



CIBC PRIVATE
WEALTH

Your Wealth Strategies experience



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Putting it all together with Wealth Strategies

The possibilities of wealth are abundant and at CIBC Private Wealth we are ready to help you evaluate and explore a full range of strategies. Wealth Strategies encompasses not only the things we do, but also the way in which we relate to our clients to ensure that our work is responsive to you and enhances your lives. We recognize that not every aspect of the Wealth Strategies offering applies to every client at every point in our relationship: we personalize our approach for each family, listening and fashioning a plan around your needs.

Current financial considerations

- Cash flow modeling
- Residency implications
- Credit management

Choice of entity

- Entity structure
- Liquidity considerations
- Asset location

Planning for the future

- Savings concepts
- Investment accounts
- Social security

Asset protection

- Trusts/LLCs
- Insurance
- Marital agreements

Business transition

- Pre-liquidity planning
- Gifts and sales
- Concentrated holdings

Philanthropy

- Strategic vision
- Effective planning
- Funding vehicles

Estate planning

- Wealth plan review
- Lifetime gifting
- Life insurance planning

Family stewardship

- Financial education
- Engaging rising generations
- Legacy curriculum

Education funding

- Funding options
- Determining amount
- Trust planning

Navigating change

- Family growth and change
- Family loss
- Evolving wealth

Trust education

- Types of trusts
- Choosing a trustee
- Beneficiary guidance



Discover the Wealth Strategies team

Our Wealth Strategies Group is made up of wealth strategists and financial planners. Our wealth strategists are lawyers who all have prior experience as practicing trust and estate attorneys. Each of them draws upon years of experience to help clients understand their core wealth transfer documents and explore more complex lifetime giving strategies to realize their planning goals. The Group's financial planners come from diverse wealth management and planning backgrounds. Their expertise helps clients understand the impact of their financial choices including investment allocation, expenses, gifts and retirement.

We've been at this awhile

- Total years of experience: More than 290
- Average years of experience: More than 22 years

Letters after our names

- JD
- LLM
- CFP® (Certified Financial Planner)
- CTFA (Certified Trust and Fiduciary Advisor)
- Certified Divorce Financial Analyst
- Chartered Advisor in Philanthropy

Some of our areas of expertise

- Business succession planning
- Divorce
- Executive compensation planning
- Fiduciary
- Life insurance
- Multi-generational planning
- Philanthropy
- Pre-IPO planning
- Retirement planning
- Social security planning

Where you may have seen or heard us

- Apple Podcasts
- *Bloomberg*
- *Forbes*
- Private Wealth magazine
- Spotify
- *The Wall Street Journal*

Where you may find us in our communities

- Bar associations
- Estate planning councils
- Art councils
- Faith-based organizations
- Grant-making organizations
- Hospital boards
- School boards and organizations



Making complexity understandable

Meet John and Virginia

In a portfolio-review meeting with Don, their CIBC advisor, Virginia announced that she and John had become grandparents! Amid the congratulations, she shared that they wanted to “put something aside” for Carroll, the new addition. Don recognized that this topic belonged in a broader wealth-planning conversation and asked THE question: “What does your current estate plan provide?” While John and Virginia could picture the big blue binder that their attorney had prepared 10 years earlier, **they couldn’t recall the details of the estate planning documents inside.**

Don suggested that Amanda, a CIBC wealth strategist, evaluate John and Virginia’s documents in light of **the passage of time, the changes in their financial circumstances, the various tax law changes, and their family’s growth.** Amanda dusted off the binder, reviewed the wills, and listened to the couple’s goals. Amanda explained that the right savings plan for Carroll would be one that best fits with their overall estate plan and their own lifestyle needs.

Amanda summarized the wills: At the first death, everything flows to the survivor. After the second death, all assets will be held for the children in a single “pot trust” until the youngest child turns 35, when everything will be distributed outright to the three children. If there are no children under 35 when both parents have died, then no trust is established and the children receive outright distributions.

