EVERGREEN
PRIVATE WEALTH

INVESTMENT POLICY STATEMENT

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I. *Purpose of Investment Policy*

The purpose of this Investment Policy Statement is to explain and define: (i) Evergreen Private Wealth, LLC's ("Evergreen", "we," "our" or "us") philosophy about the financial markets, including our value as a behavioral coach, (ii) your financial goals and objectives, (iii) our responsibilities as the investment counselor and your responsibilities as the client, and (iv) the guidelines that we will use to manage your money.

The first step in this process is to articulate our philosophy about investment advice and what we believe.

II. *Our Philosophy About Investment Advice and What We Believe*

Evergreen's investment philosophy has been derived from several books including Nick Murray's "Simple Wealth, Inevitable Wealth" and Jeremy Siegel's "Stocks for the Long Run", as well as our own experience and research. Our investment philosophy includes the following beliefs:

- We believe that investing in high-quality stocks over decades is less risky than bonds and has the best potential to build wealth and outpace inflation.
- There will be times when financial markets drop significantly in value. We believe that a temporary decline is not the same thing as a loss, as long as it is patiently waited out.
- Stocks are historically more volatile than bonds, but the bumpy ride is the reason for the premium received for owning stocks.
- Because of the volatility in stocks, we believe in keeping at least 5 years' worth of portfolio cash flow needs invested in bonds and other short-term investments that have historically had lower volatility.
- The real risk for investors is the emotional response to volatility. The best advisors help you stay disciplined and avoid common behavioral mistakes. We are confident that over the years of our relationship with you, our behavioral advice against panic selling in falling markets and our discipline in helping you stick to a well-constructed financial plan will be worth multiples of our fee.
- We believe that no one can consistently time the market, so it is best to have an investment plan and stick to it.
- For most clients, financial plans need to be created in the perspective of decades.
- There is no such thing as no risk. Keeping your money in cash may erode your future purchasing power.

Because the value of your investments will fluctuate with market conditions, your investments may go up or down and there is risk that you will lose money. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

III. *Financial Planning*

We currently use software tools to generate goals-based, highly customized Financial Plans and create reports that cover Investments and Analysis, Retirement Plans, Risk Assessments, Social Security Optimization, Estate and Tax Planning. The information that you have provided about your assets, financial goals, and personal situation serves as the key data input for completing the calculations and generating the projections in these reports. We will review these reports with you in detail. We will typically update relevant reports at least once per year and deliver it to you. Upon receipt of each report, you should review the information you and notify us immediately to update the report if any of the assumptions are incorrect or have changed or if there has been any change in your circumstances. Even small changes in assumptions can have a substantial impact on the results shown in the reports.

IV. *Responsibilities as Investment Advisor*

Evergreen acts as a fiduciary, which means that all advice and decisions rendered by us to you must always be in your best interests.

Most of our clients are working on multidecade and even multigenerational plans for goals such as education, retirement and legacy. For this reason, we make no attempt to adjust our investment policy based on headlines or current events in the market or economy. Rather, we align your portfolio with your principal long-term goals. There will be times when financial markets drop significantly in value, but we help clients plan for this. We believe that temporary decline is not the same as a loss when a solid plan is in place.

The only benchmark we care about is the one that indicates whether you are on track to accomplish your financial goals. Risk should properly be measured as the probability that you won't achieve your financial goals, and investing should have the exclusive objective of minimizing that risk to the greatest extent practicable.

Once we have put a long-term plan in place for you and funded it with the investments that seem historically best suited to its achievement, we rarely recommend changing the overall strategy of the portfolio unless either your personal circumstances or plans have changed. In brief, our principle is: If your goals haven't changed, don't change your portfolio. There is overwhelming evidence that the more often people change their portfolios, the worse their results become.

We *may* make adjustments to the portfolio from time to time as we see opportunities to take advantage of shifts in economic, political, interest rate, inflation, or other changes in the financial markets.

What We Do

1. **Planning**. Based on your current assets, we will determine how much you need to invest over time, the rate of return necessary, and your ideal asset allocation.
2. **Perspective**. We will provide long-term perspective on an ongoing basis to help you make the right decisions—especially in bear markets, when you may need that perspective most.
3. **Behavioral Coaching**. We will provide advice to ensure that you do not succumb to the temptation to abandon a carefully constructed investment plan.
4. **Active Management**. Our goal is to outperform the market through active management by making adjustments to your portfolio as we see opportunities related to shifts in financial market conditions. In doing so, we do not change the overall asset allocation of your portfolio; rather, we make adjustments in how the portfolio is invested.

