



WEALTH

— *Insights* —

Investments



INVESTMENT PHILOSOPHY

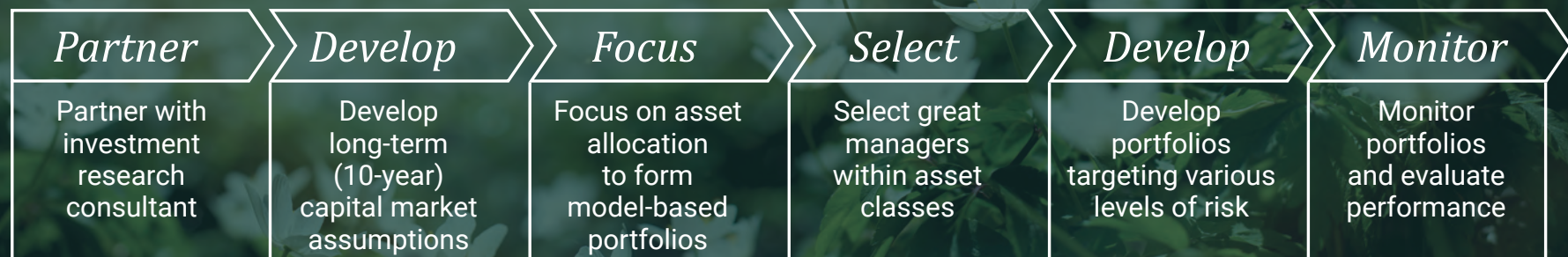
The Trust Company of Tennessee believes that investment success requires a disciplined and systematic approach. Our philosophy is grounded in the academic tenets of Modern Portfolio Theory tempered by pragmatic investment experience.

These principles guide our actions and the counsel we provide to clients:

- As fiduciary, we act in our clients' best interest.
- Asset management should be tax efficient.
- Diversification provides both return and risk benefits.
- Portfolios should include both active and passive funds.

INVESTMENT PROCESS

Our Investment Committee meets monthly to review research; discuss client communication and education; and monitor portfolios. It decides on changes to asset allocations and fund managers. The following is an overview of our process:



DIVERSIFICATION DOESN'T ALWAYS FEEL GOOD

A diversified portfolio can help you achieve your long-term goals and limit your portfolio's downs (and ups). But it doesn't always feel good. You may get upset when you lose money during certain periods (though your loss is likely less than that of the S&P 500 Index). You may also be disappointed during up markets when you didn't do as well as the S&P 500 Index. The good news: A diversified portfolio has similar performance with nearly half of the volatility* of the S&P 500.

A perfect market for "S&P Envy" during the last 20+ years

Years	S&P 500	Diversified 60/40 Portfolio
2000-2002**	-40.16%	-15.73%
2003-2007	+81.7%	+86.9%
2008	-36.97%	-27.88%
2009-2019	+346.0%	+234.9%
Q1 2020†	-30.34%	-24.33%
Q2 2020-2021‡	+99.8%	+61.6%
2022	-18.14%	-15.35%
2023-2024	+57.5%	+30.7%
2025-Q1 2026	+12.65%	+12.1%
Annualized Return	+7.73%	+7.25%
Growth of \$100,000	\$675,791.81	\$603,146.15

