Presentation Scheduled Ratio	90%	60%	
= Number of Prospects for Discovery	7	13	
+ Discovery Scheduled Ratio	n/a	40%	
= Number of Suspects to Share Branding	n/a	33	

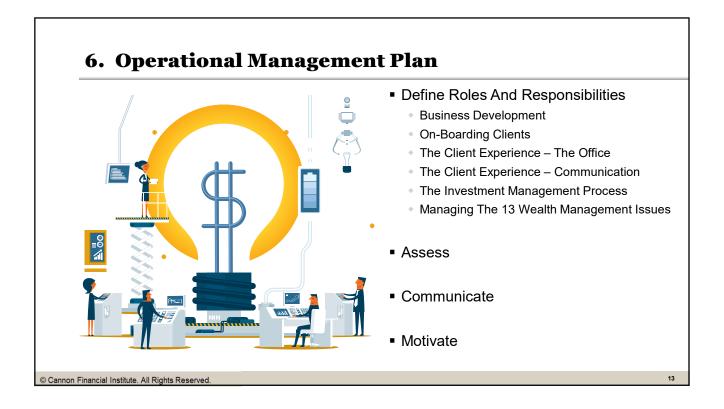






5. Mode and Means of Addressing the 13 Wealth Management Issues



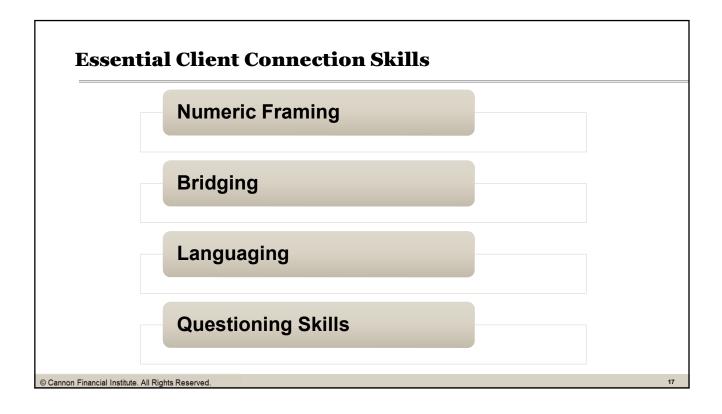




Your Investment Story

© Cannon Financial Institute. All Rights Reserved.

The Six Ps Profile People **Process** Performance Price Philosophy Explain how your firm's Philosophy · Discuss two to Discuss two to · Discuss the two Use Performance · We create a winthree facts about three facts about components of to validate the win partnership your firm's Process. overlays the your firm that are the People who investment with clients. investment management process. support your firm's investment relevant to your management As the clients' prospect and Front Stage process. portfolios increase Show the prospect how your firm's discuss how your management · Back Stage in value, we also firm is different from their present Outline three to process. win. Show the prospect how your firm's Process is Show how your firm is different four points that explain your firm's Performance differs from their • We also offer price provider or breakpoints to our clients; the larger alternatives. investment and how we help present provider or different and helps Philosophy. Show how this is our clients address your clients address their alternatives. the amount of their issues and accomplish their financial goals and important in Show how this dollars we manage for each client, the addressing your clients' issues and Philosophy is issues and different and helps your clients address their lower the percentage fee for that client. accomplish their helping them objectives. financial goals and accomplish their goals and objectives. issues and Show the prospect accomplish their objectives. how different your firm's Price is from financial goals and objectives. their present provider or alternatives. 15 © Cannon Financial Institute. All Rights Reserved.

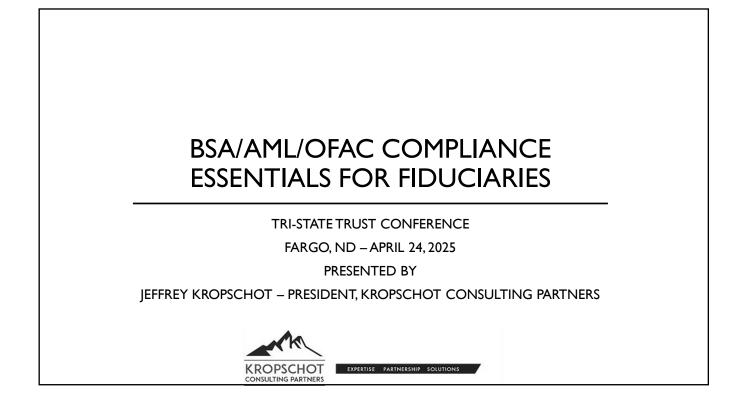






Jeff Kropschot, Kropschot Consulting Partners, Springville UT

$ \qquad \qquad$



<section-header><list-item><list-item><list-item><list-item><list-item><list-item><list-item><list-item><table-container>

ANTI-MONEY LAUNDERING LAW HISTORY

- Bank Secrecy Act (1970) 31 USC 5311 et seq
- Money Laundering Control Act (1986)
- Anti-Drug Abuse Act (1988)
- Annunzio Wylie Anti-Money Laundering Act (1992)
- Money Laundering Suppression Act (1994)
- Money Laundering and Financial Crimes Strategy Act (1998)
- USA Patriot Act (2001)
- Intelligence Reform & Terrorism Prevention Act (2004)
- Anti-Money Laundering Act (2020)



ANTI-MONEY LAUNDERING PROGRAM REQUIREMENTS 31 CFR 1020.210 (Based on proposed regulatory updates)

- Must establish, implement, and maintain an effective, risk-based, and reasonably designed Anti-Money Laundering (AML)/Countering the Financing of Terrorism (CFT) program, which focuses attention and resources in a manner consistent with the institution's risk profile, which takes into account higher-risk and lower-risk customers and activities and must, at a minimum:
 - $\circ\,$ Establish a risk assessment process that serves as the basis for the AML/CFT program;
 - Reasonably manage and mitigate money laundering, terrorist financing, and other risks through internal policies, procedures, and controls commensurate with those risks and ensure compliance with the Bank Secrecy Act and related implementing regulations;
 - Designate one or more qualified individuals to be responsible for coordinating and monitoring day-today compliance;
 - $\,\circ\,$ Include an ongoing employee training program;
 - Include independent, periodic AML/CFT program testing to be conducted by a qualified internal or outside party; and
 - $\,\circ\,$ Include appropriate risk-based procedures for conducting ongoing customer due diligence.



