GREENLEAF TRUST

Perspectives

A Greenleaf Trust Newsletter

AUGUST 2024 VOLUME 33, ISSUE 8

Michael F. Odar, CFA®
President
Chief Executive Officer

Economic Commentary 2

Money Makes the World Go Round, But Don't Talk About It? 3

"Oh, the Places You'll Go!" 5

Enhancing the Attractiveness of Retirement Plans 8

Lost and Found in Northern Michigan

Where did the summer go? In Michigan, we start asking ourselves that question in August. The more enjoyable the summer, the faster it seems to go. Mine has been busy and enjoyable, so it feels like it is really flying by.

Most recently, I was in Northern Michigan attending our signature summer events for our clients. Northern Michigan is "Pure Michigan" in the summertime and these events provide a great opportunity to connect with clients in a relaxed atmosphere. While at these events, clients often seek me out to share how they feel about their Greenleaf Trust experience. For me, this is the most enjoyable part of the evening.

One story from a client couple really brought a smile to my face. The clients approached me after dinner to tell me how much they appreciated the members of their client centric team. Their appreciation came from their team at Greenleaf Trust doing something for them that was totally unexpected.

The clients had recently been contacted by someone claiming to live in their house that they last lived in 20 years ago. The caller said she received a letter in the mail referencing an account that she believed belonged to them that was going to be escheated back to the state due to lack of contact with the owner. Their first question was is this a scam or is it legitimate? The clients obtained the letter and were completely bewildered by what account it could have been. With no account number referenced, they did not know where to even start trying to track down this mystery account and its holdings.

When their Wealth Management Advisor heard about this in a non-related conversation with the client, she quickly offered to figure it out for the client. After numerous dead-end calls, the account was found and matched with the client's social security number. And, after 20 years of compounding growth it had become a sizable amount.

I was, of course, pleased because our clients were pleased. I thanked them for sharing that story with me and let them know that successfully finding that account for them was as rewarding to the Wealth Management Advisor as it was to them. This is exactly how we want to help.

Our value proposition is much more than portfolio management and customized

211 SOUTH ROSE STREET, KALAMAZOO, MI 49007 269.388.9800

Lost and Found in Northern Michigan, continued

to however we can help a particular client. Our team is wired that way. We want to help our clients with all of those "other" things that come up in life because we believe true holistic wealth management should involve all of those "other" things.

I hope you enjoy the rest of your summer and don't hesitate to let us know if there is anything else you need.

Economic Commentary

Nicholas A. Juhle, CFA®
Chief Investment Officer

The dog days of summer have arrived and it's a time of year where things slow down and the pace of life becomes more relaxed and leisurely, right? As July began, the presidential contest, at the time a rematch between two well-known candidates, moved along. Then, over a few days, we observed a failed assassination attempt of one candidate and the withdrawal of the other. At the Republican National Convention, Donald Trump named his running mate, Ohio Senator JD Vance. Upon his withdrawal, Joe Biden endorsed Vice President Kamala Harris for the Democratic nomination. Sometime in July we also experienced the largest global IT outage in history when a buggy cybersecurity update from Crowdstrike temporarily crashed 8.5 million Microsoft Windows devices. Dog days, indeed.

Financial markets took the headlines in stride. While there were some setbacks – Crowdstrike shares didn't fare so well – overall, there weren't any meaningful or lasting reactions to the headline events that shaped the month. Rather, investors seemed focused on fundamental factors like second quarter earnings, economic data, and monetary policy. One notable development was the reversal of a few long-standing trends over the last few weeks, namely: meaningful outperformance of small caps and value stocks relative to their large cap and growth stock counterparts.

"One notable development was the reversal of a few long-standing trends over the last few weeks..."

After climbing almost 4% in the first half of July, the S&P 500 closed the month just 1.2% higher. In comparison, the S&P 600 small cap index gained more than 10%. At the same time, growth stocks fell about 1.3%, while value counterparts gained more, nearly 5%. For some time now, large growth-oriented companies have been the main driver of domestic equity returns. For example, in the first half of 2024, large caps and growth stocks returned 15.3% and 23.6%, respectively, while small caps fell about 1% and value stocks gained just 5.8%. Some degree of profit-taking in the mega cap tech space and realization that smaller companies have more to gain from lower interest rates appears to be driving the shift.