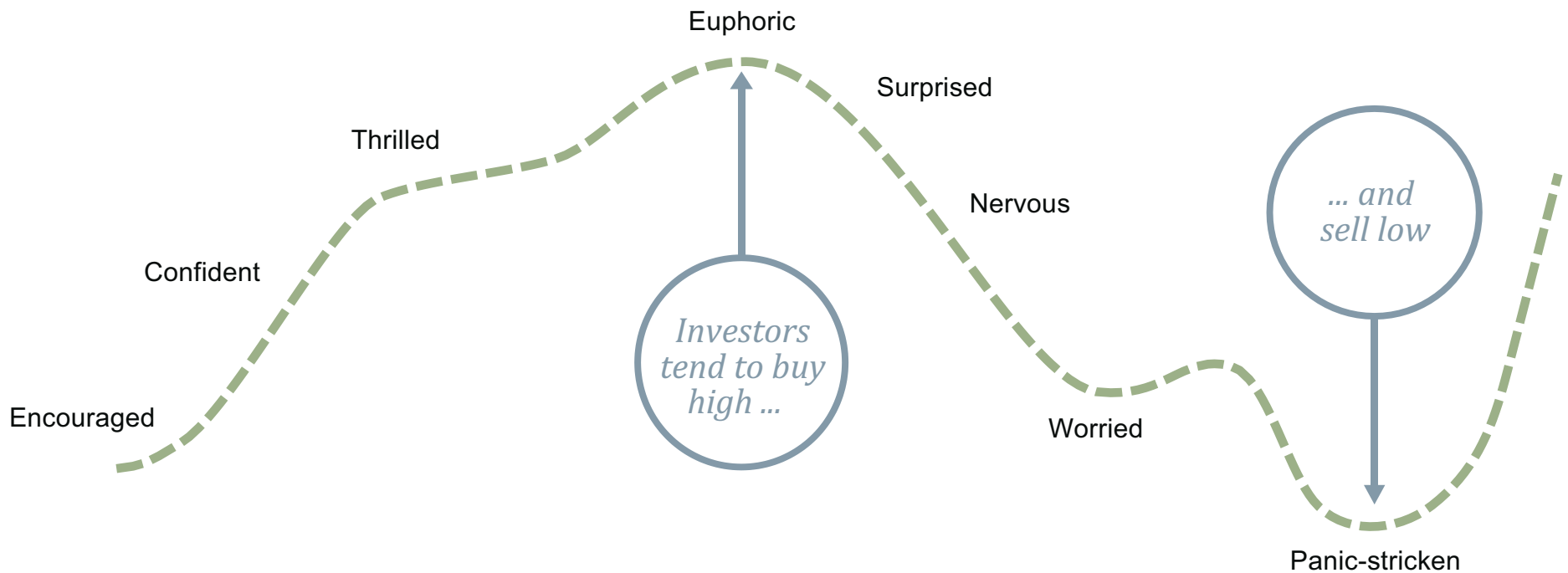
Source: Morningstar as of Dec. 31, 2023. *Performance is from Sept. 1, 2000, to Dec. 31, 2002. †Performance is from Jan. 1, 2020, to March 23, 2020. ‡Performance is from March 24, 2020, to Dec. 31, 2021. Diversified 60/40 Portfolio is represented by ETFs invested in 24% S&P 500 Index, 24% Russell Mid Cap Index, 5% MSCI EAFE Index, 2% Russell 2000 Index, 5% FTSE Emerging Stock Index, 20% Bloomberg U.S. Aggregate Bond Index and 20% Bloomberg U.S. Corporate High Yield Index. Past performance does not guarantee or indicate future results. *Standard deviation over entire period is 19% for the S&P 500 and 11% for the diversified portfolio. Diversification does not guarantee a profit or protect against a loss in a declining market.

INVESTING WITH EMOTIONS CAN BE COSTLY

When things are bad, we want to limit our losses. When things are great, we wish we had invested more. We all fear missing out.

When investing, giving in to fear often is a losing strategy. Investors with this mindset tend to buy high and sell low as they invest more in a rising market and pull money out in a falling market.

Riding the ups and downs of the market



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Financial Planning



FINANCIAL PLANNING PHILOSOPHY

Our goal is not to predict the future but to help clients be prepared for it. Markets will change. Laws will evolve. Life will take unexpected turns. A thoughtful financial plan provides perspective, discipline and confidence through those changes.

We believe the greatest value of financial planning comes from seeing the bigger picture.



Investments, taxes, retirement, insurance, estate planning and cash flow do not exist in isolation. When these areas are considered together, decisions become more effective and outcomes more durable.



Clients should experience peace of mind, confidence in their choices and the freedom that comes from knowing their financial decisions are aligned with what matters most – both today and in the years ahead.



WHO NEEDS A FINANCIAL PLAN?

A financial plan brings clarity, coordination and confidence at every stage of life.

 Life Stage/ Situation	 How a Financial Plan Helps
Early or mid-career professionals	Sets priorities for cash flow, savings and investing
Growing families	Coordinates protection planning, education goals and taxes
High earners or increasing income	Improves tax efficiency and wealth accumulation
Business owners or equity compensation	Aligns retirement, tax and exit strategies
Approaching retirement	Builds a sustainable income and risk-managed transition
Retirees	Supports tax-efficient withdrawals and legacy goals

WHAT ARE YOU NOT CONSIDERING?

Financial planning isn't about predicting the future – it's about preparing for it.