CUSTOMER IDENTIFICATION PROGRAM 31 CFR 1020.220 (a)(1)

- A bank required to have an AML/CFT program must implement a written Customer Identification Program (CIP) appropriate for the bank's size and type of business that, at a minimum, addresses each of the following:
 - \circ Identity verification procedures
 - \circ Recordkeeping
 - $\,\circ\,$ Comparison with government lists
 - $\circ~\mbox{Customer}$ notice requirements
 - $\circ\,$ Reliance on another financial institution
- The CIP must be a part of the AML/CFT compliance program.



CIP - IDENTITY VERIFICATION PROCEDURES 31 CFR 1020.220 (a)(2)

- The CIP must include risk-based procedures for verifying the identity of each customer to the extent reasonable and practicable.
- The procedures must enable the bank to form a reasonable belief that it knows the identity of each customer.
- These procedures must be based on the bank's assessment of relevant risks
 - \circ Various types of accounts maintained by the bank
 - $\,\circ\,$ Various methods of opening accounts provided by the bank
 - $\,\circ\,$ Various types of identifying information available
 - $\,\circ\,$ Bank's size, location, and customer base



CIP - IDENTITY VERIFICATION PROCEDURES (Cont.) 31 CFR 1020.220 (a)(2)

- Annual BSA/AML risk assessment generally involves the identification of specific risk categories unique to the bank, which may include the following:
 - \circ Products
 - $\circ \,\, \text{Services}$
 - \circ Customers
 - o Geographic Locations



CIP - IDENTITY VERIFICATION PROCEDURES 31 CFR 1020.220 (a)(2)(i) AND (ii)

- The CIP must contain procedures for account opening, specifying information to be obtained from each customer. The following minimum information must be obtained, prior to account opening:
 - \circ Name
 - $\circ~$ Date of birth, for an individual
 - o Address
 - \circ Identification number
- The CIP must contain procedures for verifying the identity of the customer, using information obtained above, within a reasonable time after the account is opened. The procedures must describe when the bank will use documentary methods, non-documentary methods, or a combination of both methods



CIP - IDENTITY VERIFICATION PROCEDURES 31 CFR 1020.220 (a)(2)(iii)

- The CIP must include procedures for responding to circumstances in which the bank cannot form a reasonable belief that it knows the true identity of a customer. These procedures should describe:
 - $\,\circ\,$ When the bank should not open an account;
 - $\circ~$ The terms under which a customer may use an account while the bank attempts to verify the customer's identity;
 - $_{\odot}$ When the bank should close an account, after attempts to verify a customer's identity have failed; and
 - $_{\odot}$ When the bank should file a Suspicious Activity Report in accordance with applicable law and regulation.



CIP - IDENTITY VERIFICATION PROCEDURES PARTIES SUBJECT TO CIP

- Investment Management Agency or Investment Advisory Accounts
 - For individual(s) Account owner(s)
 - $\,\circ\,$ For a trust Trustee(s) and a trustee certification
 - $\,\circ\,$ For an entity Entity and key individuals
- Employee Benefit Plan
 - \circ Plan (not participants) Entity and key Individuals
- IRAs and Custodial Accounts Account owner(s)
- Revocable Trust
 - Trust, Grantor(s) and Trustee(s) other than own bank



CIP - IDENTITY VERIFICATION PROCEDURES PARTIES SUBJECT TO CIP (Cont.)

- Irrevocable Trust
 - $\,\circ\,$ Trust, and Trustee(s) other than own bank
- Guardianship/Estates Co-Guardian(s) and Co-Personal Rep(s)



OFFICE OF FOREIGN ASSETS CONTROL (OFAC) 31 CFR 500-599

- OFAC is an office of the Treasury that administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted individuals and entities
- All U.S. persons, including U.S. banks, bank holding companies, and nonbank subsidiaries, must comply with OFAC's regulations
- The regulations that OFAC administers require banks to:
 - o Block/freeze accounts/property of certain countries, entities, and persons
 - $\circ\,$ Prohibit or reject unlicensed transactions with specified countries, entities, and individuals
- Regulations outline reporting, procedures and penalties related to economic sanctions regulations



OFAC REPORTING

- Banks must report all blockings to OFAC within 10 business days of the occurrence and annually by September 30 concerning those assets blocked (as of June 30). Once assets or funds are blocked, they should be placed in a separate blocked account
- Prohibited transactions that are rejected must also be reported to OFAC within 10 business days of the occurrence
- Blocked property records must be kept for the period the property is blocked and five years thereafter. Must keep a record of each rejected transaction for five years.



OFAC COMPLIANCE PROGRAM · While not required by specific regulation, but as a matter of sound banking practice and in order to mitigate the risk of noncompliance with OFAC requirements, banks should establish and maintain an effective, written OFAC compliance program that is commensurate with their OFAC risk profile (based on products, services, customers, and geographic locations). • The compliance program should identify higher-risk areas and provide for the following: $\,\circ\,$ A risk assessment process that serves as the basis for the OFAC compliance program; o Internal policies, procedures, and controls commensurate with those risks and ensure compliance with applicable laws and regulations; • One or more qualified individuals to be responsible for coordinating and monitoring day-to-day compliance; • An ongoing employee training program; and o Independent, periodic compliance testing to be conducted by a qualified internal or outside party. KROPSCHOT EXPERTISE PARTNERSHIP SOLUTION CONSULTING PARTNER

SUSPICIOUS ACTIVITY MONITORING

• Know your customer (Benchmarking to know what is "normal")

- Age, health and lifestyle
- Risk tolerance
- Client needs, wants and preferences
- Family relations
- \circ Geographic location
- o Employment
- o Challenges (addictions, criminal past, money issues)

• Expected transactions

- o Frequency
- \circ Amount
- o Purpose



SUSPICIOUS ACTIVITY MONITORING (CONT.)

• Must use available resources to monitor account activity to identify patterns of unusual volume, size, pattern or type of transactions. Resources used may include the following:

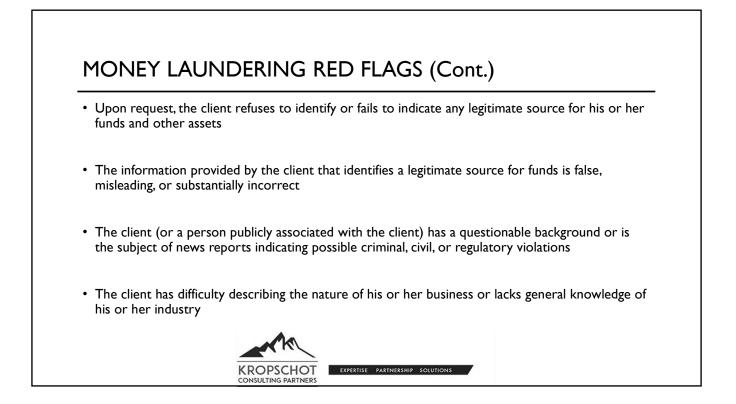
- Suspicious activity reports (large one-day transactions, as well as frequency and velocity alerts)
- o Daily transaction reports
- Wire transfer activity reports
- Administrative accounts reviews
- Investment account reviews
- o Regular calls and communication with clients.
- When the trust company or trust department identifies what it deems to be unusual account activity, the transactions will be reviewed in the context of other account activity to determine whether a transaction cannot be explained or is suspicious in nature