Focusing on interest rates, the U.S. ten-year treasury yield moved lower throughout July, driven primarily by economic data indicating a higher likelihood of rate cuts from the Fed. Ten-year yields fell 43 bps from a starting point of 4.46% with notable declines following the June jobs and CPI reports, both of which indicated gradual cooling of the economy. As a result, investors increased rate cut

expectations from one-to-two 0.25% cuts in 2024 to two-to-three as the month progressed. As a reminder, Fed projections provided in June call for just one 0.25% cut this year.

For what it's worth, I do appreciate the gravity of the headline events I outlined in the introduction. My "dog days" characterization was intended as sarcasm. Those familiar with my content know that I try to avoid the realm of politics as much as possible. I am human and hold my own personal political beliefs, but in my capacity as Greenleaf Trust's Chief Investment Officer I frankly hope they aren't conspicuous. Regardless of which side of the aisle you favor, we can all agree that the notion of a single individual using violence to disrupt Americans' ability to vote for their preferred candidate is a deeply disturbing and unfortunate threat to our democratic process. As President Biden said upon his withdrawal, "democracy lies in the hands of voters." As it should… as it should.

I remind clients to be wary of headlines suggesting one candidate or another will disproportionately help or harm the stock market. The fact that investment markets didn't react strongly to the political events of the last month lends credence to my long-held belief that the best way to vote in an election year is with your ballot, not your portfolio.

Despite an ever-changing landscape, our disciplined approach and long-term orientation serve us well as we endeavor to create comprehensive investment solutions that help our clients reach their financial goals. On behalf of the entire team, thank you for allowing us to serve on your behalf.

"For some time now, large growth-oriented companies have been the main driver of domestic equity returns."

Money Makes the World Go Round, But Don't Talk About It?

Kathryn Gadbois Schafer, J.D., CTFA
Trust Relationship Officer

We've all heard "never discuss religion, politics, or money" in a social setting because you may cause yourself and others discomfort… But what about at home, with your immediate or even extended family? Religion and politics are likely a common topic, especially within the confines of one's home. If I asked you to think about the last time you discussed politics or religion with your family, it probably wouldn't be too hard to recount the last related conversation. Can you easily recall the last time your family discussed money?

A majority of Americans do not regularly talk about money. If money makes the world go round, why is it so uncomfortable for some of us to talk about? Well, there are generational differences – for some generations, money is still considered to be a taboo subject. If your parents did not openly discuss money, it may be difficult for you to start a conversation with your spouse and/or children. Humans are

Money Makes the World Go Round, But Don't Talk About It?, continued

naturally opposed to being uncomfortable; we often seek the easier route. Being uncomfortable isn't negative. Just like with anything else, we grow from doing things we haven't done before - by having a conversation that may be slightly outside of our comfort zone.

Here's your permission to break the rule: talking about money builds confidence, helps individuals make better financial decisions, and ultimately build wealth. I am encouraging you to talk about money with your family. You don't have to share what your salary is or how much you have in savings. You can check in on money-related matters, for instance, ask your parents if they have an estate plan and if it's up to date; are their assets appropriately titled; do they have beneficiaries named for their accounts? Start having conversations with your children. Children are innately curious – start discussing earning and saving with them.

> "Just like with anything else, we grow from doing things we haven't done before - by having a conversation that may be slightly outside of our comfort zone."

Our three-year-old daughter loves to hunt for coins when we are out and about. The excitement when she finds a coin (or, honestly, even when we find a coin to bring home to her) is quite fun. She puts her new treasures into her piggy bank and watches her savings grow. Sure, she's three and may not completely grasp the concept, but she is actively saving. She recently filled the piggybank to its brim, so we rolled her coins as a family, and went to the bank to deposit the fruits of her labor. We explained what we were doing and why. We started the conversation small, it's fun for her, and our hope is doing these kinds of things with her will open the door, allowing her to feel comfortable to ask questions about money when they arise in the future. I'll have to report back in 15 years to see if any of it sticks.