John and Virginia responded that this plan **did not feel right**, even though they had liked it initially (when their children were 16, 14, and 10). Ten years later, they doubted whether a shared trust would work if their children’s needs differed. Their eldest would be 41 when his youngest sister turned 35 — Virginia didn’t want to delay his inheritance. Meanwhile, John worried that an outright distribution could be unwise: their wealth had grown substantially and two of their children were still financially unsophisticated.



VIRGINIA

Big news — we have a new granddaughter!

AMANDA

Congratulations on your new addition! This is a great time to revisit your family wealth plan.

John and Virginia's plan

Hearing their concerns, Amanda agreed that pot trusts can be impractical for older beneficiaries. She suggested a three-way split into separate trusts after the second spouse's death: each share can be managed for that beneficiary's needs. Responding to John's input, Amanda suggested longer-term or even lifetime trusts. She explained that lifetime trusts can address financial immaturity and can provide long-term investment management, asset protection and some tax advantages. Virginia thought that lifetime trusts might be overkill, so Amanda proposed an alternate approach: staggered distributions (at ages 35, 40 and 45, for example) to allow children to develop independence gradually instead of contending with a windfall.

Virginia and John found that weighing these options prompted more questions. They asked Amanda to review the trustee's role and explain how to choose one. Amanda walked them through the basics and shared CIBC's "Fiduciary Offering" booklet to clarify these unfamiliar concepts. Amanda also suggested that John and Virginia **speak with their lawyer to update their estate plans** with pour-over wills and revocable trusts to allow for current control, future management in the event of incapacity and a smooth wealth transfer at death.

John and Virginia appreciated the estate planning review, but they reminded Amanda that they really wanted **to find the most sensible way to set aside money for their new grandchild**. Amanda explained that their options included a custodial account, a 529 education plan and several trust structures. Each approach has distinct features and benefits, and Amanda helped them think through the best fit. Amanda also helped Virginia and John **identify a comfortable contribution amount and schedule** and modeled how their gifts might grow in each structure. Finally, she provided CIBC's booklet on funding education to help them evaluate each strategy.

John and Virginia soon called their attorney about updating their planning and incorporating a savings vehicle for Carroll. They feel confident that their new plan is right for their family, and they are excited to save for Carroll's future.

What does my estate plan provide?

This lurks in many minds. Wording varies, but the idea is the same: **Will my estate plan distribute my assets smoothly, in the way that I want, and in the right way for my family?**

Wealth transfer considerations feel daunting and complex whether or not you consider yourself "wealthy." **We are here to help.**

JOHN

I like the idea of a new plan that provides for our grown children in a way that makes sense.

VIRGINIA

Me, too – and let's not forget about Carroll!

AMANDA

I understand. I think we can accomplish both of those goals. Let's explore some options.

Transition of the family business

Meet Ruth

Ruth and her late husband Marty began their relationship with CIBC years ago when their business, The Workshop, was new. The Workshop finds and leases underutilized industrial buildings as flexible spaces for artists and artisans for short-term use. Ruth and Marty had met decades earlier at a flea market: she sold homemade soap and he sold custom belt buckles. Both lacked a suitable place to make their wares, and an idea was born. Soon, they had more income than they were used to, and Charles (their CIBC advisor) has managed their wealth ever since.

Marty passed away five years ago. Ruth has been running the business alone and she updated her estate plan to pass her assets (including The Workshop) equally to their three adult children. But Ruth recently told Charles that she **worried about this plan**, given her children's differing interests and the business's growth compared to her other assets. She just didn't know how to make things "fair."

Charles introduced Ruth to Rebecca, a CIBC wealth strategist. In an initial meeting, Rebecca asked Ruth about her goals, her children's interests and abilities, and her overall wealth picture. Ruth began by saying that all she wanted was for **her children to share equally in the family wealth and to be happy.**



RUTH

Can you help me create a plan that works for all of my children?

