GREENLEAF TRUST

Perspectives

A Greenleaf Trust Newsletter

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William D. Johnston
Chairman, Greenleaf Trust

Economic Commentary

Last month, we described the "Global Tough Spot" conditions of weak demand, high unemployment, low wage growth, high sovereign debt and very low interest rates. While we are forecasting 3% GDP growth in the United States, we do so in the landscape of near flat growth globally, with some countries continuing to slip in and out of recession. As we examine various countries' approach to stimulating growth, we are also seeing more evidence that the suggested formulas are less temporary in nature and include structural elements that have the potential to change conditions over longer periods of time. We suggested that the President's budget, as proposed in January, included many structural changes, and that these themes were not dissimilar to proposals in other countries. The largest theme can best be described as redistribution. This term often creates tension especially by those who own or are likely to own in the future what is being redistributed. For our purposes, let's examine redistribution as an economic term, and how the public policy of governments use it as a tool both economically and politically.

In its very essence, redistribution means exactly what the word implies. Assets will be taken from their present owner and given to another owner. Think taxes for a moment. A tax on earned income takes money from the wage earner. An earned income tax credit gives money to a wage earner if certain conditions are met. The credit to one individual is paid for by the tax on the other individual. Taxes are how all functions of governments are supported. In recent political history, we have come to describe the various tax credits that are included in legislation that become IRS law as "loopholes," implying with the phrase that the credit is somehow unfair, unethical or immoral. It is not uncommon to hear a politician say that they want to have tax reform and close "loopholes" in the tax code, suggesting that doing so would create a fairer and simpler tax code. We especially hear this theme during elections on both sides of the aisle.

It is important to understand that tax credits are clearly redistributive. Someone's tax credit is paid for by someone else's tax payment. As my wife's grandfather was fond of saying, "Every time someone gets

Commentary, continued

something for not doing anything, it is because someone else working paid for it." While most people respond positively to the notion of closing "loopholes" it is because they don't see "loopholes" as legal tax credits, and assume the "loopholes" politicians speak of apply to others and not to them. Those people would be wrong. All politicians speak of tax reform on the election circuit, and yet tax reform is rarely attacked in earnest and the reason is simple. Tax code exists as public policy to achieve many goals which include not simply the support of the federal government, but also to support assumptions about what achieves the best balance for economic growth and societal benefit. Unfortunately, tax policy is developed, constructed and legislated in the body politic — which means that tax policy is less about what is best for society's benefit and more about what policies earn the political parties' political capital.

"Structural change in tax policy would require the agreement of both sides of the aisle, but also agreement from special interests such as lobbyists."

Structural change in tax policy would require the agreement of both sides of the aisle, but also agreement from special interests such as lobbyists. The most widely used tax credit is the deduction for home mortgage interest. Let's assume that the billions of dollars a year that this tax credit costs all of us in federal revenue were better spent on education, and that a coalition of legislators authored a bill to eliminate home mortgage interest deduction as a tax credit. The food chain of special interest groups who would oppose this legislation would be unending, but would certainly include mortgage bankers, financial institutions, mortgage bond brokers, syndicators of mortgage investment vehicles, contractors, home builder associations, labor unions, suppliers of materials, furniture makers and on and on. Proposing this structural change in redistributing income for some other societal need is often like grabbing the proverbial "third rail" for politicians and, thus, it continues to be talked about in campaigns and undone when elected. The implications for this particular tax credit are that people would not buy or own homes at the same level that they currently do if they could not deduct their mortgage interest expense from their taxes. At some point in public policy we, as a country, through our legislators, deemed it appropriate that our collective tax revenue should pay for the cost of allowing 68% of the homeowners in this country to reduce their taxes by the interest cost of their mortgage. I am not suggesting that this tax credit should be eliminated, even though I know that there are many countries that do not provide a tax credit for mortgage interest and have home ownership at similar levels to the US; rather, I am using this tax credit as an example of redistribution of income in our tax code. It is common, and our code is full of many other similar credits. I am not suggesting these credits are wrong, but rather illustrating that historically we have used tax policy to create what we think are structural incentives to accomplish change, some more effective and permanent than others and some, especially more recently in our history, to achieve political advantage.