What We Don't Do

1. **Market Timing**. We make no attempt to time the market, because no one can consistently do so successfully. On a related note, we also do not day trade accounts.
2. **Adjust the Long-Term Plan Based on News Headlines**. The best investors tend to view their investments in terms of decades, not days or even years. In contrast, the 24-hour news cycle often seizes viewers' attention through sensationalized stories that elicit strong emotional responses but have little, if any, long-term merit. Reacting to these news headlines can lead to actions contrary to time-tested, long-term financial plans. We do not take action on this type of news without deliberate and thoughtful evaluation.

V. *Client Responsibilities*

You must provide us with all relevant information related to your financial condition and promptly notify us of any changes to this information.

You must introduce us to your tax, legal and insurance advisers, so we can coordinate with them and solicit their input to ensure that your financial plan incorporates all important tax and legal considerations. Because our services include the wide-ranging nature of financial planning, we may provide ideas and insights to you related to estate and tax planning. However, when such estate and tax planning ideas are shared, they are not to be construed as legal or tax advice. Regarding estate and tax matters, you must always first consult with their attorney and/or tax professional regarding the efficacy and impact of the ideas that Evergreen proposes before taking any action.

You must understand and agree with our financial markets philosophy detailed in the "What We Believe" section of this Investment Policy Statement. You must not act hastily, if at all, in volatile markets.

We are always happy to listen to our clients' investment ideas, but ultimately our clients do not choose the investments in their account directly. We work best with clients who wish to delegate the day-to-day investment decisions to us, and we structure those investment decisions according to the strategy that we develop with your input on your investment preferences, risk tolerance, and time horizon.

For the financial plan to have the greatest chance for success, you must be willing to adhere to the tenets of that plan.

VI. *Ongoing Client/Advisor Meetings*

We offer to meet each client four times throughout the year, primarily focused on tax planning, retirement planning, risk management, and investments. We adjust the frequency and focus of these meetings based on the preferences and needs of each client.

VII. *Asset Allocation*

You need cash to pay for your day-to-day living expenses. Ideally, you should have additional cash reserves available for emergencies. You also need to set aside enough cash for any known future commitments that will become due and payable within five years. With these requirements in mind, our simple asset allocation model is to invest your portfolio in a highly diversified portfolio consisting of:

- **Cash and Bonds**. We set aside an amount sufficient to cover five years' worth of clients' portfolio withdrawals that is invested more conservatively through a combination of cash and bonds. The purpose of this is to pull from this conservative bucket in a market downturn to allow sufficient time for the long-term stocks/equities bucket to recover and grow.
- **Stock/Equities**. The remainder of the portfolio should be invested in a highly diversified equity portfolio that we will research, invest, and manage for you.

After proposing the overall asset allocation for your portfolio, we will customize each client's allocation based on individual preferences.

VIII. *Portfolio Transition and Implementation*

Generally, within 60 days of you becoming our client, we will implement a portfolio transition. This typically involves selling stocks, mutual funds and other securities that you currently own and establishing the new portfolio that we recommend. We do not earn any commissions or receive any payments from any party for completing this portfolio transition and implementation.

We treat portfolio transitions for taxable accounts differently from those for nontaxable accounts (e.g., IRAs and other retirement plans) because we don't want the sale of securities to generate unexpected realized capital gains, which could trigger a capital gains tax liability. For taxable accounts, we will work with you and your tax/accounting professionals to understand the potential tax implications of our proposed transactions. We will implement the transactions only after you understand the tax consequences and give us your approval.

During our meetings, we will review your goals, your financial plan, and the progress of your plan and portfolio toward the achievement of those goals over the last year. Assuming there are no major changes in your circumstances or financial condition, we will typically rebalance your portfolio 2 to 4 times per year. In addition, whenever there are major changes to your circumstances or financial condition, we will rebalance your portfolio as needed at that time.

IX. Performance Measuring and Monitoring

We send out monthly performance reports that are available on our client portal. Reviewing performance reports monthly, quarterly, or even annually is short-term, in nature, and we always emphasize the importance of long-term perspective that is ideally viewed in decades. We will regularly remind you that short-term swings in the market are normal and it is best to look at long-term trends in decades and sometimes the best action to take when volatility occurs is to deliberately *not* take action. We help you develop and stick to a plan that is consistent and methodic and focused on one goal: achieving your long-term financial objectives.