MONEY LAUNDERING RED FLAGS

- The client exhibits unusual concern about the firm's compliance with government reporting requirements and the firm's AML policies, particularly on his or her identity, type of business and assets, or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspect identification or business documents
- The client wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the client's stated business or investment strategy
- The client causes difficulties and delays in obtaining copies of governing documents or other documents of incorporation

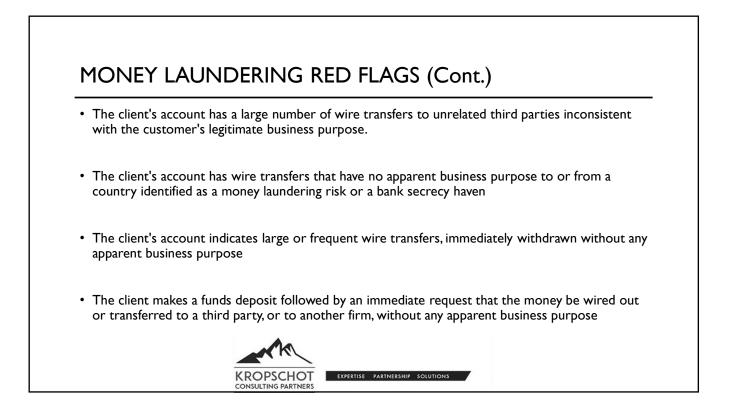




MONEY LAUNDERING RED FLAGS (Cont.)

- The client conducts multiple and/or separate transactions for less than \$10,000 despite a clear relationship to one another
- The client deposits money and purchases long-term investments, but shortly thereafter submits a request to liquidate the position and/or deplete the account and transfer the proceeds out of the account, especially when directed to a third party and/or foreign country
- The client's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity





MONEY LAUNDERING RED FLAGS (Cont.)

- The client requests that a transaction be processed to avoid the firm's normal documentation requirements
- The client's account shows an unexplained high level of account activity with very low levels of securities transactions
- The client's account has inflows of funds or other assets well beyond the known income or resources of the customer



SUSPICIOUS ACTIVITY REPORTING - GENERAL 12 CFR 21.11 (OCC) AND 12 CFR 353 (FDIC)

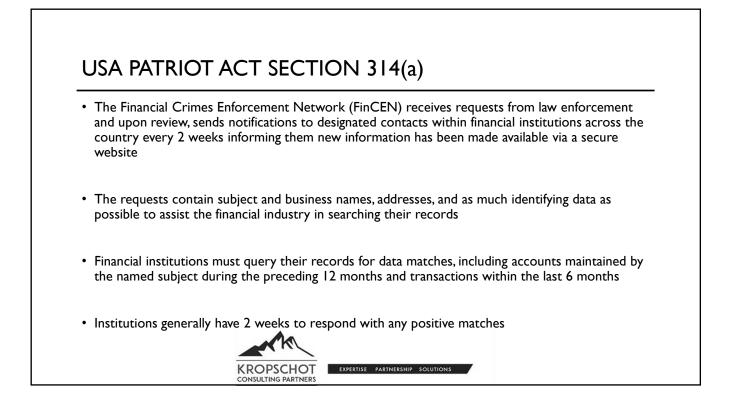
- An institution shall file a suspicious activity report (SAR) with the appropriate federal law enforcement agencies and the Treasury in the following circumstances:
 - $\,\circ\,$ Insider abuse involving any amount
 - \circ Transactions aggregating \$5,000 or more where a suspect can be identified
 - Transactions aggregating \$25,000 or more regardless of potential suspects
 - $\,\circ\,$ Transactions aggregating \$5,000 or more that involve potential money laundering or violations of the Bank Secrecy Act.



SUSPICIOUS ACTIVITY REPORTING - GENERAL 12 CFR 21.11 (OCC) AND 12 CFR 353 (FDIC) (Cont.)

- Must file a SAR no later than 30 calendar days after the date of initial detection of facts that may constitute a basis for its filing
- If no suspect was identified on the date of detection of the incident requiring the filing, an institution may delay filing a SAR for an additional 30 calendar days to identify a suspect. In no case shall reporting be delayed more than 60 calendar days
- An institution shall maintain a copy of any SAR filed and any supporting documentation for five years from the SAR filing date
- Management shall promptly notify its board of any SAR filed; SARs are confidential

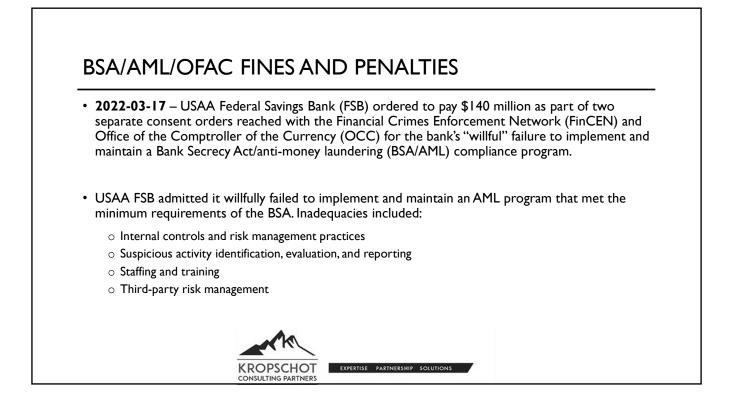




USA PATRIOT ACT SECTION 314(b)

- Section 314(b) provides financial institutions with the ability to share information with one another, under a safe harbor that offers protections from liability, in order to better identify and report activities that may involve money laundering or terrorist activities
- · Participation in information sharing is voluntary
- To rely on the safe harbor, an institution need not have specific information indicating that the activity directly relates to money laundering or terrorist activities, nor have reached a conclusive determination that the activity is suspicious. A reasonable belief that the information shared relates to activities that may involve money laundering or terrorist activity is sufficient.