If your children are adults - have you shared details of your estate plan with them? Some individuals may leave children unequal amounts for a variety of reasons - possibly because the other(s) may be receiving an interest in a family business, jewelry, a residence, or perhaps because they have a greater need (e.g., an ongoing medical concern). If these types of decisions are not communicated it could lead to confusion, jealousy, or hard feelings amongst family members or assumptions about why you made this decision.

Have you named one of your adult children to serve as your Durable Power of Attorney (to handle your finances if you're unable to do so) or as Trustee? If so, it would be beneficial for them to know they have been selected to serve in this capacity – show them where your important documents are, where your assets are held, and the contact information of your professional advisors. If you have multiple children, it would be beneficial to let the others know of the choice to name one of their siblings to serve, so it isn't a surprise when the named child needs to step into the role. You likely have a reason for selecting one to serve (perhaps its proximity to you, time considerations, skill set, etc.); communicating this can go a long way. A lack of communication can breed assumptions, and we all know what they say about assumptions… If you need a default explanation for choosing one over the other, you can use this: some institutions (Greenleaf Trust is not one of them) will not accept direction when two agents have been named, so you choose

one to prevent future headaches and delays.

Perhaps previous generations avoided discussing money because they didn't want their children to think money is everything. Most of us have heard *"money doesn't buy happiness"* throughout our lifetimes. While this may be true, being comfortable with money, knowing how to make wise money decisions, and being able to have conversations about or relating to money is worth its weight in gold.

"Oh, the Places You'll Go!"

Nicole E. Asher, CFP®, CPWA®, ChFC
Senior Vice President,
Senior Wealth Management Advisor

From the great words of Dr. Seuss *"Only you can control your future."*

I don't know about you, but I love Dr. Seuss! His whimsical words and imaginative prose are fun to read at any age. He is delightfully eccentric yet full of wisdom to which we all can relate. Not only does Dr. Seuss instill positivity and confidence, but he tells it like it is. He encourages and motivates us, but he is brutally honest and lets us know that life isn't always easy or fair. But in the end, we will persevere and thrive.

For those of you who know me, you know that I am a bit of a control freak. I prefer to not call it control, but passion. I am a planner. And it is no surprise that I chose a career that focuses on planning. I truly believe that well laid out plans lead to successful results. Unfortunately, as much as I wish that I could, I know that I cannot control everything.

When it comes to retirement there are things that we can fully control, things that we can somewhat control and then there are those things over which we have absolutely no control.

So, what are those things that we can control? First and foremost, before we retire, we can control how much we save by setting our standard of living beneath our earnings. Starting to save/invest early and allowing the benefits of compounding to work its magic is powerful. There are tools that are available that allow individuals to determine how much to save based on their current age, planned retirement age and income. Generally speaking, if you start saving at 25 and make $50,000/year you should save approximately 5% of your income. If you wait to start saving until you are 30 years old and you make $70,000 per year, you will need to save 9% per year. You get the gist, the longer you wait to start saving the more you will have to save.

"Starting to save/invest early and allowing the benefits of compounding to work its magic is powerful."

Once in retirement, we can also control how much we spend. More on that later.

Second, you can control when you file for Social Security. Social Security can be a meaningful source of income in retirement. Making the best

"Oh, the Places You'll Go!", continued

possible selection, as it relates to when to file, can make a material difference in the income it provides over the course of your retirement years. It is important to consider Social Security in conjunction with all your assets to determine an optimal strategy.

Third, how you invest your assets and how much risk you want to take is also something that you can control. Your asset allocation should be designed to match your unique circumstances including your time frame, income needs and risk tolerance. Determining an asset allocation which meets your goals is the most significant challenge and opportunity. While a more aggressive strategy could potentially produce higher returns over the long-term, you must be willing to accept the short-term volatility that is associated with such a strategy.

"Your asset allocation should be designed to match your unique circumstances..."

Subsequently, this leads to one of the things that is totally out of our control, and that is market returns or the sequence of returns. I have been in this business for many years. I remember all too well the run up of tech stocks in the late 90s. From 1995-1999 the S&P 500 had double-digit positive returns ranging from 21% to over 37%. The Nasdaq rose 86% in 1999 alone. The 90s were awesome! I recall a large group of employees from a local employer who were offered packages and chose to retire early. They were loving the outstanding returns that they were seeing and sadly they were spending accordingly. It was painful to watch! As investment professionals, we were skeptical that these returns would last forever and we knew that spending what the market was returning was a detrimental mistake. Sadly, the dot-com bubble burst and the markets came crashing down. The S&P 500 was in negative territory for three years. By October of 2022, the Nasdaq had come crashing down and fell 77% from its peak. In fact, the decade of the 2000s was the worst decade for the markets. Sadly, many of those retirees who were spending all of their profits had to return to work. The good news is that you can control your savings before retirement and your spending after retirement.