 Often Overlooked Area	 Why It Matters
Tax impact of future withdrawals	Taxes can materially change how long your money lasts.
How different accounts work together	Lack of coordination can create inefficiency and risk.
Healthcare and long-term care costs	These expenses are often underestimated and poorly timed.
Behavior during market stress	Emotions, not markets, often drive poor outcomes.
Beneficiary and titling alignment	Outdated designations can override intentions.
Life changes before they happen	Plans often fail when they assume life stays static.

Estate Planning

THE
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of TENNESSEE



ESTATE PLANNING PHILOSOPHY

A well-designed estate plan should protect what matters, honor your intentions and prepare your family for the future, so you can plan with confidence and leave a legacy with purpose.

PROCESS



UNDERSTANDING YOUR GOALS

We take the time to learn your values, family dynamics, financial picture, charitable intentions and long-term aspirations so your plan supports your wishes and reduces complexity for those you care about.



A COLLABORATIVE APPROACH

As a fiduciary partner, we work closely with your estate planning attorneys and CPAs to ensure every element of your plan functions together as intended.



AN ONGOING RELATIONSHIP

Estate planning is not a one-time event; it evolves as laws change, families grow and priorities shift. We view estate planning as an ongoing relationship, regularly reviewed and refined to reflect your current circumstances and long-term intentions.


OUR ROLE


Our role is to help bring the plan to life – aligning trust structures, gifting strategies, beneficiary designations and account titling with your long-term goals – while promoting tax efficiency and reducing administrative complexity.

Through ongoing trust administration and family guidance, we provide continuity and oversight over time.

Together, we help you live – and leave – a life of financial confidence.



COMMON ESTATE PLAN ELEMENTS

Personnel 	Executor	Grantor	Trustee	Power of Attorney (POA) Agent	Guardian
What does this person do?	Settles estate as dictated by the will	Creates the trust and decides what it should accomplish	Manages the trust for the beneficiaries	Makes financial and/or medical decisions on behalf of another person Lifetime authority only and becomes invalid immediately upon death	Cares for and makes decisions on behalf of a child
What duties will this person be responsible for?	Handling probate, paying off debts, distributing assets, filing final tax returns, etc.	Forming the trust, naming a trustee(s) and beneficiaries, specifying how the trust will be managed, etc.	Carrying out the trust's instructions, distributing assets, filing trust tax returns, managing trust assets, etc.	Medical: making decisions regarding surgery, treatment, location of services, etc. Financial: paying bills, filing taxes, managing investment accounts, etc.	Financially supporting the child, raising the child, enrolling the child in school, managing the child's healthcare, providing food and shelter, etc.
What document is this person typically named in?	Will	Trust	Trust	Medical and/or financial POA documents	Will

Documents 	Last Will and Testament	Living Will	Medical Power of Attorney (POA)	Financial Power of Attorney (POA)	Revocable Living Trust
What does this plan document do?	Explains how one's property and assets are to be distributed upon death	Explains one's preferences for life-sustaining treatment if terminally ill and incapacitated	Grants someone else the power to make medical decisions on one's behalf immediately (durable POA) or upon incapacitation (springing POA)	Grants someone else the power to make financial decisions on one's behalf immediately (durable POA) or upon incapacitation (springing POA)	Explains how one's property and assets are to be distributed upon death

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SHOULD I CONSIDER A TRUST?

 Consideration	 Benefit
Privacy concerns	Avoids public probate process and prevents contestation
Minor children	Avoids guardianship proceedings and provides structured asset management
Beneficiary financial issues or irresponsibility	Protects assets through spendthrift provisions
Special needs beneficiary	Maintains eligibility for government benefits
Blended family	Ensures controlled and intentional distribution after death
Large estate	Supports tax-efficient planning by removing assets from estate

Tax Planning



Keep more of what you earn

TAX PLANNING PHILOSOPHY

Taxes are one of the largest expenses most individuals and families will face over their lifetime. While taxes are unavoidable, unnecessary taxes often can be reduced through thoughtful planning and proactive decision-making.

Tax planning is not something we think about only during tax season. It is an important part of the financial planning process and helps guide many of the decisions we make throughout the year. Wealth management should focus not only on growing wealth, but also on helping preserve it.

PROCESS

BALANCED PLANNING

Every financial decision should consider both the financial outcome and the tax impact.

PROACTIVE STRATEGY

Rather than reacting after the fact, we identify planning opportunities proactively and coordinate strategies thoughtfully over time.

ONGOING COLLABORATION

We work closely with clients and their tax professionals to help ensure investment, retirement, estate and income planning decisions align with overall goals.