As an analyst looking for great companies that would generate solid returns over long periods of time, I studied the companies' balance sheets and their P&L statements. I sought evidence of what those companies were investing their company's capital in. My thesis is that you could have a better idea of a company's future by knowing in great detail what that company was investing in today. I think the same premise holds true for our country. We have identified challenges our country faces such as wage stagnation, growing income inequality, staggering increases in higher education costs, crumbling highways, port and airport infrastructure, uncontrollable healthcare costs and unsustainable entitlement promises — yet we have not had a federal budget in nearly two decades that has addressed in any meaningful way the structural changes necessary to create meaningful steps to change the condition we are in.

If globalization requires more, not less, education and if an information age gives power to those with information, why are we spending less on education than we did twenty years ago, making it more difficult to access technical and higher education opportunities? If the evidence demonstrates a crumbling infrastructure, why don't we have a national transportation strategy that makes sense for our future? If we know we can't afford our future debts, why are we prolonging the condition we are in? The answer is, of course, political rather than intellectual and that only makes the problem more frustrating. If every issue is framed in the lens of the next election, and if every issue must pass the litmus test of the far right and the far left, then essential solutions will be lost. The immoral element is that we only have to look at our own post-World War II history to see multiple examples where public policy funded redistribution of assets and made permanent structural changes that worked for society's benefit. The GI Bill paved the way for the explosion of higher education opportunities in the 1950s and 1960s. Our investment in NASA created a geometric explosion in not just a race to the moon but all of the adjacent sciences, intellectual thought and idea based companies. Our National Institute of Health discovered and created the intellectual property to eradicate diseases

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Commentary, continued

that plagued much of the globe. Our mission to create a national highway system under President Eisenhower's leadership was a model for the world, and now crumbles far more than it should. What is missing today that wasn't then? That could take an entire newsletter in itself, but let me leave you with one thought. If redistribution wasn't framed in the political but rather in the aspirational context, we might be able to consider better and more permanent structural public policy that would indeed change the condition we are in.

If you'd like to join us in our efforts to conserve natural resources and create a greener environment, you may choose to save paper by receiving email notifications to view your statement online. Simply give us a call at 269.388.9800 and ask to speak with a member of your client centric team.

We Can Read Your Mind

Michael F. Odar, CFA
President

Have you ever told someone that you are not a mind reader, so if they actually want something they need to tell you exactly what they want from you or need you to do? If my wife, Jenny, reads this article, she would attest that although she has not asked that question herself she has been asked that question a few times. The issue is that I am actually a pretty good mind reader when I take the time. We all are pretty good mind readers when we take the time to listen.

I just finished reading a book by Nicholas Epley, the John Templeton Keller Professor of Behavioral Science at the University Of Chicago Booth School Of Business, entitled *Mindwise*. Throughout the book Mr. Epley introduces the reader to what scientists have learned about our ability to understand the most complicated puzzle on the planet — other people. I particularly found interesting Mr. Epley's differentiation between perspective taking and perspective getting. Perspective taking involves putting yourself into someone else's shoes to figure out what they are thinking. The problem can be that we have our own set of biases and stereotypes that can cloud that view. Instead, perspective getting can provide a clearer view into what someone else is thinking. And, the best way to do that is to ask people what they want and then listen carefully.

Perspective taking versus perspective getting was interesting to me because, as a trusted advisor to our clients, we are in the business of helping them achieve their wants, needs, and desires. In order to do that, we need to really know and understand them. That is why we spend so much time with prospective clients on the front end of relationships and why we then work diligently with clients to continue to nurture and strengthen our relationship with them.

By spending the appropriate amount of time with prospective clients on the front end of relationships, we are able to build a stronger foundation of trust and that helps us get to what we need to know to help them. We then focus first on the 'What' and then on the 'Why'. What do you want or need to do and why is that important to you? Once we get a new client's perspective, we then verify our understanding through the construction of a holistic written plan and then an Investment Policy Statement (IPS) from there on forward. Finally, we enjoy spending quality time with our clients. They are amazing people and families that we can learn a lot from. And, the more time with them the more opportunities we have to read their minds.

"We all are pretty good mind readers when we take the time to listen."

Sharon A. Conran, JD
Trust Relationship Officer

Checking it Twice

When you hear the phrase "checking it twice" you often think of Santa's list, math problems, and other tasks that require a second look, but do you automatically think of your estate plan? As we go through life, many events occur, the birth of a child, a divorce, the death of a family member, receiving an inheritance or any number of things that can alter a well thought out estate plan. You've taken the time and made the effort to establish an estate plan so why not make it a priority to ensure that when the time comes, your estate plan is carried out as you intended.

> "Periodic reviews of your estate planning documents and assets should be done to ensure your estate plan will be carried out pursuant to your directives."