"I've heard there are troubles of more than one kind; some come from ahead, and some come from behind. But I've brought a big bat. I'm all ready, you see; now my troubles are going to have troubles with me!" ~Dr. Seuss.

As I mentioned earlier, we would come back to spending in retirement. This is something that you can control. Upon retiring, a sustainable spend rate is typically around 4% of the portfolio which also accounts for the eroding effects of inflation. This is your big bat! It can weather most market conditions and provides you with a high likelihood of not running out of money over a 30-year time period. Which leads us into something that we can somewhat control and that is longevity. How long will we live and how long can we continue to work. We would all like to think that we will live a wonderfully long and healthy life and work until we choose. If only it were

as easy as eating more vegetables and exercising. Instead, we need to plan for both ends of the spectrum, a long life, a premature death or even a disability. If you come from a family like mine where people live into their late 90s and longer, and you chose to retire early, you would need to reevaluate your 4% spend rate as it may not last 50 years.

Additionally, you can somewhat control what your retirement looks like. Will you fully retire or will you ease into it? About half of those who decide to retire between 60 and 69 choose to continue working in some fashion, whether they "need" to or not. Financially, this allows you to delay dipping into your retirement savings, it may allow you to continue insurance and other benefits and maybe even allow you to save more. Moreover, most individuals who keep working do it because they enjoy it, and they like the ability to stay engaged. As we mentioned earlier, you can control how much you save and having adequate savings allows you to control your ultimate retirement date.

Inflation is another variable that we cannot control. Recently we have felt the impact of inflation. In June of 2022, we saw it peak over 9%, a number that we had not experienced since the early 1980s. Regardless of how good or bad inflation is, it must be accounted for as you prepare for retirement.

"Be sure when you step, step with care and great tact. And remember that life's a great balancing act." ~Dr. Seuss.

Not only is life a balancing act, but so is managing taxes in retirement. Which is another thing that is out of our control. There are strategies that can be deployed, but the challenging part is not knowing how taxes and tax laws might change over the years. Working with knowledgeable advisors and tax professionals is a vital component of a successful retirement. They can help you navigate the ever changing and complex tax landscape.

Like Seuss' magical realms, the world that we live in is difficult to predict and is ever changing. We will constantly be faced with difficult decisions that have to be made with variables that we cannot control. While we cannot control everything, being aware is half the battle. Knowing the possibilities and risk involved and having a contingency plan (your big bat) for most risks is the best way to plan. So, the moral of the story is this. As you prepare for and or as you enjoy your retirement, focus on and prioritize those things that you can control. Have a contingency plan for those things that you cannot control. Focus on the long term and don't let the blips along the way cloud your judgement and distract you from the path that you are on. As we say to our clients frequently after developing a well thought out, customized plan that fits their unique circumstances, "stay the course" and oh the places you'll go.

"And will you succeed? Yes, you will indeed! (98 and ¾ percent guaranteed)" ~Dr. Seuss

"We will constantly be faced with difficult decisions that have to be made with variables that we cannot control."

Rosalice C. Hall, MBA, CRPS®
Senior Relationship Manager

Enhancing the Attractiveness of Retirement Plans

The SECURE Act 2.0 introduced several optional provisions that employers can add to their retirement plans; they are designed to provide more flexibility and potential benefits for both employers and employees. This article explores some of these provisions and their implications for retirees and retirement plan administrators. The Roth enhancements can result in significant tax-advantaged savings, allowing retirees to optimize their retirement income strategies and tax efficiency.