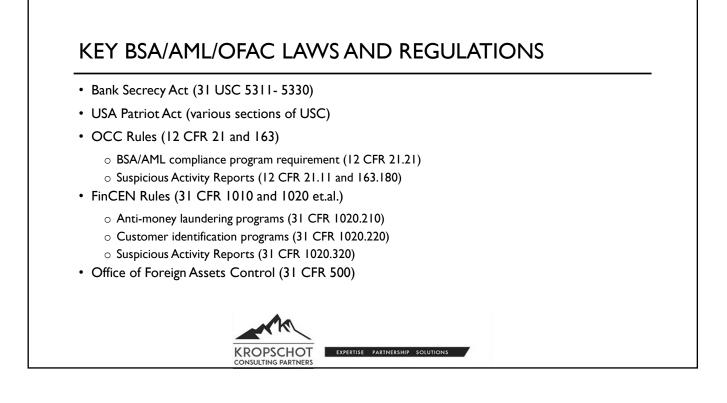




BSA/AML/OFAC FINES AND PENALTIES

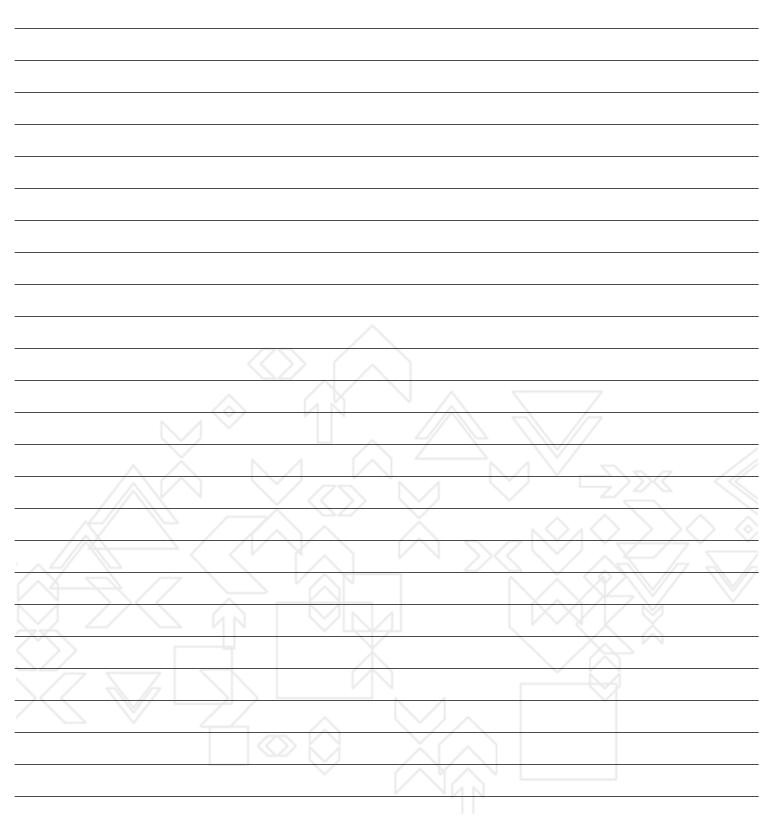
- 2024-10-10 TD Bank was ordered to pay more than \$3 billion in combined penalties levied by the US Department of Justice, Financial Crimes Enforcement Network, Office of the Comptroller of the Currency and the Federal Reserve. Specifically, TD Bank failed to develop and provide for the continued administration of a BSA/AML Program reasonably designed to assure and monitor compliance with the Bank Secrecy Act and its 2 implementing regulations.
- Deficiencies in the Bank's BSA/AML Program included:
 - $\circ\,$ Internal controls and risk management practices, including risk assessments
 - o Customer due diligence and customer risk ratings
 - $\,\circ\,$ Suspicious activity identification, evaluation, and reporting
 - \circ Governance
 - $\,\circ\,$ Staffing, independent testing and training















April 2025

Investment topics not often discussed but should be...

Chris Dillon, CFA

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

Outline

The world doesn't often dramatically change overnight. This year it has	The US economy has reset lower, but is not recessionary for now	Global economic update Slower US, better Europe, stabilizing China	Potential good news Productivity and fiscal discipline could be a way forward for the US getting to that theoretical destination is going to be another story
Global fixed	Questions around	Geopolitical and	
income perspective	US Exceptionalism	capital market	
Diverging outcomes, rates	have dampened	"wildcards"	
and policies	US equity returns	abound…	

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 2

The world has changed (a lot) since the end of last year

- Markets reacted quickly (and favorably) to the idea of deregulation and an extension of 2017 tax cuts in the wake of last year's Presidential election.
- The Davos World Economic Forum in mid-January represented a moment of peak "US exceptionalism."
- China's DeepSeek startup that launched a Generative AI app on Trump's Inauguration day was a "wake up call."
- The market then awoke to the other side (Tariffs / Immigration Policy / Foreign Policy) of the Trump Administration's action plan for a very different vison of the government's relationship with the economy
- Markets were surprised with the aggressive trade and foreign policy stance taken with historical allies (why did this happen?).
 - Triffin's Dilemma / Trade policy response to "Trump 1.0"

- Germany launched an economic fiscal policy "bazooka" to address future defense and other needs...
- China is addressing its broken consumption economy...
- US growth exceptionalism (and expectations it came with) that the year began with have been reset lower but are not recessionary at this time (in our view). The US Dollar has materially weakened against this backdrop...
- Modestly negative YTD S&P 500 Index Returns are trailing strong returns from International stocks.
- Productivity and a "back to the future moment" appears to be the aim of the Trump administration.
- A world order that has been in place for almost 80 years is being rapidly dismantled. Tail risks have risen.
- Staying invested but being globally diversified takes on heightened importance.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 3

The US is no longer the world's "policeman"...this development (decades in the making) has broad ramifications As of 16 February 2025

itw



Additional source: https://www.ifw-kiel.de/institute/events/guns-vs-butter-in-the-21st-century-msc-2024/

"Today, the global financial system is evolving, and America's role as the 'world policeman' has become obsolete.

A strong military presence can no longer ensure the stability of the American economy as it once did.

The BRICS group, which holds significant influence in the energy and consumer markets, is increasingly asserting itself on the global stage ... "

Source: https://tass.com/world/1933065

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE° 4

And suddenly...German defense company, Rheinmettal, leaves Volkswagen in the dust!

As of 25 March 2025

Rheinmetall vs. VW



"German lawmakers gave the green light on Tuesday for a colossal spending boost for defense and infrastructure pushed by chancellor-in-waiting Friedrich Merz amid deep fears in Europe over the future strength of the transatlantic alliance.

The unprecedented fiscal package—dubbed "XXLsized" and a cash "bazooka" by German media could pave the way for more than one trillion euros in spending over the next decade in Europe's top economy.

