

JAMES H. STERN

Senior Portfolio Management Director
Senior Vice President
Financial Advisor
James.stern@morganstanley.com

RENÉ A. ESPINAL, CFP®

Senior Portfolio Management Director
Senior Vice President
Financial Advisor
Rene.espinal@morganstanley.com

JACKIE ECKSTEIN, CDFA®, CLTC®

Associate Vice President
Portfolio Manager
Financial Planning Specialist
Financial Advisor
Jacquelyn.Eckstein@morganstanley.com

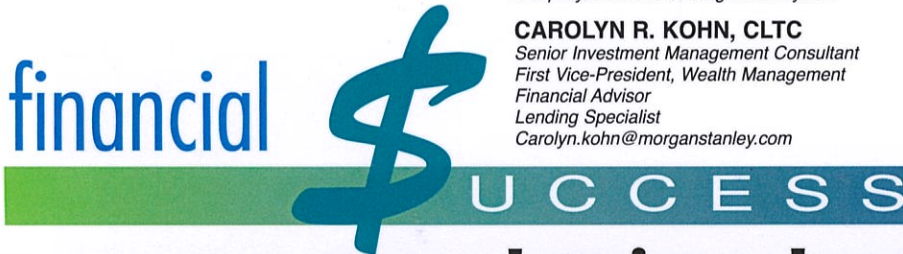
CAROLYN R. KOHN, CLTC

Senior Investment Management Consultant
First Vice-President, Wealth Management
Financial Advisor
Lending Specialist
Carolyn.kohn@morganstanley.com



JESSICA DEAKINS

Business Development Associate
Jessica.deakins@morganstanley.com



SPRING 2025

Leaving a Legacy

Many of us want to do our part to leave the world a better place. Fortunately, there are many ways you can ensure you'll have a meaningful impact on the world and leave a legacy that lasts long after you're gone, including the work you do or how you raise your family. Of course, you can also leave a financial legacy, using the wealth you've accumulated in your lifetime to do good in the world. Below are five different ways you can leave a financial legacy.

1. Give gifts in your lifetime. If you have the financial freedom to do so, making financial gifts while you are still alive is a great way to leave a legacy. Money you donate to qualified charitable organizations can be deducted from your taxes, saving you money while also helping you support a good cause. If you want to leave a family legacy, consider giving gifts to loved ones while you are living, like helping pay for your grandchild's college education. Just make sure you're aware of annual limits on what you can give to individuals without triggering gift tax (\$19,000 per person in 2025).

2. Make a bequest in a will. Many people use their will to make philanthropic bequests, leaving funds to their favorite charity, alma

mater, or church. For people who have money to give, recognizing an organization in their will is a relatively easy way to leave a legacy. Bequests in a will don't require any additional planning and are exempt from estate tax, provided the recipient is a qualified charitable organization. However, if you plan to make a substantial bequest to a charity, you may want to inform them of your plans in advance. This is particularly important if you plan to donate physical property, like real

estate or artwork, as not all charities will want or be able to accept such donations, or if you plan to place restrictions on how the gift is used.

3. Create a charitable remainder trust. If you would like to make a substantial gift to a charity but also want to provide for your heirs or continue to receive income during your lifetime, a charitable remainder trust (CRT) may be an option. Here's how it works: You transfer property to the trust (and get a tax deduction

Continued on page 2

Espinal's Corner

On the morning of March 28th, 2025, my wife and I received a call that we were expecting, albeit not for another 2 weeks. Our daughter was admitted to the hospital to deliver her first child, and our first grandchild. We quickly packed our bags and headed North to welcome our grandson into the world.

Shiroh Emerson Brooks made his grand entrance on Friday, March 28th, at 8:57 AM, weighing 7 lbs. and 1 oz. Words can't describe the joy I was feeling when I first laid my eyes on him. However, joy wasn't the only emotion I was experiencing. Given it had been a while since I held a newborn, I became a bit nervous. Too nervous to even ask to hold him. The nurses joked they were taking bets that he would be in 8th grade before I would be allowed to. Thinking about the fact he was probably going to be bigger than me when he got to 8th grade, I was determined to overcome my nerves sooner rather than later. On the second day (AGAINST ALL ODDS) I was finally able to hold him. Let it be known, never bet against the Grandfather!

For those curious about his name, here's the backstory. My son-in-law, Everett Emerson Brooks III, initially wanted a fourth in the family line. However, my daughter wasn't keen on the idea of a 'Quatro.' After some research, Everett discovered that 'Shiroh' in Japanese means 'fourth son.' He proposed

Continued on page 4

Leaving a Legacy

Continued from page 1

at the time of the transfer), and you or your heirs receive income from the trust for a specified period of time. Then, when that period ends, the remaining assets go to the charity of your choice. A word of caution: CRTs are irrevocable, which means once you've made this decision, you can't reverse it.