Optional provisions that plan sponsors may consider implementing:

Roth Treatment of Employer Contributions: Defined contribution plans can now allow participants to designate matching and/or nonelective employer contributions as Roth contributions. This option is available only if the employee is fully vested in the contribution at the time of allocation. This gives participants more flexibility in managing their tax situation and potentially reducing future tax liability. Before the enactment of SECURE Act 2.0, employer contributions to a 401(k)/403(b) plan were required to be made on a pretax basis. Employer Contributions designated as Roth are taxable to the employee when made, and they are reported on a Form 1099R*, rather than a W-2 (*prepared annually by Greenleaf Trust for plans where we provide administration services).

> "In-Plan Roth Transfers have become an increasingly valuable feature for retirement plans"

At Greenleaf Trust, we believe **In-Plan Roth Transfers (IRTs)** are a good alternative and offer very similar results as amending a retirement plan to allow for the Roth treatment of employer contributions, with less ongoing employer administration. IRTs have become an increasingly valuable feature for retirement plans, offering participants greater flexibility and potential tax advantages. Participants drive the IRT process by designating the amount and timing of the Roth conversion transactions; the participant can customize their conversion amount to be higher or lower than the employer contribution. While Roth contributions don't provide immediate tax benefits, they offer the potential for tax-free growth and tax-free withdrawals in retirement. Roth contributions provide retirees more flexibility to manage their income streams and future tax liabilities; allowing them to take distributions when it is most tax efficient for their situation.

Roth treatment of employer contributions works best in plans where the employer's contribution is made on an annual basis instead of on a pay-to-pay basis. Software providers for payroll companies and retirement investment platforms are actively working on solutions to allow for the more frequent tracking of Roth employer contributions. Until technology

catches up to the pace of the recent governmental legislation, we recommend allowing IRTs within retirement plans.

Penalty-Free Distributions for Specific Circumstances: These provisions expand the accessibility of retirement savings during critical life events such as birth, adoption, illness, disaster recovery, and other challenging circumstances. While still taxed as income for the year, these penalty-free distributions reflect a more empathetic approach to retirement planning.

- *Terminal Illness:* A physician must certify that the individual has a condition that is reasonably expected to result in death within 84 months (seven years). There is no limit to the amount that can be withdrawn under this provision; it ensures those facing severe health challenges can access their savings without incurring additional penalties.
- *Federal Disaster Relief:* Participants can withdraw up to $22,000 per disaster. The distribution must occur within 180 days of the disaster declaration and the participant's principal place of residence must have been in the disaster area. To potentially ease the immediate tax burden, the distribution amount is included in the participant's income over a period of three years, and the amount may be repaid to the plan during the same three years. In addition, SECURE Act 2.0 increases participant loan limits in connection with a federally declared disaster to the lesser of $100,000 or 50% of the participant's vested account balance and extends the repayment terms.

  As an aside, on May 7, 2024, tornadoes and severe storms caused significant damage in Southwest Michigan, particularly in the city of Portage in Kalamazoo County, negatively impacting numerous of our clients, teammates, and friends. The aftermath of these storms has left the affected areas in a state of ongoing recovery and cleanup. The Federal Emergency Management Agency (FEMA) representatives began their assessment in May; these assessments are crucial for determining the level of federal assistance needed. While the damage is significant, a federal disaster declaration depends on various factors beyond just the extent of the damage; it is a complex process and not guaranteed. At the end of July 2024, the FEMA declaration was denied for the city of Portage. City officials have requested that Governor Whitmer appeal the results of the FEMA assessment and potential disaster declaration, which can be a lengthy process.
- *Survivors of Domestic Abuse:* Participants can withdraw the lesser of $10,000 or 50% of their vested account balance. Participants may repay the distribution within three years. The distribution must occur within one year of the abuse by a spouse or domestic partner; it helps the victim address their immediate needs and support their escape from an

"These provisions expand the accessibility of retirement savings during critical life events..."

Enhancing the Attractiveness of Retirement Plans, continued

abusive situation.

- *Birth or Adoption:* Participants can withdraw up to $5,000 per child, and both parents can withdraw from their respective accounts if they each have retirement savings. The distribution must occur within one year of the birth or adoption; it aims to help new parents cover the immediate costs associated with welcoming a new child into their family.
- *Long-term Care Insurance Premiums:* Starting in 2026, distributions of up to $2,500 per year can be made for paying only policies that provide "high-quality coverage". However, the specific definition of "high-quality coverage" has not yet been clearly defined. The provision aims to make long-term care insurance more accessible.