The historic parliament vote signaled a radical departure for a country famously reluctant to take on large state debt—or to spend heavily on the armed forces, given its dark World War II history..."

Source: Bloomberg Finance, L.P.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

International equity PMs believe we have transitioned to a new paradigm...

As of September 2024

Post GFC Era	Post Pandemic Era	Tailwind to International?
Benign Disinflation	Higher Trend Inflation	\checkmark
Low and Falling Bond Yields	Rate Normalization	\checkmark
Maintenance Level Capex	Higher Capital Spending	\checkmark
Max Globalization	Reshoring	?
Disruptive Innovation	Disruptive Innovation	×
Beneficiaries: Secular Growth, Leverage	Beneficiaries: Real Assets, Valuations	

This is not intended to be investment advice or a recommendation to take any specific investment action.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 6

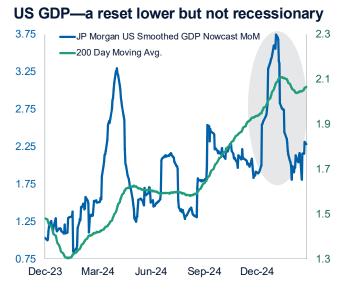
5

History doesn't repeat itself, but it often rhymes...



Turning to the US—The US economy have been reset lower, but is not recessionary for now...

As of 24 March 2025



"While the US economy shows signs of slowing, with some indicators suggesting a potential reset lower, it's not currently in a recession, and the risk of a recession appears relatively low based on current data."

Source: Google Al, 24 March 2025

Support for the US economy stems from:

- A resilient labor market and low unemployment rate.
- Consumer spending, while softening, remains solid
- The Federal Reserve appears likely to cut Fed Funds by 25bps twice before year end. A 3.75% Fed Funds is close to TRP's view of a "neutral" policy rate in a less globalized world...

Source: T. Rowe Price

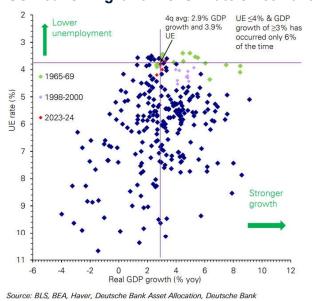
FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

Left Source: Bloomberg Finance, L.P.

T. ROWE PRICE

The US economy has been in a soft landing for over two years...

As of 9 December 2024



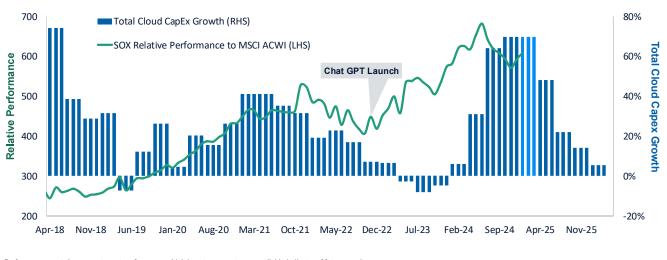
- US Real GDP growth vs. UE rate since 1948
- The US economy has been growing at an annualized rate above +2.5% for just about two years...
- The US Unemployment Rate hasn't exceeded 4.3% for more than three years...
- Beyond the post pandemic years of 2023 and 2024, one has to harken back to the late 1960's and 1990's for similar sustained periods of economic resilience.

We may be at peak year-over-year growth in cloud capital expenditures

As of 31 December 2024

T. ROWE PRICE

SOX Relative Performance vs. Total Cloud CapEx*



FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

Performance quoted represents past performance which is not a guarantee or a reliable indicator of future results. Source: T. Rowe Price calculations using data from FactSet Research Systems Inc. All rights reserved. "To read these charts, the dark blue bars are quarterly y/y growth rates (the light blue bars are 2Q24E) and the green line is the SOX relative performance to MSCI ACWI. There is no guarantee that any forecasts made will come to pass.

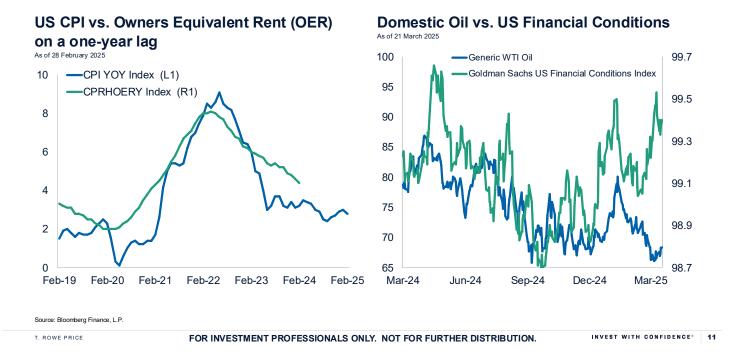
T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 10

INVEST WITH CONFIDENCE® 9

US inflation trends have been constructive near term...



But tariff policy has impacted the Fed's summary of economic projections...

As of 19 March 2025

Variable	2025 Median	2026 Median	2027 Median	Longer run Median
Change in real GDP	1.7	1.8	1.8	1.8
December projection	2.1	2.0	1.9	1.8
Unemployment rate	4.4	4.3	4.3	4.2
December projection	4.3	4.3	4.3	4.2
PCE inflation	2.7	2.2	2.0	2.0
December projection	2.5	2.1	2.0	2.0
Core PCE inflation	2.8	2.2	2.0	
December projection	2.5	2.2	2.0	
Memo: Projected appropria	ate policy path	า		
Federal funds rate	3.9	3.4	3.1	3.0
December projection	3.9	3.4	3.1	3.0

"The Fed's March Summary of Economic Projections points to a **stagflation** mix in 2025 with slower growth and higher inflation.

Nevertheless, the median dot was unchanged suggesting that the increased uncertainty about the economic policy mix has put FOMC members in a corner and led to "inertia in updating" the policy path as chair Powell put it.

The new projections also reveal that in the eyes of the FOMC risks to both sides of their mandate have increased significantly: upside risks to inflation and downside risks to full employment..."

Source: Blerina Uruci Chief US Economist for T. Rowe Price

Meanwhile, "Liberation Day" looms on April 2...

Left Source: https://www.federalreserve.gov/monetarypolicy/fomcprojtabl20250319.htm

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 12

As for the USD, we've seen this movie before...

As of 24 March 2025

The Trump USD "Bump" now and late 2016 through 2017...



"Among the most impactful appears to be what has come to be known as the "Trump slump". In the wake of the new US government's failure to pass healthcare and tax-cut reforms as initially promised, the dollar's strength has taken a hit as concerns continue to be raised over the Trump Administration's ability to fulfil its agenda.