OBJECTIVES

- ✓ Preserve wealth
- ✓ Improve investment efficiency
- ✓ Support your retirement
- ✓ Reduce surprises and uncertainty

OUR APPROACH TO TAX PLANNING

Tax planning isn't just about tax season. Our proactive approach is how we help protect your future – every day.

HOW TAX PLANNING CREATES VALUE



Preserve More Wealth
Reduce unnecessary taxes to keep more of what you've earned.



Support Your Retirement
Improve your income flexibility and help your savings last longer.



Improve Investment Efficiency
Make informed decisions that can enhance after-tax returns over time.



Achieve Your Life Goals
More resources for what matters most – family, experiences and giving.



Reduce Surprises & Uncertainty
Proactive planning today can help you avoid future tax surprises.



Support What Matters
Thoughtful strategies can help maximize the impact of your giving and legacy.

WHAT WE CONSIDER

We look at the big picture so every decision works together toward your goals.

- *Investments*
Where and how you invest matters most for taxes.
- *Retirement Income*
Timing and strategy can impact your tax outcome.
- *Tax-Efficient Strategies*
From Roth conversions to tax-loss harvesting, we look for smart opportunities.
- *Estate & Legacy*
Thoughtful planning helps protect and transfer wealth efficiently.
- *Business Planning*
Structure, compensation and succession decisions carry tax implications.
- *Income & Tax Management*
We consider today's situation and plan with tomorrow in mind.
- *Coordination*
We work with your tax and legal professionals for seamless planning.

OUR COMMITMENT

We go beyond investments to help you make confident decisions, avoid unnecessary taxes where possible and build a lasting legacy.

Proactive

We plan ahead so you can stay ahead.

Personalized

Your plan is built around your goals and values.

Integrated

Tax planning guides the financial big picture.

Focused On You

Our goal is simple: help you keep more and live more.

COLLABORATION WITH CPAs

Stronger together. Better for you.

When your wealth management team and CPA collaborate, your financial life is more coordinated, proactive and tax-smart.

WHY COLLABORATION MATTERS

- **Tax-Aware Financial Decisions**
Evaluate the impact before you act.
- **Proactive Planning**
Opportunities identified early, not after the fact.
- **Aligned Strategies**
Everyone works from the same information
- **Fewer Surprises**
Avoid unexpected tax bills and missed opportunities
- **Better Long-Term Outcomes**
More efficient decisions today for your future.

THE DIFFERENCE COLLABORATION MAKES

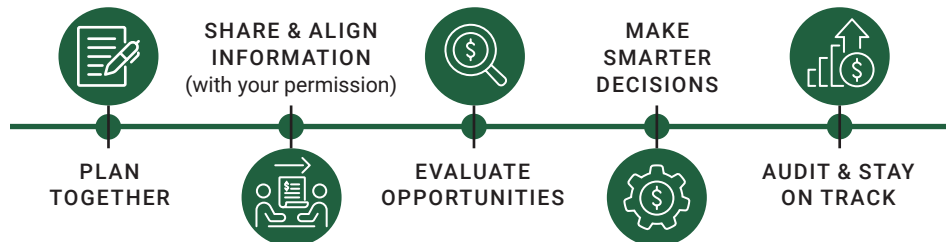
WITHOUT COLLABORATION

- ✗ Separate conversations
- ✗ Reactive planning
- ✗ More work for you
- ✗ Higher chance of missed opportunities
- ✗ Increased risk of surprises

WITH COLLABORATION

- ✓ One coordinated strategy
- ✓ Proactive planning
- ✓ Less work for you
- ✓ More tax-aware decisions
- ✓ Greater confidence & clarity

WORKING TOGETHER THROUGHOUT THE YEAR



HOW THIS MAKES LIFE EASIER FOR YOU



Less Work for You

We coordinate the details so you don't have to.



Saves You Time

No more repeating information or chasing down details.



Less Stress

We help manage deadlines, planning and the moving parts.



More Clarity

Everyone is looking at the big picture together.



More Confidence

Coordinated advice you can feel good about.



A True Team

Your advisor and CPA align to support what matters most to you.



Your CPA and financial advisor each bring unique expertise.

When we collaborate, planning is simpler, smarter and more effective for you



Live **CONFIDENTLY.**

**You can live a life of financial confidence, and
The Trust Company of Tennessee can be your guide.**

We help individuals, families, business owners and
nonprofits make better financial decisions, so that
dreams can become reality.

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Wealth Management
Corporate Retirement
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