Employer Matching for Student Loan Payments: Employers can make matching contributions to an employee's retirement plan based on the employee's qualified student loan payments; it aims to help employees who might struggle to contribute to their retirement plans due to student loan obligations. These include payments made by an employee to repay a qualified higher education loan taken out by the employee, their spouse, or dependents. It allows them to receive employer matching contributions even if they can't afford to make individual deferrals into the retirement plan. Items of note:

"...it aims to help employees who might struggle to contribute to their retirement plans due to student loan obligations."

1. *Matching contribution rules:* The matching contributions must be treated the same as matching contributions for elective deferrals in terms of percentage, eligibility, and vesting rules. However, the frequency of matching can differ. Employers can make the student loan match more frequently than annually, but employees must have at least three months after the close of the plan year to claim the match.
2. *Self-certification:* Employers are permitted to rely on an employee's annual self-certification of qualified student loan payments.
3. *Nondiscrimination testing:* Qualified student loan payments are treated as available to all participants for purposes of nondiscrimination testing requirements. For the Actual Deferral Percentage (ADP) test, plan sponsors may separately test participants who receive matching contributions on account of qualified student loan payments.

Self-Certification of Hardship Distributions: Plan administrators can rely on participants' self-certification (unless the plan administrator has knowledge to the contrary) of deemed hardship events. The distribution is limited to the amount required to satisfy the need and must be made on account of one of the seven hardship withdrawal reasons. Collecting source documents is not required for plan sponsors when the provision is elected. Before self-certification, the employer still had risk in an audit; this provision shifts the risk to the participant in an audit. The streamlined provisions alleviate the administrative burdens for plan sponsors and

participants benefit from a more accessible and efficient process. The new self-certification process helps to eliminate unnecessary hurdles in times of financial need.

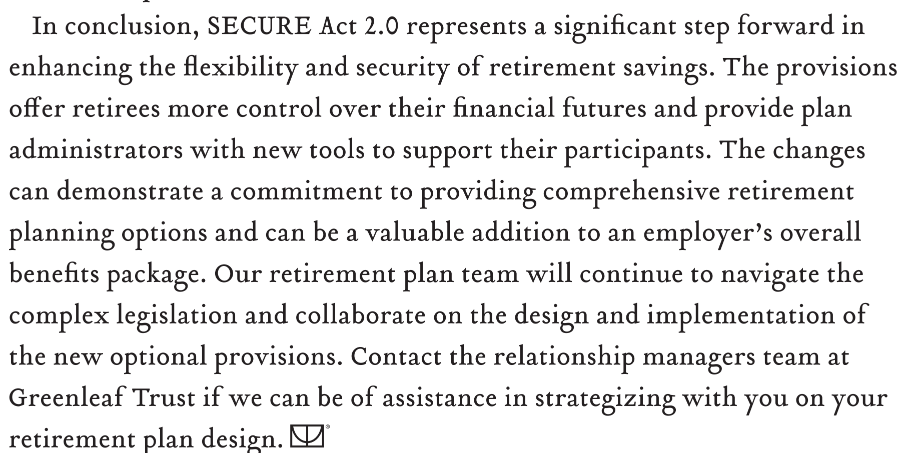
Cash-out Limit for Small Account Balances: Increases the involuntary cash-out limit to $7,000 from $5,000 for former employees. By distributing accounts of former employees with small balances, administrative costs may be reduced, and the employer does not have to continue to track the former employees. Greenleaf Trust has solutions available for terminated participants with vested account balances of $7,000 and under.

Increased Catch-up Contribution Limits for Those Aged 60-63: Starting in 2025, participants aged 60-63 during the tax year will be eligible for larger catch-up contributions. The aim is to help these participants boost their retirement savings in the critical years preceding retirement. The new limit will be the greater of $10,000 or 150% of the standard catch-up limit for that year. Beginning in 2026, these increased catch-up contribution amounts will be indexed for inflation. The complexity of the rules and the temporary nature of the increase mean careful planning and understanding of one's specific situation will be important to maximize the benefit of this provision.

> "The new self-certification process helps to eliminate unnecessary hurdles in times of financial need."