Periodic reviews of your estate planning documents and assets should be done to ensure your estate plan will be carried out pursuant to your directives. Your review should, at a minimum, encompass the following.

Fiduciary Succession

You should verify that the individuals named in your documents are accurate. Circumstances may change and you may not want to nominate this individual as your successor. Circumstances may change for the individual nominated which may hinder him or her from acting as your successor (i.e., health, relocation). If naming an Independent/corporate trustee, you should check the current policies and account minimums to verify that they have not changed to prohibit the independent/corporate trustee from accepting to act as successor trustee.

Beneficiaries

You should verify that individuals named in your documents are accurate. Many times this could be as simple as making sure beneficiary names are listed correctly (i.e., marriage, divorce). If circumstances changed within your family, does that change any planned distributions? This usually is a result of a divorce, death of a spouse, child, or other beneficiary.

If you designated a charity as a beneficiary, you should review the charity's purpose to verify the charity's purpose is still in line with your reason for selecting the charity. If the charity has merged or joined with another charity with a similar purpose and, if the charity has created divisions within itself, you should verify whether your documents should be amended to make sure your designation is made for the purpose you intended.

Assets

You should review your assets to verify they are correctly registered in the name of your trust. This is especially important when you acquire additional assets. Each time you purchase an asset, inherit an asset or are gifted an asset, you should re-register the asset to your trust so there is no potential that it will be handled any differently from the assets already registered in the name of your trust (i.e. probate). If a joint owner predeceases you, the joint asset should be re-registered with another joint owner or in the name of your trust to avoid a potential probate proceeding. Any asset that is registered jointly with a predeceased joint owner will be treated as an asset in your sole name (if there are no other joint owners) and may be subject to probate if the registration remains unchanged at the time of your death.

Beneficiary Designations

You should verify that all of your beneficiary designations are up-to-date. Reviews of insurance policies, annuities, retirement plans, and other assets that designate a beneficiary should be conducted to ensure the beneficiary is correctly identified. It is also a good practice to name a contingent beneficiary to ensure that the proceeds do not end up in a probate estate if the primary beneficiary predeceases you.

Gifting

If you are leaving a list of gifts for the purpose of distributing your tangible personal property, you should verify that the list is up-to-date. The list should be reviewed to determine if the items are still owned and if any additional items need to be added. In addition, descriptions of the items, as well as location of the items should be added to guarantee the correct item will be gifted. Beneficiary identification should be reviewed and, if possible, contact information included to assist in locating the individual so the gift can be completed.

Access to Documents

You should review your documents to verify, where necessary, your plan allows access to any medical records under HIPPA laws. Not only is this information necessary for Power of Attorney documents, but should there be any questions regarding medical issues, it allows your successor trustee access to medical information if needed for you care and treatment, or in the unfortunate event of a liability issue related to your cause of death.

Access to Digital Accounts

With the current environment of online accounts, Facebook, email and other internet accounts, you should review your documents to determine if your plan should contain provisions for accessing your digital assets and, if so, does someone know where to locate

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Chiecking it Twice, continued

your passwords? In today's world, many transactions are handled electronically. Ensuring that your documents contain the provisions to access your online transactions provides your successor trustee with the tools to ensure your electronic accounts are handled pursuant to your directives.

Change in Law

Have laws (tax/probate) changed that could affect your estate plan? Exemption amounts can change that may eliminate or necessitate a change of your trust provisions. This review can be technical and you should consult your advisors to ensure your trust purpose is not defeated by changes in the law. A recent change in Michigan law centered around the "uncapping" issue related to real estate, which may or may not affect your current estate plan.

Loans

Many individuals loan funds to family members for various purposes and some estate plans include provisions regarding outstanding loans. You should verify that any loans you make are not made in your sole name as any outstanding loan balance owed to you individually at the time of your death becomes a probate asset. You should review any loan information to guarantee that the loan amount is up-to-date and the loan is properly documented to ensure that the individual who owes the loan is not required to provide support to determine the balance/payment of the loan. If your intent is to forgive any loans at the time of your death, your estate planning documents should reflect this intent.

Business Succession

If you are a business owner, all items associated with your business succession plan should be reviewed to ensure the plan in place is still the right one. You should verify that nothing in the business has changed that needs to be addressed in the succession plan.

Funeral Arrangements

Although funeral arrangements are usually made outside of your documents, you should review your documents and determine whether you should include any directives for your funeral arrangements to guarantee your wishes are followed.