REBECCA

Happy to help. Keep in mind that "fair" and "equal" do not necessarily have the same meaning.

Ruth's plan

With this goal in mind, Rebecca and Ruth worked together to compile a complete list of all of her assets. Then, they discussed the children as individuals. Ruth shared that two of her three children seemed interested in working in the business. Stephanie, in her early 30s, started working at The Workshop in college and now leads the company's operations. Colin, the youngest child, did periodic work for the company at college. After graduation, he took and quickly left a job in another field. For now, he is back to working at The Workshop, but Ruth is unsure whether he plans to stay long-term. Ruth's middle child, Rick, inherited his parents' artistic abilities but not their entrepreneurial spirit. He is pursuing a degree in fine arts and is not interested in business.

Rebecca and Ruth then discussed "equality" and "fairness" in estate distribution. Rebecca pointed out that identical distributions are not always appropriate for children with different goals, and that **"equal" and "fair" may not have the same definition**. Rebecca suggested distributing voting shares in the business to the child or children who want to run and grow it, and leaving a combination of other financial assets and non-voting shares to the child or children on other paths.

Ruth understood that approach but needed help visualizing the final outcome. Rebecca created a diagram and, in a second meeting, they reviewed her illustration of this alternate scenario. With this visual aid, Ruth felt equipped to articulate her priorities for her estate plan.

After the meeting, Ruth worked with her advisors to implement a plan that she feels confident will be **right for her children as individuals and for the business**. Ruth told Rebecca and Charles that she felt excited to share the plan with her children at the right time, and that she gained **peace of mind knowing that she can always adjust the plan in the future** as Stephanie, Colin and Rick change and develop.

Will my family business remain in the family?

Many business owners struggle to answer this question. After a lifetime of building a business, owners may dream of passing the torch to their children. But, practical concerns — the children's appetite for the business, the owners' fear of relinquishing control, the family's other wealth — can cause dilemmas for the owners and their family. **We are here to help.**



REBECCA

Remember you can always adjust the plan in the future depending on how your children navigate adulthood.

RUTH

I feel so much better about my plan and how it works for all three of my children.

Evaluating gifting strategies

Meet Chris and Alex

Chris and Alex have been working with Theresa, their CIBC wealth strategist, for years. Theresa collaborates with the couple, their CIBC team and their outside advisors to ensure that their estate plan remains appropriate as their wealth and needs change.

Recently, Theresa prepared a summary of the planning they had already put in place: wills, revocable trusts, an irrevocable life insurance trust for Alex's benefit and a generation-skipping trust to cover college expenses for their grandchildren. As Theresa reviewed the summary and refreshed Chris and Alex's understanding of their plan, the conversation turned to the federal estate tax exemption and to the possibility of a change to the federal estate tax. Even though they already have life insurance in an irrevocable trust to buffer against estate taxes, Chris and Alex wondered whether they ought to do more. **Should they give away some of their assets now**, before future changes could make gifts or inheritances more expensive? Theresa agreed that a reduction in the federal (or state) estate tax exemption could erode their legacy. Is lifetime gifting the answer?

Theresa explained the structures that would allow Alex and Chris to move some assets to their children and grandchildren now and allow the gift to appreciate for generations with no transfer tax cost. While recognizing the benefit, Alex worried that with a family history of longevity on both sides, **the money might not last for their lifetimes**.



CHRIS
We never thought we would have this much! Do we need to worry about estate taxes? Should we be giving money away right now?

THERESA
Good question. Let's talk about ways to reduce your exposure while still taking care of yourselves.