Compared to November 2016, when the dollar rallied on expectations of the so-called "Trump trade"—that is, that the new regime would implement significant tax reductions, spend up to \$1 trillion on improvements to America's infrastructure and stimulate a higher trajectory for economic growth confidence in Trump's ability to push through legislation is now considerably on the wane..."

Source: "Why has the US Dollar been consistently falling through 2017?" September 20, 2017, International Banker

Left: Source: Bloomberg Finance, L.P.

T. ROWE PRICE

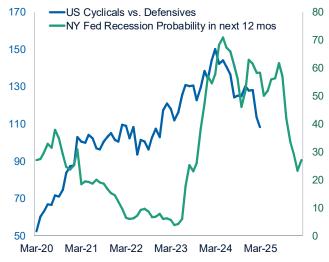
FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 13

US equity market themes vs. recession odds vs. ?

As of 26 March 2025

US Equity Cyclical Tone vs. Recession Odds



"Cyclical" equities (relative to "defensives") arguably entered a "bear" market in March 2024 at the height of "classic" recession indicators flashing "red."

US equity cyclicals have continued to underperform "defensives" even as classic recession signals have abated...

Left: Source: Bloomberg Finance, L.P.

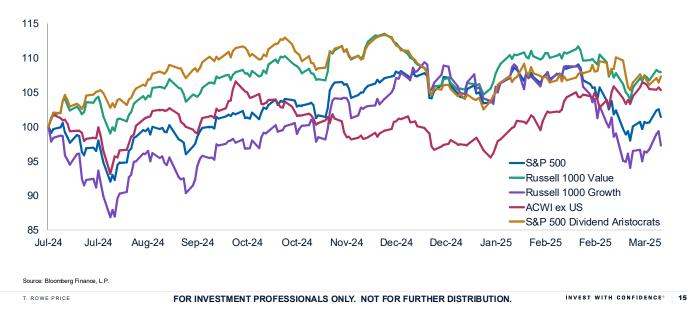
T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

More broad-based global equity market returns since early last July

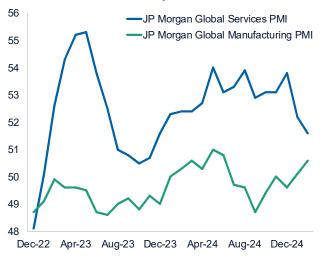
As of 27 March 2025

The Russell 1000 Growth Index has been a laggard since July 10, 2024



Turning to the global economy—A slower US, faster growing Europe and "stabilizing" China leave a resilient global economy for now

Global Economic Perspective



"As of March 24, 2025, the global economy is showing signs of stabilization, with growth expected to hold steady in 2025 and 2026, but faces persistent challenges like slower growth, persistent services inflation, and geopolitical tensions..."

Source: Google Al, March 24, 2025

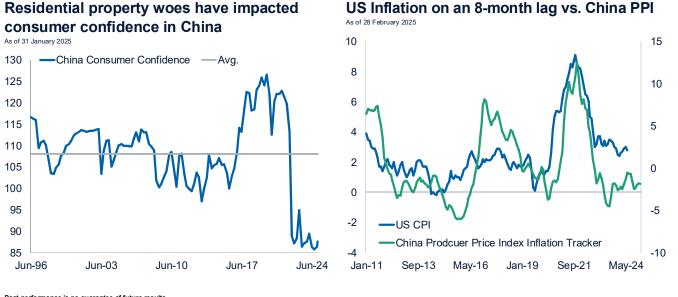
Left Source: Bloomberg Finance, L.P.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 16

An economically "stabilizing" China represents a future "wildcard" for US inflation



Past performance is no guarantee of future results. Source: Bloomberg Finance, LP,

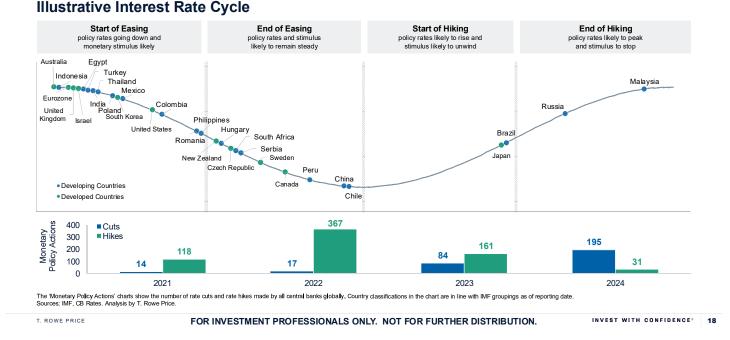
T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 17

Economic and policy divergence exists in a less globalized world

As of 31 December 2024

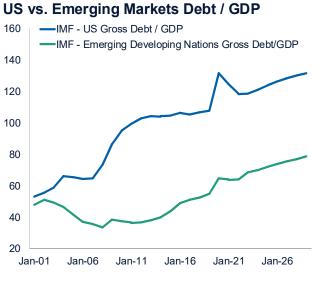


Diverging sovereign bond yield trends and policies also mean that actively managed global fixed income represents diversification...

Diverging Global Economic Outcomes and Rates 4.9 2.4 2.3 47 2.2 4.5 2.1 4.3 2.0 1.9 4.1 1.8 3.9 US 10 Year Yield 1.7 UK 10 Year Yield 3.7 1.6 China 10 Year Yield 3.5 1.5 Mar-24 Jun-24 Apr-24 May-24 Jul-24 Aug-24 Sep-24 Oct-24 Nov-24 Dec-24 Jan-25 Feb-25 Mar-25 Past performance is no guarantee of future results T. ROWE PRICE FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION. INVEST WITH CONFIDENCE®

Arguably the divide between emerging and developed nations is becoming less...

As of 27 March 2025



Five worrying signs where the US appears as an emerging market headed for trouble:

- Excessive tariffs
- Massive Debt
- Oligarchs with political power
- Erratic policymaking
- Waning confidence in the rule of law

Source: Fortune "The US now suffers from these 5 dead giveaways of an emerging-market economy in trouble, former IMF official say..." March 23, 2025

Left Source: Bloomberg Finance, L.P.

