



SILVERCREST
ASSET MANAGEMENT GROUP

Investment Goals Attained

A client story from one of our Portfolio Managers



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A key part of our job as portfolio managers at Silvercrest is developing a plan with clients, executing that plan, and adjusting as one's life evolves along with the investment landscape. It is always satisfying to work many years with someone and see realized success in delivering on that plan.

As one gets older, on a fundamental level, the most basic question we deal with is, "do I have the financial resources to do the things I want to do and to get by?" In its essence, everyone wants to be secure in the knowledge they will not outlive their money. One client of ours who was with us for many years had simple needs for himself, but he had a few important priorities regarding his family. He wanted to gift as generously as possible to his children and grandchildren. He also wanted to support education for his offspring, and he wanted to be the financial backer to maintain a family tradition of getting everyone in the family together each year at a destination that was special to them.

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So, the question was, could he continue to do all of this and at the most basic level know that he could always live comfortably? Developing an appropriate asset allocation was a big part of this. After we had agreed on an approach that we felt had the suitable mix of income, growth, and risk, we turned to his desires for the use of liquidity. We boiled down his entire financial picture into a report that showed not only assets and liabilities, but also had a detailed and flexible cash flow projection. As we forecasted, we included assumptions

about the growth rate of his portfolio along with all the gifting and family support that he wanted to do. Knowing that life has uncertainties and investment returns do not generally occur in a straight line, we decided asset levels at which he would curtail his gifting. If his portfolio ever got below certain agreed upon levels, we would review whether any of his gifting would be curtailed. And finally, we picked a floor at which he would still feel comfortable that he could meet all of his personal needs. If his assets were reduced to that level, we would likely suspend all the outgoing payments.

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Over the years, we would check in on the projections, see if we were on target, and review his situation. I believe as he became older that having this plan in place, and being able to refer to it and revise it when and if necessary, really gave him peace of mind. Happily, our projections and guidance worked out as we had hoped. He lived a great life and left us at 91 years of age. Interestingly, we are doing similar exercises with his son and daughter-in-law now as they look towards their own retirement years.

In order to tailor our strategy to the specific goals of our clients, we customize not only the investment strategy, but also communications and reporting. We cultivate deep and long-lasting relationships which in turn improve our persistence in working together in difficult times. Today we have access to sophisticated tools and data to assist in the process of financial planning and modeling. However, any model is only valuable so long as it helps advance the objective of our clients. This combination of financial acumen and true client partnership are keys to success over the long haul.

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