The items above are just a few that should be reviewed. Everyone's circumstances are different and some reviews may be more involved than others. The key is to review your plan periodically. The greatest gift you can give to your beneficiaries is an up-to-date estate plan.

"If you are a business owner, all items associated with your business succession plan should be reviewed to ensure the plan in place is still the right one."

Not Guilty by Association

Steven J. Christensen, CTFA
Wealth Management Advisor

Selecting a trustee or successor trustee is a very important decision. It is a decision that is best made with input and guidance from trusted legal counsel. The trustee selection process typically begins with a very basic question, should the trustee or successor trustee be an individual or an organization? The answer to this question depends on the trust grantor's unique circumstances and the skill-set required of the trustee to perform the duties assigned within the governing trust document. By design, corporate trustees are uniquely equipped to provide, among other things, regulated fiduciary professionalism, objectivity and prudence. When the circumstances are appropriate, few can dispute the conceptual merits of appointing a corporate trustee. However, the discussion does not simply end here. There is more than concept and theory to consider. Previous personal or referred experiences working with corporate trustees are important reference points in the decision process.

Not all corporate trustees are created equal and not all corporate trustees operate in the same way they did years ago. The last few decades have brought about massive changes within the financial services industry, particularly within banks offering corporate trustee services. Not all of these changes have been well received by trust clients or their advisors. I believe this is where the disconnect between what is good in theory and what has been good in reality exists.

Trust administration is a business of risk management, not risk avoidance. Wealthy clients typically have complex balance sheets, complex needs and sometimes complex family circumstances. Non-traditional assets like real estate, closely held business interests and intra-family loans are common. In order for a trustee to be helpful, the trustee needs to be able to understand the risks involved in handling these assets and approach the opportunity with a spirit of "how can we make this work for our prospective client," instead of an attitude of guarded skepticism focused on "how could this trust become an unwanted risk to the organization in the future." The opportunity to serve begins with a trustee's willingness to do so. Greenleaf Trust is committed to serving wealthy clients and we are willing to roll up our sleeves to do the risk management work.

Greenleaf Trust's motto is financial security from generation to generation. For wealthy families this often infers the use

"Not all corporate trustees are created equal and not all corporate trustees operate in the same way they did years ago. The last few decades have brought about massive changes..."

Not Guilty, continued

of complex multi-generational trust instruments. Each trust has its own unique objectives, beneficiaries and perhaps tax characteristics. In order to exact excellent holistic fiduciary management, a trustee must be able to understand the interconnected relationship among the various trusts. Being intimately connected to the trusts on all levels is vital. Fragmenting the relationship by migrating the administrative responsibilities for the smaller, more labor intensive or depleting trusts to a different trust department within the organization automatically creates a hurdle to cohesive administration. At Greenleaf Trust families and their respective accounts are viewed as a collective group.

People unfamiliar with the banking industry are often surprised to learn of the sales responsibilities levied on some bank advisor employees. Growth of client deposits, loans, assets under management and net new client relationships are metrics by which employees are often measured and compensated. The structure creates a culture of transaction motivated advisors serving a relationship seeking and starved client base. When sales goals are not achieved neither are compensation expectations. If the pattern repeats for too long, the bank and bank employee will typically part ways and a new advisor is assigned to the existing book of client relationships. Greenleaf Trust is structured to be privately held in perpetuity. Ownership is deeply committed to putting clients', employees' and the community's interests ahead of the shareholder. Greenleaf Trust has a 95% annual employee retention rate and is the proud recipient of numerous "great place to work" awards. Good for Greenleaf Trust employees? Sure, I'll take it. But the ultimate benefactors are our clients. Continuity of care is a critical and often overlooked aspect of providing excellent fiduciary service. A client/advisor relationship with established tenure is going to be more mutually satisfying when compared to a scenario where the client is meeting a new advisor every few years.

> "Greenleaf Trust is structured to be privately held in perpetuity. Ownership is deeply committed to putting clients', employees' and the community's interests ahead of the shareholder."

Corporate trustees are often tasked with making difficult interpretive decisions. Trust documents can be several pages long and fill a large binder. Additionally, there is trust code and statutory law to consider. You would think that between the three, all the answers would be explicitly spelled out. This is just not the case. Much remains open for interpretation and judgment. Early in my career I was told that in the absence of clear direction within the trust document it is the trustee's responsibility to approach the issue with the mindset of the trust's grantor. What was his/her true intent? This is another great example of how continuity of care can be so important. When the advisor responsible for the administration of the trust has a history from which to reference, it allows for a better understanding of the original intent. However, responsibility without authority is meaningless. If interpretive decisions are made centrally without the benefit of context, the personality of the grantor in the decision process is removed. This can become a source of angst for trust beneficiaries. Greenleaf Trust advisors are empowered and have an active voice in the trust committee decision processes. Professional fiduciary management with a personal touch, sounds ideal right?

