

Anne Wolfe's Trust Financial Info and Analysis

updated: 1/21/2022

Ellen Wolfe died: October 19, 2016
Trust fund set up: btw March and May 2017 (Per Cynthia Wolfe)

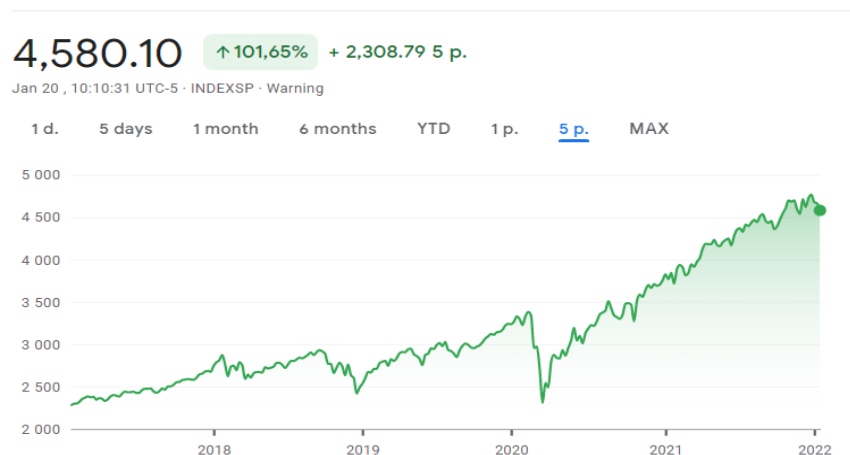
	2017	2018	2019	2020	2021	Total	Ave Return per year	Normalized Delta	
Trust spending		\$16,034	\$37,002	\$19,508	\$18,249	\$90,793			
Balance yr end	\$1,043,874	\$959,694	\$1,079,506	\$1,106,705	\$1,288,440				
Unadjusted income	na	(\$84,180)	\$119,812	\$27,199	\$181,735	\$244,566			
Unadjusted return		-8.1%	12.5%	2.5%	16.4%		5.8%	< (unadjusted)	
Total + spend *	\$1,043,874	\$974,435	\$1,135,868	\$1,183,067	\$1,386,048	32.8%	8.2%	41.9%	< delta w/S&P500 as base
Adjusted Income **		(\$69,439)	\$161,433	\$47,199	\$202,981	\$342,174			
Adjusted return		-6.7%	16.6%	4.2%	17.2%				
Adjusted return (multiplicative)		93.3%	116.6%	104.2%	117.2%	32.8%	8.2%	< (adjusted)	(for spending)
S&P 500 Index	2,674	2,486	3,240	3,756	4,766				
Return %	na	-7.0%	30.3%	15.9%	26.9%				
Total return % (multiplicative)		93.0%	130.3%	115.9%	126.9%	78.2%	19.6%	238.7%	< w/Anne's Trust as base
Opportunities Lost	2017	2018	2019	2020	2021				
50/50 S&P ***	\$1,043,874	\$972,459	\$1,200,485	\$1,321,020	\$1,611,958	50%	\$225,911	< earnings gain w/more diversified strategy	
All S&P	\$1,043,874	\$970,483	\$1,264,829	\$1,466,264	\$1,860,547	100%	\$474,500	< earnings gain compared to U.S. Market	
Selected S&P %	\$1,043,874	\$971,787	\$1,222,392	\$1,369,588	\$1,693,884	67%	\$307,836	< earnings gain based on % of the 2 options	
S&P % choice:	67%	< (67% of assets invested in S&P type market funds is a strategy recently quoted by Fidelity for a managed Trust account)							

* Assumption here is that Trust spending is added back as income, and income (or loss) was made on that spending for a fair comparison.

** As above (*), adjusted income amount includes the expenses for the year as income earned plus the lost earnings (or loss) on them.

*** This is the added amount the Trust would now have if half of it had been invested in the S&P500 and half of it was invested as it was.

S&P 500



Conclusion: Per comments from Chris W., the Trustees pursued a dividend income strategy as was used by their 90+ year old mother. The needs (and wealth) of a 60 year old beneficiary should have been assessed, but apparently weren't. Based on market returns of the past 5 years the Trust could have more than doubled it's net income (+\$308K) with little added risk by using a more diversified strategy pursuing growth. Not using such a strategy is very questionable, especially given the stance that the Trust can't afford to allow for any discretionary spending on the part of the beneficiary. The strategy used coupled with a total lack of financial reporting to the family as required by law represents a serious failure of fiduciary responsibility on the part of the Trustees which has negatively affected Anne's quality of life.

< Plot of S&P 500 for the past 5 years as of 1/20/2022

H. Wolff