Chris and Alex's plan

Hearing this, Theresa described several structures that could allow Chris and Alex to **move some assets outside of their taxable estates while retaining a benefit** from the transferred assets. It sounded too good to be true, so Theresa explained some of the specifics:

- **Spousal Lifetime Access Trust (SLAT):** a gift in trust by one spouse that provides a lifetime benefit to the other spouse
- **Grantor Retained Annuity Trust (GRAT):** a gift in trust that provides for an annuity payment back to the grantor for a period of years
- **Sale to a grantor trust:** a transaction between an individual and a trust in which the value of the asset is repaid, with interest, leaving the appreciation in the trust

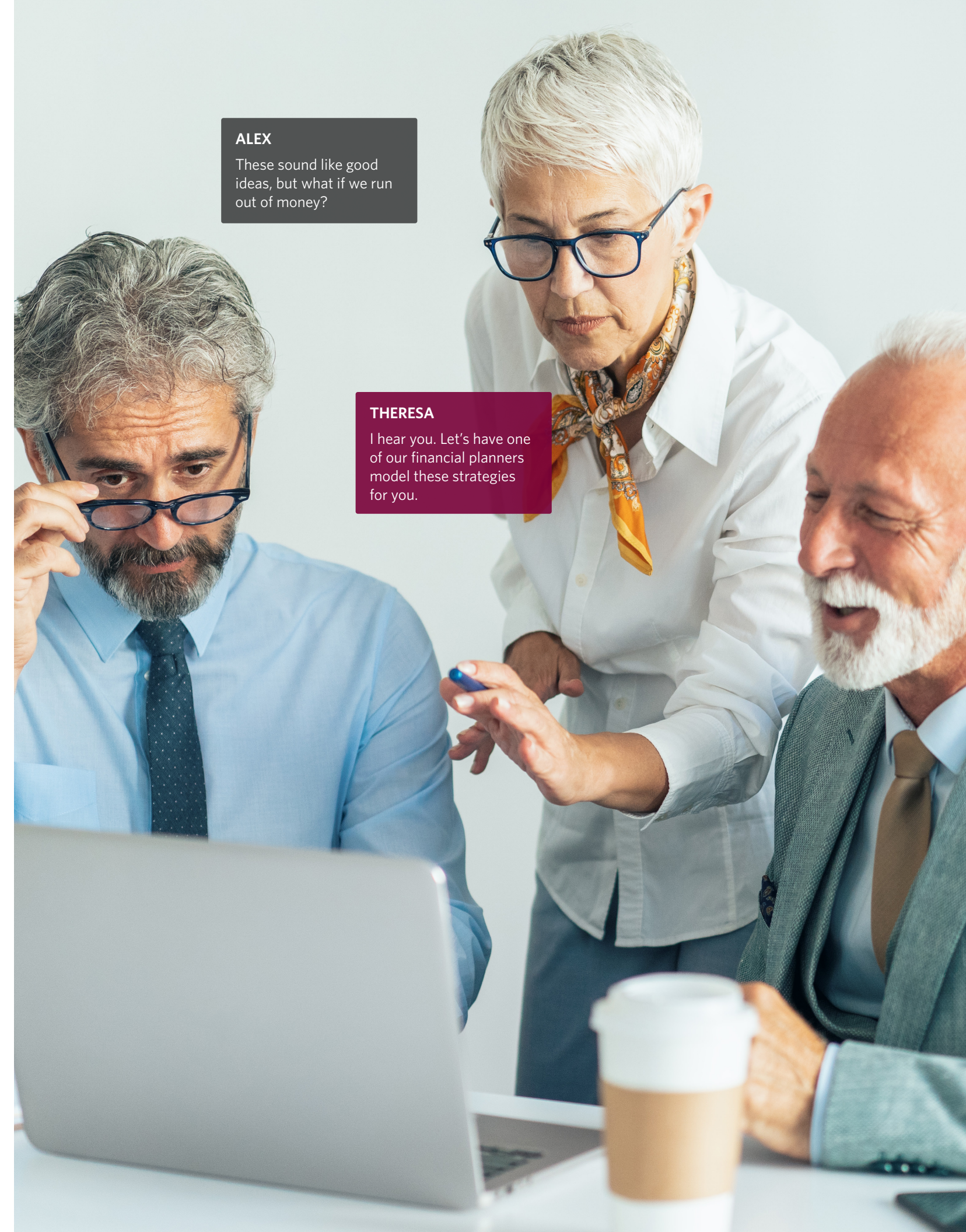
Chris and Alex told Theresa that they wanted to explore a SLAT. They understood that Alex could remove assets from Alex's estate by transferring them into a trust for Chris's benefit. Theresa explained that the SLAT's structure would allow Chris (and by extension, Alex) to receive distributions of **income and principal if necessary**. Alex wondered aloud what would happen to this access if Chris died first, but Theresa reminded them that the life insurance proceeds would be available to help offset that risk.