T. ROWE PRICE

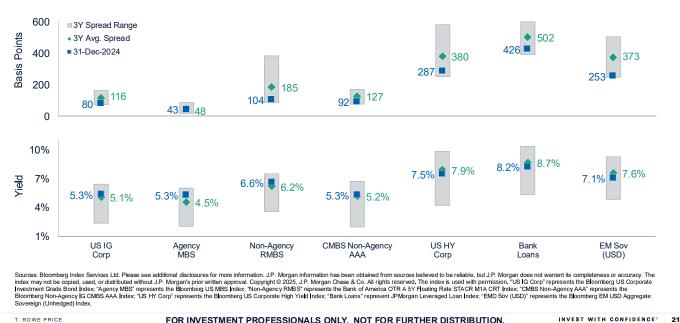
FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 20

19

Global Fixed Income—Attractive absolute yields while "spreads" remain compressed

As of 31 December 2024



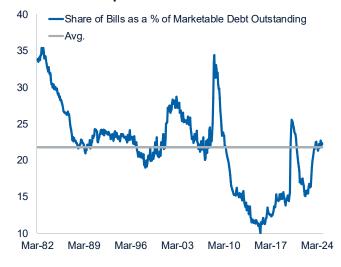
T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

Wildcards—Treasury issuance trends vs. the (Treasury Secretary) Scott Bessent "put"

As of 31 January 2025

US Tbills as a percent of overall UST Issuance



"Investors abroad sold longer term Treasuries for three consecutive months, a sign of central bankers reducing their reliance on the U.S. as a financial buffer...

The rationale for selling can be explained in two ways: Threat of sanctions, freezing of foreign assets, and tariffs work because the role U.S. and its currency plays in the financial machinery. Central banks working to shield their own economy from any potential U.S. punitive action in the future could be reducing their use of dollars.

Conversely, central banks across the world have been consistently buying gold, replacing one safe haven asset for another ... '

Source: Barron's "Foreigners Dump U.S. Treasuries. Here's Who Did the Most Selling" March 21st, 2025

The "institutional costs and risks of keeping bill shares permanently large are high, we believe the \$1 trillion pile of accumulating bills will eventually have to be termed out...

https://www.hudsonbaycapital.com/documents/FG/hudsonbay/research/635102_Activist_Treasury_Issua nce_-_Hudson_Bay_Capital_Research.pdf

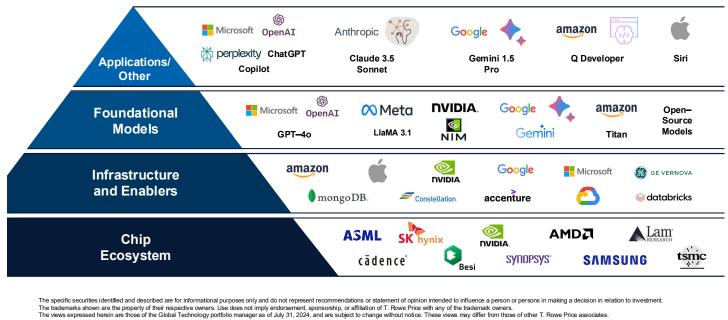
Left Source: Bloomberg Finance, L.P.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE* 22

Wildcards—The AI "story" has considerable runway to run...



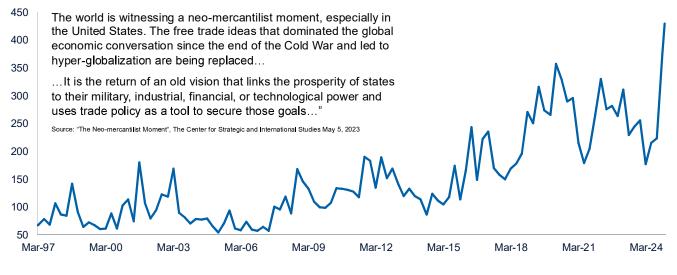
T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

Wildcards—"Neo-mercantilism" is more than a fad...

As of 31 January 2025

Global Economic Policy Uncertainty Index



Past performance is no guarantee of future results. Source: Bloomberg Finance, LP,

T. ROWE PRICE

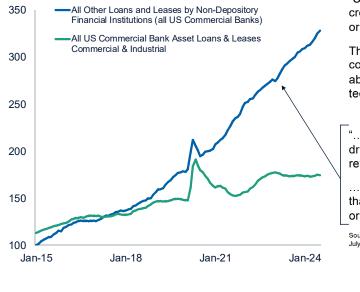
FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE®

23

Wildcards—The US banking system is likely to get regulatory relief while credit markets remain wide open

As of 31 July 2024



"Since the global financial crisis, an increasing share of credit is created by nonbank lenders such as mortgage originators and private credit funds.

This is a well-documented trend largely stemming from a combination of increased bank regulation and a greater ability of nonbanks to underwrite credit due to technological improvements and a larger capital base."

"...banks take advantage of their liquidity position (QE driven) by making commitments to supply liquidity, such as revolving credit facilities....

...these facilities are often extended to the same parties that banks are losing loan share to, including mortgage originators and private credit funds..."

Source: "Ahead of the Curve 'Shadow banking system' creates a trickier path for the Fed" T. Rowe Price July 2024

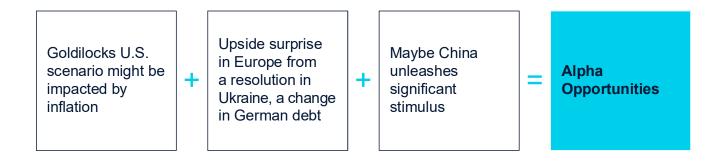
Left Source: Bloomberg Finance, LP

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 25

Wildcards—Contrarian scenarios may factor into a "bumpy" 2025



10-year U.S. Treasury Yields could reach 5%...and maybe 6%.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

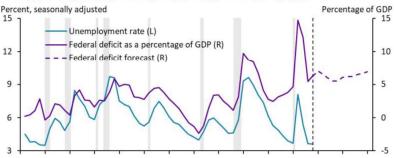
INVEST WITH CONFIDENCE® 26

Wildcards

As of 22 November 2024

"Mr. Ness, everyone knows where the booze [US structural deficit] is. The problem isn't finding it, the problem is who wants to cross Capone [voters]." Source: The 1987 movie "The Untouchables"

Chart 1: Historically, federal deficits have moved closely with the unemployment rate



^{1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020 2025 2030 2035} Notes: Gray bars denote National Bureau of Economic Research (NBER)-defined recessions. The deficit reflects the Congressional Budget Office's (CBO) baseline total deficit adjusted to exclude the effects of timing shifts. The forecast is from June 2024.

Sources: U.S. Bureau of Labor Statistics (BLS) and NBER (both accessed via Haver Analytics); CBO.

- "...the unemployment rate (blue line) and the federal deficit (purple line) indeed moved together between 1965 and 2007.
- After the 2007–2009 financial crisis, however, the deficit remained elevated even when unemployment rates normalized.
- Moreover, during the recovery from the COVID-19 pandemic, federal outlays and deficits remained higher than their prepandemic levels even after the unemployment rate had fully recovered..."

