



LNWM's Value-Added Services Give You A Lifetime Advantage

LNWM's integrated services mean we can help add value — every time you make a major financial decision. Think of us as the GPS (global positioning system) for your wealth.

Your business has thrived and now it's time to sell.

- What's a realistic valuation?
- How do you structure the sale?
- How can your grandkids benefit from the proceeds?

One of your kids has special needs.

- How do you make sure he's well provided for?

You've found the perfect vacation home.

- Can you really afford it?
- What's the best way to pay?
- Whose name(s) should be on the title?

Life is full of questions, like those at left. How you answer them can make a big difference — on your tax bill, investment returns, cash flow, and your legacy. The wrong advice can be costly and also create a lifetime of headaches.

This is why LNWM advises you based on a 360-degree view of finances. Not just your investments but all your assets: properties, any businesses, and even the “human capital” that is waiting to be developed within your family, as you and your loved ones transition from one phase of life to another.

We've seen first-hand that the most effective financial decisions are made in context. By that, we mean full consideration of things like the potential risk/return, taxes,

and cash flow. If you make decisions that optimize all these factors for your specific situation — which is what we help you do — the benefits tend to compound over the years and through multiple generations.

We call this integrated wealth management. And we believe it is the only way to effectively manage wealth so that it serves your goals and needs over time.

Maximizing All You Own

Recent studies by Vanguard, Morningstar and Russell indicate that even basic financial planning (not including estate planning) can add up to 3 percentage points to annualized returns, over time.

While we think integrated wealth planning does maximize returns, we don't think the benefits can be boiled down to one number. Each client's finances and priorities are different.

Here at LNWM, the number we care about most is your risk-adjusted net return (after taxes and inflation), across your entire asset base. The services we provide — in addition to investment management — are not just nice add-ons. They are *how* we help you attain a higher net total return, more stable cash flow, and peace of mind.

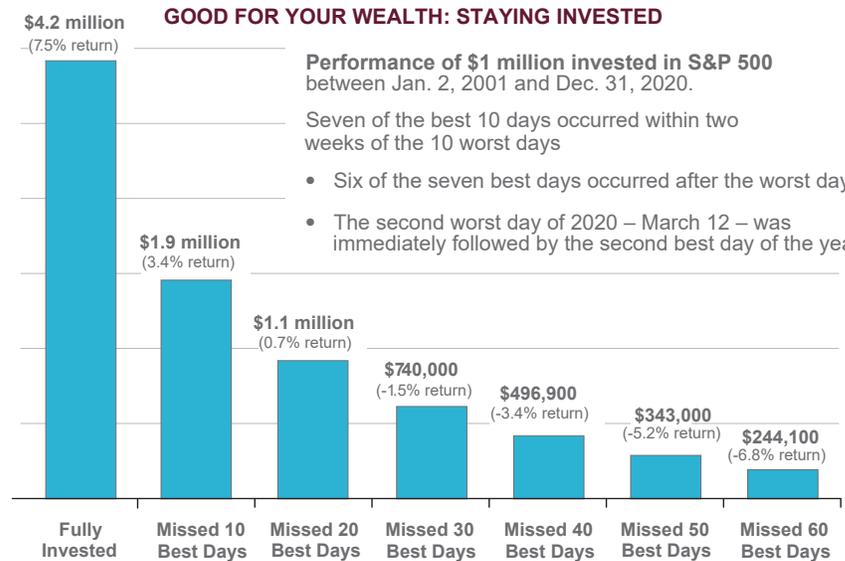


How LNWM Partners With You

Keeping You Invested For The Long Run, Comfortably

This may sound easy, but it's not. First and foremost, we carefully manage the overall price volatility of your portfolio so that it matches your tolerance for risk. While stock market volatility has been nearly 15% annualized the past 10 years, our moderate-risk portfolios tend to have a volatility of 8%. Keeping you within your risk comfort zone makes it much more likely that you will stay invested through market downturns so you can profit from the upturns.

Over time, the benefits of staying invested can be dramatic. Take a look at the chart, which tracks total pre-tax return on the S&P 500 from 2001 through 2020. Had you missed the 10 best days in the market over those 20 years, your return on stocks would have been cut nearly in half. A \$1 million investment in 2001 would be worth nearly \$2 million in 2021, instead of just over \$4 million. And returns get worse from there, based on how long you stayed on the sidelines.