Even with the indirect access afforded by a SLAT, Theresa cautioned Chris and Alex not to put more into the trust than they could reasonably afford to part with. **Chris and Alex needed help coming up with the right amount** and type of assets to put into the trust, so Theresa offered to have a CIBC Private Wealth financial planner model the cash flow impact of various gifts.

After reviewing the models with Theresa and the financial planner, Chris and Alex met with their lawyer to discuss and implement a plan to reduce estate taxes while retaining some access to the assets they transferred, in case they should need it. Theresa made sure that Chris and Alex were comfortable with what their attorney had drafted and worked with their relationship manager to identify the assets to be transferred. Today, Chris and Alex feel better about their tax exposure and their ability to enjoy a long, happy life.

How much can we give away?

After stellar investment performance, a successful business exit or a lifetime of steady hard work, you may be fortunate enough to find that you have more wealth than you need. Motivated by tax efficiency or by sheer generosity, you could consider shifting some assets to your beneficiaries now, rather than upon your passing. If this is your first time contemplating such a gift, **you may be wondering if you'll be left with enough. We can help.**



ALEX

These sound like good ideas, but what if we run out of money?

THERESA

I hear you. Let's have one of our financial planners model these strategies for you.

Cross-generational misunderstanding

Meet Jack and Emily

Jack and Emily recently met with their CIBC wealth strategist, Halsey. They discussed the trusts that had been established by Jack's late mother for the couple's children — Sonia, Daniel and Susanna. The trusts' terms distribute money to each child at age 25. Sonia had recently turned 25 and had the money in her own account; Emily remarked that Sonia had given away a significant portion of it already. Daniel's trust was due to terminate in the upcoming year, and Susanna, 22, had three years until termination. Jack and Emily were **concerned about the ways their children viewed money.**

Sonia, who had always been eager to share her snack at the playground, had grown into an extremely charitable but financially unsophisticated young woman. Her parents admired her generous spirit but worried that her giving was not well thought out and might undermine her own wellbeing.

As for Daniel, Jack was baffled by his middle child's choices. As they had for all three, Jack and Emily had paid for Daniel's college education. Plus, they'd put him through two years of law school (and rented him a nice apartment near campus). Despite his good grades and desirable summer jobs, Daniel suddenly felt that the law was not his calling. He withdrew from school to think about his next move. As far as Jack and Emily could tell, Daniel was only making moves in his video games — holed up inside the apartment that they were still paying for. Jack was shocked by Daniel's decision to drop out without a plan and said that he would not support an unproductive lifestyle. Jack worried that the upcoming trust termination would exacerbate the once-promising Daniel's "idle behavior." Jack and Emily were heartsick over the situation.

Susanna, by contrast, was extremely frugal. As a child, she saved her birthday money in a piggy bank and was never tempted to splurge. Now a young woman, she had a lucrative job but chose to live at home so that as much of her paycheck as possible — after maxing out her 401(k) contribution, of course — could go into her savings account. Jack and Emily were happy enough to have her around, and admired her discipline, but they wished she would get her own cell phone plan and enjoy some of the money she was earning. Some days, they envied their friends' empty nests!