Yes, Greenleaf Trust is a regulated Michigan based trust only bank and, yes, like many other banks, Greenleaf Trust acts as corporate trustee for our clients. You could say that in many ways Greenleaf Trust is similar to all the other banks offering trustee services. The reality is we are very different.

"Professional fiduciary management with a personal touch, sounds ideal right?"

Michelle M. Gray
Participant Services Coordinator

How Will Health Care Expenses Affect My Retirement Savings?

As a Participant Services Coordinator, I often get asked, "How much money will I need to retire?" It's a great question, but unfortunately there's no one-size-fits-all answer. There are many things to consider, not the least of which is the cost of health care in retirement.

The current estimate is that over the course of their retirement years, the average retired couple is going to need approximately $220,000.00 (in today's dollars) to cover medical expenses throughout retirement. For many Americans, health care is likely to be one of their largest expenses in retirement. Considering that 60% of workers have less than $25,000.00 saved for retirement (excluding the value of their homes and pension plans), it's going to be a tight squeeze for many retirees to cover health care expenses in retirement. According to a recent retirement study, only 15% of pre-retirees said they have attempted to estimate how much money they would need for health care and long-term care in retirement. It's critical that people plan well in advance for the considerable cost of health care by adding it into their overall retirement planning discussions.

" ... the average retired couple is going to need approximately $220,000.00 (in today's dollars) to cover medical expenses..."

By this point, I'll bet you're wondering what that $220,000.00 will cover. Typically it will cover the cost of deductibles and co-payments, premiums for optional coverage for doctor visits and prescription drugs, out-of-pocket expenses for prescription drugs, and other expenses that Medicare doesn't cover, such as hearing aids and eyeglasses. What it doesn't include are any costs associated with nursing-home care. For nursing-home care, pre-retirees should buy long-term care insurance, which usually covers home care, assisted living, hospice care, nursing homes and more. This insurance can be a good investment as it helps cover out-of-pocket expenses, which can drain savings and retirement funds. There is also a tax benefit to long-term care insurance, with premiums considered a medical expense by the IRS.

One way to help combat the rising cost of retiree health care is to become a smart consumer of health care by being prepared, asking the hard questions, and knowing what you're paying for. There's absolutely nothing wrong with comparison price shopping for providers, services, prescription drugs, etc. Another way to lower heath care costs in retirement is to stay as healthy as you can by eating healthy, keeping your weight down and quitting smoking, for example. It's also important to get enough sleep and exercise as well as keep your mind sharp. The non-financial you can control is important as you prepare for retirement as well as while you are in retirement. Healthier people often get charged smaller premiums. According to the American Heart Association, physically active people save $500.00 a year in health care costs, primarily in the form of reduced premiums and out-of-pocket costs. With fewer visits to the doctor and limited medical bills, overall health care expenses should decrease.

Planning for health care expenses in retirement has never been more important. By carefully considering your needs, expenses, and financial resources ahead of time, you will likely be in a better position to handle the costs when retirement finally arrives.

"Planning for health care expenses in retirement has never been more important."

James W. Gray, CFA
Chief Investment Officer

Don't Leave Your Putt Short OR—Ensuring That the Putt Gets to the Cup…

Anyone familiar with the game of golf knows that a putt left short cannot go in the hole, yet many golfers leave putts short. While at times this "leave" is executed for valid strategic reasons, it always amounts to a lost opportunity. The short putt paints a fair depiction of the choice that we face every day as we construct client equity portfolios with the intention of beating the benchmark.

There are two key metrics used to assess whether an equity portfolio is positioned for potential outperformance. The first is active share, which effectively measures the deviation of a portfolio from its relative benchmark. In other words, it indicates in percent terms the difference of the portfolio from its index. This difference can be driven by the decision to hold or not hold a position that is held by the index. The weight of a position within the portfolio can differ, which is also considered within this measure. The second is tracking error. This measure illustrates the difference (standard deviation) of the return stream driven by the active positions. Yale professors K.J. Martijn Cremers and Anntti Petajisto introduced the concept of active share in a 2009 article exploring just how active the universe of active managers truly is. Their research illustrated that managers have become increasingly less active over the last thirty years. Based on their criteria, approximately 60% of funds were considered to be managed in an active fashion in 1980 with fewer than 20% meeting the same criteria in 2009.