Source: Business Insider; J.P. Morgan Asset Management; Lipper Analytics; LNWM. 20-year annualized returns are based on the S&P 500 Total Return Index and do not reflect the impact of investment fees. Data as of Dec. 31, 2020

Top-Tier Managers, Negotiated Discounts & Preferred Pricing

We provide access to top-tier asset managers and investments usually not available to individual investors or smaller investment firms.

Because investment costs can gobble up a sizable chunk of total return over time, we negotiate manager-fee discounts and preferred pricing on your behalf. We also carefully consider which asset classes warrant active management, and when you're better off in lower-cost index funds.

Managing Your Level of Risk From Day 1

We focus on managing your risk exposure early on and head-on, so you are well-positioned to grow your wealth. We strategize to reduce unexpected hits to your finances — through insurance (life, property, long-term care), tax strategies and cash flow modeling. In investments, our primary focus is putting you on the “efficient frontier.” That is, managing your investments with the goal of attaining the highest likely return given what you and your finances can handle in terms of price volatility and the probability of a loss. The result is that risk can be used to work for you, not against you.

A Variety of Tax Strategies Tailored To Benefit You

Tax planning has become even more important, given the higher tax rates since 2012.

We focus on increasing your after-tax return by: (1) offsetting, lowering or deferring your capital gains;



(2) sourcing income from tax-advantaged accounts; and (3) strategically locating assets in taxable, tax-deferred and tax-free accounts.

Investing your money with tax-efficient asset managers is a major objective here at LNWM, because this can have a big impact on your net total return. On average, taxes lop off an estimated 70 basis points (0.70%) from the returns of the large-stock mutual funds tracked by Morningstar (for investors in the highest tax brackets). On a \$1 million investment, 70 basis points is \$7,000 a year.

Making The Most of Your Cash Flow

How much income can your portfolio comfortably generate? What will be the impact of a large withdrawal to your lifestyle down the road? From which accounts should you draw down assets, and how often? The timing and source of your withdrawals can make a big difference in your portfolio's overall return.

LNWM's ongoing cash flow sustainability analysis helps keep more of your money invested when your needs aren't as great. And we help you plan for big expenses down the road, so you're less likely to sell when the markets are down.

Trust & Estate Planning Focused On Your Life Goals

Our trust and estate planning helps to safeguard your wealth for generations to come.

As one of the oldest trust companies in Washington State, we can advise you on the most effective ways to transfer assets to the next generation, reduce your estate taxes and support the causes you care about most.

If you're just beginning to consider your legacy, we can propose to your attorney the estate-planning tools that best serve your goals. Not only does LNWM's guidance save you billable attorney time, it's more likely to result in an estate plan that fully reflects who you are — your goals and aspirations as well as your finances.

Once your plan is in place, LNWM stays at your side; we continue to manage the assets in your trust(s), and we help preserve family harmony. When conflicts arise or tough decisions need to be made, our trust experts can provide a valuable third-party perspective. Year in and year out, we closely monitor tax laws and government regulations, so your estate plan can continue to function as intended.

We're Here To Serve You

If you want to explore all the ways LNWM can help with your investments, finances and planning your estate, please let us know.



ABOUT LAIRD NORTON WEALTH MANAGEMENT

With more than \$15 billion in assets under management, Laird Norton Wealth Management is the Northwest's premier wealth management company. Founded in 1967 to serve the financial management needs of the Laird and Norton families, the firm now provides integrated wealth management solutions to more than 1,200 individuals, families, business leaders, private foundations and nonprofit organizations.

DISCLOSURE

All investments involve a level of risk, and past performance is not a guarantee of future investment results. The value of investments and the income derived from them can go down as well as up. Future returns are not guaranteed and a loss of principal may occur. All investment performance can be affected by general economic conditions and the extent and timing of investor participation in both the equity and fixed income markets. Fees charged by LNWM will reduce the net performance of the investment portfolio.

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A benchmark is an unmanaged index, and its performance does not include any advisory fees, transaction costs or other charges that may be incurred in connection with your investments. Indices are statistical composites and are shown for informational purposes only. It is not possible to invest directly in an index. Indices are unmanaged and are not subject to management fees. Any benchmark whose return is shown for comparison purposes may include different holdings, a different number of holdings, and a different degree of investment in individual securities, industries or economic sectors than the investments and/or investment accounts to which it is compared. Comparisons of individual account or portfolio performance to an index or benchmark composed of indices are unreliable as indicators of future performance of an actual account or portfolio. Actual performance presented represents past performance net of investment management fees unless otherwise noted. Other fees, such as custodial fees or transaction related fees may not be reflected in the actual performance results shown.

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