JACK

Our kids need help managing the distributions from my mother's trust.

EMILY

They are all so different from each other and from us!

Jack and Emily's next steps

After listening to Jack and Emily's concerns, Halsey reminded Jack and Emily that most young adults take time to find their financial footing and that it is not **uncommon for family members to have different ideas about earning, using and enjoying money**. In Jack and Emily's family, these differences had always existed, but the trust termination was bringing it into focus. They also worried about the impact of future inheritances at their own deaths.

He offered to host a family meeting to address these issues in a productive way, through CIBC's Legacy offering — an approach to building a healthy family wealth culture. Through short and engaging collaborative exercises, families can articulate a unified vision and work to **identify their common goals for the family wealth**. Jack and Emily considered the options and selected the family crest workshop. Halsey helped arrange a time for the family to design their family crest together.

Through teamwork, the family **rediscovered their shared values** and planned ways to use the family wealth to further those values.

While the discussions covered several financial management topics, the **ah-ha moment** came when they discovered that the whole family — not just Sonia — had a passion for using wealth to benefit the community. Halsey recognized the **family's excitement at this breakthrough** and suggested a family session on strategic philanthropy.

Emily and Jack were excited about the philanthropy session but knew that there was still some education and work needed on the personal finance side. CIBC's informational offering for the rising generations appealed to Susanna's passion for growing her wealth, and Sonia and Daniel realized that they needed some help managing their money and understanding broader financial concepts. Follow Sonia, Daniel and Susanna as they explore the offering on the next page.

We just don't see things the same way.

Many people interact with money in a way that is different from their family members. When these differences cause disagreements, some families avoid the subject entirely. Avoidance can defer, but not prevent, the eventual discord that comes from mismatched perspectives on wealth and its purpose. **We are here to help.**



HALSEY

This is not uncommon in families. Would you be open to having a family meeting?

JACK

Yes — we'd love your help with that!

Beginning the financial journey

Get to know Sonia, Daniel, and Susanna

These siblings recently joined their parents, Jack and Emily, in a family values workshop (as described on the previous page).

Sonia is a generous young woman who has never stressed about her own finances, preferring to give abundantly to others. In fact, Sonia just received a significant trust distribution and has already spent most of it — but not on herself. Recently, in a family discussion about wealth and values, she had an important breakthrough: she realized that by **pairing charitable instincts with financial knowledge**, she can continue living on her own while supporting the people and causes she values.

Daniel recently dropped out of law school and is struggling to discern his career path. He is relieved to know that when he receives his trust distribution, like Sonia did, he will have some breathing room to consider his next steps. However, he knows that he needs to **be strategic about how he saves, spends and invests** this money if it will afford him independent living while he finds — and ultimately pursues — his new path.

Susanna has loved saving money since she was small: she has more fun counting her money than spending it. Even now, as a well-paid professional young woman, she has maintained her frugality. During the family wealth meeting, Susanna began to think that there might be a **balance she can strike between saving and enjoying her money**. She is just not sure how to relax her grip on her purse strings.



The siblings begin their journeys

During the family values workshop, CIBC wealth strategist Halsey suggested that they consult CIBC's materials designed to help guide individuals along their financial journey.

Sonia **read several short articles** on strategic philanthropy and budgeting. These summaries helped her think about balancing her own needs with her charitable intentions. Halsey asked CIBC Private Wealth's financial planning group to help Sonia preview that balance in real life with a cash flow analysis showing the relationship between Sonia's charitable giving and her personal finances.

Daniel listened to several **wealth planning podcasts**, starting with episodes on budgeting, credit and investing, to learn more about money management. As he listened, he made plans to utilize his upcoming trust distribution effectively while pursuing his goals — whatever they may be.