Source: "Federal Government Outlays Remain Historically Elevated, Spurred by Robust Transfers" By Huixin Bi and Alison Felix of the Kansas City Fed

T. ROWE PRICE FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION. INVEST WITH CONFIDENCE® 27

Wildcards—A material challenge for the US has emerged...

As of 31 December 2023

Questions around US Debt Sustainability

have emerged



"Cuts in spending to bring down the debt would be painful. Baby boomers are retiring and an aging population will rely on government services, such as Medicare...Americas defense spending, the transition to renewable energy and industrial policy will also add to the problem...Congress has been slow to act on America's deficit but, **eventually the market may force its hand**."

Source: "Can America afford its debts ?" The Economist, July 19, 2024

The analysis suggests that maintaining the US's special status in global financial markets is crucial for debt sustainability. Efforts by other countries to establish competing safe assets could pose challenges to the US's (currently) dominant position...

Source: "Exorbitant privilege and the sustainability of US public debt" Jason Coi, et. al. August 2024

Left Source: Bloomberg Finance, L.P.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

US productivity emerges as a key 2025 and beyond economic and investment theme

As of 9 January 2025

US Productivity following the invention of the PC vs. LT AVG



Measures of labor productivity compare the growth in output to the growth in hours worked and measures of total factor productivity (TFP), also known as multifactor productivity (MFP), which compares growth in output to the growth in a combination of inputs that include labor, capital, energy, materials, and purchased services.

Source: US Bureau of Labor Statistics

"The widespread adoption of previous inventions, including the electric motor (1890) and the personal computer (1981), were followed by US labor productivity booms to the tune of 1.5% of labor productivity growth annually circa 20 years for the electric motor and approximately 12 years for the PC—for a cumulative impact of ~15%.

These labor productivity growth phases also resulted in a 7% increase in annual global GDP over a ten-year period. If GenAI has a similar impact, the US may realistically be able to outgrow its debt..."

Source: "US Debt Sustainability: An Uncertain Fiscal Future" Goldman Sachs June 30, 2024

Left Source: Bloomberg Finance, L.P.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 29

Key takeaways

The US economy is slowing but remains resilient for now.	Significant optimism for US equity earnings growth in 2025 depends on continued "American Exceptionalism."	Credit markets remain fundamentally well supported and "spreads" reflect this reality.	A more isolationist and "transactional" US foreign policy approach forces the developed world to make some tough decisions.
Higher, instead of higher for longer, US rates creates "competition" for US equities. This is welcome news for a global 60/40 portfolio construct.	Diverging economic cycles and central bank policies set up a powerful backdrop for global fixed income and equity investing.	Stay invested, be diversified and "buckle up" for what looks to be a volatile 2025 investing experience.	

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 30

Equities	REGIONS	STYLE & MARKET CAPITALIZATION
Equilio	U.S.	U.S. Growth vs. Value ¹
	Global Ex-U.S.	Global Ex-U.S. Growth vs. Value ¹
	Europe	U.S. Small-cap vs. Large-cap ¹
UNDER WEIGHTING OVER	Japan 📕 📕	Global ExU.S. Small- vs. Large-cap ¹
	Emerging Markets (EM)	
	Emerging Markets (EM)	
Bonds	Emerging Markets (EM)	INFLATION-SENSITIVE
Bonds		INFLATION-SENSITIVE Real Asset Equities
Bonds	U.S. Investment Grade (IG)	INFLATION-SENSITIVE Real Asset Equities

Down Drine Multi Accet Desitioning

• For pairwise decisions in style & market capitalization, positioning within boxes represent positioning in the first mentioned asset class relative to the second asset class. Please see Additional Disclosures page for additional legal notices & disclaimers.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

INVEST WITH CONFIDENCE® 31

Additional disclosures

Bloomberg - Bloomberg® and the Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been loensed for use for certain purposes by T. Rowe Price, Bloomberg is not affiliated with T. Rowe Price, and Bloomberg does not approve, endorse, review, or recommend this Product, Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to this Product.

CFA - CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

J.P. Morgan – Information has been obtained from sources believed to be reliable, but J.P. Morgan does not warrant its completeness or accuracy. The index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright © 2024, J.P. Morgan Chase & Co. All rights reserved.

MSCI – MSCI and its affiliates and third party sources and providers (collectively, "MSCT) makes no express or implied warranties or representations and shall have no lability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. Historical MSCI data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be refeo on as such.

S&P - Copyright © 2024, S&P Global Market Intelligence (and its affiliates, as applicable). Reproduction of any information, data, or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party, Such party, its affiliates, and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness, or availability of any Content and are not responsible for any enrors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concering an investment that is part of the suitability of an investment or security and should not be reled on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

The S&P 500 Index is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJI"), and has been licensed for use by T. Rowe Price, Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"). Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones"). This product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

T. ROWE PRICE

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.

Wealth Management and Trust Training

Stay Ahead of the Change

With five generations of clients in today's market, there is no such thing as a 'one-size-fits-all' approach to wealth management. To help your advisors stay ahead of the change, turn to online training from ABA.

These enhanced offerings include seven new online certificate programs and nearly 60 flexible courses for your wealth and trust team. Ensure they are equipped with the latest knowledge to maintain, deepen and enhance client relationships, compete in today's market and excel as an advisor.

Prepare for the next era of wealth management with training built for today, and focused on tomorrow.

NEW

7 Wealth Management Certificates

 Core Concepts for Fiduciary Advisors
 Designed to accelerate onboarding of professionals moving into fiduciary-based advisory roles

Fiduciary Principles and Ethics

A comprehensive overview of fiduciary standards, rules and regulations designed to provide beneficiaries with the highest level of care and consideration by financial professionals

Fiduciary Relationship Management
 A deeper exploration of fiduciary relationships
 to prepare advisors to meet not only today's
 clients' needs, but also the needs of future
 generations

Asset Management

A thorough study of financial and non-financial assets and how they work together in helping clients meet their financial goals

Trust Administration

A review of common types of trusts developed for specific purposes, how these accounts are administered, and the risks associated with administration

Fiduciary Risk and Compliance

A detailed overview of fiduciary risk management principles, and the federal regulations that guide bank policy and client engagement

Integrated Wealth Planning and Advice

Core elements of wealth planning for taxes, education, insurance, retirement, wealth transition and philanthropy, aimed at helping clients achieve financial goals during their lifetime and beyond



Questions? Dorothy Lick North Dakota Bankers Association dorothy@ndba.com (701) 595-7757