> "… approximately 60% of funds were considered to be managed in an active fashion in 1980 with fewer than 20% meeting the same criteria in 2009."

There is much discussion today in the financial media regarding the limited number of managers that are "beating" a passive benchmark. While few managers are outperforming, Cremers and Petajisto's research would suggest that fewer portfolios are even positioned for the opportunity to outperform the index. In an effort to avoid material underperformance, many so-called "active" managers build portfolios that statistically resemble the benchmark while charging considerably higher fees than an index fund. This approach is known as "closet-indexing," a strategy that protects against material underperformance, but also removes the potential for material outperformance. An index fund, by definition, has no active share and minimal tracking error. Likewise, the portfolio of a closet indexer would be characterized by low active share and tracking error. Given that most benchmarks are based on indices which are market cap weighted, they necessarily own more of a company that increases in price. In other words, it owns more of a stock as the stock becomes more expensive, regardless of the fundamentals of the company. Our view, however, is that fundamentals and price matter.

Our equity focus list is a fundamentally developed portfolio of high conviction equities that have been thoroughly vetted by our internal equity research team diligence process. Through this process, we look for high-quality companies that fit our Four Pillar selection criteria. While we are cognizant of our sector weights relative to the benchmark, we don't allow sector weights to drive our individual stock selection process, and we are comfortable with material deviations. In addition, we aim to hold a relatively concentrated portfolio, with 30-40 stocks, whereas our benchmark has 1,500 stocks. This ensures our portfolio has sufficient active share. Additionally, we use position weights (e.g. what percent of the equity portfolio to allocate to a specific name), as a means of controlling risk. In this way we can ensure that our tracking error is sufficient to give us the potential to outperform the benchmark.

As an example, we are currently significantly underweight to our benchmark in utilities and consumer staples, as we think valuations in those sectors are overextended. This leads our clients' portfolios to look different than the benchmark, but based on our valuation assessment, we believe this is prudent. In the situations where we employ outside managers, we apply the same thought process. We look for managers that take an active approach in the management of client assets to ensure that our clients are getting what they pay for.

This brings us to a natural conclusion to our analogy: our objective is to ensure that we do not leave a putt short. We know that to position our portfolios for long term outperformance we must ensure that our clients' portfolios looks different from the benchmark, while doing so in a risk controlled manner.

"… we are currently significantly underweight to our benchmark in utilities and consumer staples, as we think valuations in those sectors are overextended. This leads our clients' portfolios to look different than the benchmark, but based on our valuation assessment, we believe this is prudent."

Stock Market Pulse

Index	2/28/2015	Total Return Since 12/31/2014
S&P 1500	486.89	2.67%
DJIA	18,132.70	2.17%
NASDAQ	4,963.53	5.02%
S&P 500	2,104.50	2.57%
S&P 400	1,506.53	3.94%
S&P 600	709.98	2.32%
NYSE Composite	11,062.79	2.06%
Dow Jones Utilities	594.17	-3.20%
Barclays Aggregate Bond	111.20	1.14%

P/E Multiples	2/28/2015
S&P 1500	18.0x
DJIA	15.1x
NASDAQ	21.5x
S&P 500	17.8x
S&P 400	20.0x
S&P 600	21.6x

Key Rates

Fed Funds Rate	0% to 0.25%
T Bill 90 Days	0.03%
T Bond 30 Yr	2.60%
Prime Rate	3.25%

Current Valuations

Index	Aggregate	P/E	Div. Yield
S&P 1500	486.89	18.0x	1.93%
S&P 500	2,104.50	17.8x	1.99%
DJIA	18,132.70	15.1x	2.14%
Dow Jones Utilities	594.17	NA	3.35%

Spread Between 30 Year Government Yields and Market Dividend Yields: 0.67%

MAIN OFFICE:
211 South Rose Street
Kalamazoo, MI 49007
office: 269.388.9800
toll free: 800.416.4555

TRAVERSE CITY OFFICE:
130 South Union Street
Traverse City, MI 49684
office: 231.922.1428

BIRMINGHAM OFFICE:
34977 Woodward Ave., Suite 200
Birmingham, MI 48009
office: 248.530.6202

PETOSKEY OFFICE:
406 Bay Street
Petoskey, MI 49770
office: 231.439.5016

GREENLEAF® TRUST

e-mail: trust@greenleaftrust.com
www.greenleaftrust.com