Susanna immediately read the **"Foundations of Finance"** book cover to cover, savoring the chapters on saving, understanding risk and asset allocation, and planning. To her surprise, she suddenly realized and understood that merely keeping her money in a savings account, rather than investing it, is a missed opportunity. Because she can visualize her money growing, she feels that can spend some of it more freely. Susanna is still proudly frugal, but understands that there is room for responsible spending in responsible wealth management.

Wealth management is a **lifelong undertaking** and building a strong foundation is a critical first step. Sonia, Daniel and Susanna accessed CIBC's insights and information in their preferred formats and started practicing healthy wealth habits.

Where do I start?
We live in a complex financial world. Newly-independent young adults face numerous financial decisions — often, more than their parents had to at their age. Learning personal financial management can be daunting; **we are here to help.**



SONIA
I'm happy to understand how to take care of myself while I keep giving, of course.

SUSANNA
The math makes sense to me, now: I can invest productively and start spending — within reason, of course.

DANIEL
If I'm careful, the trust can help me bridge the gap while I figure out where my life is going.

Navigating change

Meet Pat

At a recent CIBC client event — “Navigating Change” — Pat asked Caroline, the CIBC wealth strategist who had presented the discussion, about **resources to help with changing circumstances**. Doctors had recently diagnosed Pat’s partner with a serious illness, and Pat wanted to prepare for a **shift in household and financial responsibility**. Pat saw the “Navigating Change” event as a baby step but needed more details, perhaps urgently. Caroline and Pat made an appointment to talk.

Pat used the meeting time to describe the ways in which the couple had divided household responsibilities, including finances, thus far. Pat had always managed the day-to-day expenses and bills, but had never participated in any of the investment decisions or tax conversations. Pat told Caroline that suddenly shouldering one hundred percent of these responsibilities felt overwhelming. Caroline assured her client that, although the path ahead was daunting and unknown, Pat would not walk it alone: Caroline and the full team of CIBC advisors would be there throughout the days and months ahead to help with all aspects of financial change.



PAT
How will I manage everything on my own?

CAROLINE
I know it can feel overwhelming but we have the experience to walk you through this step by step.

Pat's plan

While Pat's situation was highly personal, Caroline reassured Pat that losing a loved one is, unfortunately, a universal experience, and that CIBC has prepared a workbook for clients facing loss. Caroline gave Pat a copy of "Navigating Loss," part of a series on moving through life's changes. Using this guide, Pat could work with the CIBC team to prepare for, move through and emerge from the process of loss. Additionally, Pat wanted the peace of mind that comes from being prepared for the worst. Caroline gave Pat CIBC's "Administration of Estates" guide and talked Pat through **what to expect during estate administration**, including a general timeline of the estate administration process. She also worked with Pat to contact the family's outside advisors and to make sure that Pat understood the terms in the will and other relevant documents.

Pat and Caroline recognized that the first step in taking on full responsibility is gathering the various elements of **what makes family life tick and organizing it in one place**. Following the guidance provided by the workbook, Pat compiled a list of assets, liabilities, documents and other information.

With her years of experience, Caroline anticipated that requests for information will come rather quickly after a death, and other parts of the process — like filing a final tax return and distributing assets — can take much longer than anyone expects. She also knew that while she couldn't shield Pat from the grief that comes with the loss of a partner, she could make the process as predictable as possible.

Finally, Pat and Caroline discussed the **practical steps of moving forward following loss**. For Pat, this would likely include creating a new wealth plan. Although these were difficult conversations, they left Pat feeling confident, with a new understanding of the family's finances and the assurance that CIBC would be a strong and devoted partner through this chapter of the family's story.

Suddenly, everything is on me.

Financial management approaches vary from couple to couple. Sometimes one person assumes all the financial responsibilities, and, other times, they divide the duties. No matter how a couple has managed their finances, the loss of one — whether by death or by breakup — leaves the other to face significant (sometimes daunting) changes. **We can help.**



PAT

Organizing everything in one place has made this all feel more manageable.

CAROLINE

We're here to walk this path with you.

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