Potential Roth Requirement for High Earners: Originally scheduled for 2024, but now delayed until 2026, participants aged 50 or older, earning over $145,000 in the previous year (from one employer), will be required to make all catch-up contributions on a Roth basis in certain employer-sponsored plans.

The deadline for plan amendments has been extended to December 31, 2026 (with later dates for certain plan types); however, plans must be operationally compliant with any implemented provision changes. Some implementation details are still pending further guidance from the Treasury Department and IRS. While these new provisions provide a multitude of opportunities to enhance retirement security, they also add complexity to retirement plan administration.



In conclusion, SECURE Act 2.0 represents a significant step forward in enhancing the flexibility and security of retirement savings. The provisions offer retirees more control over their financial futures and provide plan administrators with new tools to support their participants. The changes can demonstrate a commitment to providing comprehensive retirement planning options and can be a valuable addition to an employer's overall benefits package. Our retirement plan team will continue to navigate the complex legislation and collaborate on the design and implementation of the new optional provisions. Contact the relationship managers team at Greenleaf Trust if we can be of assistance in strategizing with you on your retirement plan design.

Stock Market Pulse

Index	7/31/2024	Total Return Since 12/31/2023
S&P 1500	1,251.02	16.28%
Dow Jones Industrials	40,842.79	9.52%
NASDAQ	17,599.40	17.71%
S&P 500	5,522.30	16.69%
S&P 400	3,098.13	12.31%
S&P 600	1,435.83	9.97%
NYSE Composite	18,710.01	12.56%
Dow Jones Utilities	988.09	14.40%
Barclays Aggregate Bond	2,196.77	1.61%

P/E Multiples	7/31/2024
S&P 1500	25.2x
Dow Jones Industrials	23.4x
NASDAQ	39.8x
S&P 500	25.8x
S&P 400	19.7x
S&P 600	18.3x

Key Rates

Rate	
Fed Funds Rate	5.25% to 5.50%
T Bill 90 Days	5.19%
T Bond 30 Yr	4.30%
Prime Rate	8.50%

Current Valuations

Index	Aggregate	P/E	Div. Yield
S&P 1500	1,251.02	25.2x	1.34%
S&P 500	5,522.30	25.8x	1.32%
Dow Jones Industrials	40,842.79	23.4x	1.81%
Dow Jones Utilities	988.09	24.1x	3.64%

Spread Between 30 Year Government Yields and Market Dividend Yields: 2.96%

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

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

GRAND RAPIDS OFFICE:
25 Ottawa Avenue SW, Ste 110
Grand Rapids, MI 49503
office: 616.888.3210

BAY HARBOR OFFICE:
4000 Main Street, Ste 200
Bay Harbor, MI 49770
office: 231.439.5016

GREENLEAF TRUST DELAWARE:
20 Montchanin Road, Ste 160
Greenville, DE 19807
office: 302.317.2163

TRAVERSE CITY OFFICE:
160 E State St., Ste 200
Traverse City, MI 49684
office: 231.922.1428

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

MIDLAND OFFICE:
117 East Main Street
Midland, MI 48640
office: 989.495.2033

This newsletter is prepared by Greenleaf Trust and is intended as general information. The contents of this newsletter should not be acted upon without seeking professional advice. Before applying information in this newsletter to your own personal or business situation, please contact Greenleaf Trust. We will be happy to assist you.

Greenleaf Trust Delaware, a Delaware limited purpose trust company, is regulated by the Office of the Delaware State Bank Commissioner. Greenleaf Trust Delaware is wholly owned by Greenleaf Financial Holding Company, a Delaware corporation. Greenleaf Financial Holding Company is also the sole owner of Greenleaf Trust, a Michigan non-depository trust bank regulated by the Michigan Department of Insurance and Financial Services. Both Greenleaf Trust and Greenleaf Trust Delaware provide various fiduciary and non-fiduciary services, including trustee, custodial, agency, investment management and other non-depository services. Greenleaf Trust and Greenleaf Trust Delaware offer personal trust, retirement plan and family office services to families and entities.

Greenleaf Financial Holding Company and its subsidiaries do not provide legal, tax or accounting advice. Please consult your legal, tax or accounting advisors to determine how this information may apply to your own situation.