4. Set up a donor-advised fund.

Know you want to leave money to a charity, but not ready to hand it over just yet? Consider setting up a donor-advised fund. A donor-advised fund allows you to make contributions to a fund that is earmarked for charity and claim the associated tax deduction in the year you contribute the funds. You continue to make more contributions to the fund, which are invested and grow free of tax. Then, when you are ready, you can choose a charity to receive all or some of the accumulated assets. It's a great way to earmark funds for charity now while also accumulating a more substantial amount of money to leave as a legacy.

5. Fund a scholarship. Endowing a scholarship is a great way to make a difference in the life of a talented student. Here's how it typically works: You give a certain amount of money to the school of your choice, which earmarks it to fund scholarships, often for certain types of students (e.g., female math majors, former foster children, or people suffering from a certain disease). Other scholarships are established through community foundations. A seed gift of \$25,000 or \$50,000 may be enough to get started. Be aware, however, that while you may be able to have a say in selection criteria for the scholarship, there's a good chance you won't be able to select the recipient yourself. If you want to do that, you'll need to distribute the money in another way, perhaps by setting up your own nonprofit organization.

Financial Harmony in Marriage

If you find yourself engaged in a struggle with a spouse who is your opposite when it comes to saving and spending, there are steps you can take to achieve balance and harmony.

1. Agree to be a team. That starts by giving up individual possessiveness about money: there's no "your money" and "my money." It needs to be "our money."

2. Agree on your goals. Start your teamwork by articulating your long-term goals; they're the most important and the easiest to agree upon. Be sure to be specific. Once you've reached an agreement on your long-term goals, try to set out the same kind of specific plans for your intermediate- and short-term goals.

3. Practice full disclosure. Being a team means each of you is empowered to act on behalf of the other with implicit approval. That requires that each of you has full command of the facts: how much money you make, how much you owe, and how much you spend.

4. Budget and pay bills together. Create a monthly budget that compares the total of your bills and expected out-of-pocket expenses with every penny of incoming cash. Include an itemized list of your debts and scheduled payment amounts, as well as your asset accounts and their bal-

ances. Pay your bills at the same time in the same place, and then update your budget spreadsheet as you do. This means revisiting your monthly budget at least once a month.

5. Update your checkbook(s). One way spenders rationalize their behavior is by keeping themselves in the dark about how much they really have to spend. If you're going to be faithful to the budgeting process, you have to keep careful track of your cash on hand and that means being sure your checkbook entries are up to date.

6. Agree on spending rules. You both need to agree on how much you can spend on purchases without consulting each other. Beyond this preset amount, you should talk about the purchase in advance and adjust your budget accordingly.

7. Create a financial plan. Everybody should have a professionally prepared plan, but for couples with polarized spending and saving habits, it's especially important. A professional can provide the expertise and tools you may lack. He/she will also serve as an impartial third party to help you defuse your money debates.

For help creating your financial plan or putting any of the other financial steps into practice, please call. ○○○

6. Start a foundation. Starting a family foundation is appealing to many, especially those who like the idea of having greater control over how their money is used as well as the prestige that comes with running a foundation. Well-managed private foundations can also endure for many generations after you're gone. But you'll need substantial assets to make setting up a foundation worth it. Plus, foundations are com-

plicated and expensive to set up and administer. But, if you are committed to the idea of giving back and especially if you want to keep the entire family involved in giving (a concern for many wealthy families), a private foundation could be the way to go.

Curious about steps you can take to leave a meaningful legacy? Please call to discuss this topic in more detail. ○○○

8 Questions Financial Plans Should Answer

You may have a financial plan, but is it really working for you? The fact is, not all financial plans are created equal. To make sure your financial plan is going to get you where you want to be financially, make sure it answers these eight questions.

How much do I have, and how much do I owe?

Before you complete any other financial planning task, you need to take stock of where you currently stand. That means taking a complete inventory of your assets as well as assessing how much you owe. Subtracting the second from the first will tell you your net worth. Your financial plan should make it easy to determine your net worth at a glance.

What do I want to achieve with my money?

We all have personal and financial goals. Perhaps you want to buy a bigger house in a nicer neighborhood. Maybe you want to be able to send your kids to college debt-free. You might be dreaming of owning a second home someday, retiring at 55, or starting your own business. Your financial plan should specifically identify your financial goals and outline steps you need to take to turn those dreams into reality.

Are my investments appropriate for my goals?

You know what your goals are, but is your money invested in a way that will help you get there? Your financial plan should point you toward investments that are appropriate for both your goals and your risk tolerance. That means carefully balancing the risk you need to take to achieve acceptable investment returns with the amount of risk you're comfortable taking based on your personality (some of us are natural risk takers, while some are more risk averse).

Am I protected in case of a disaster or emergency?

One of the main reasons to have a financial plan is to protect yourself and your family in the event that the unexpected happens. Part of being prepared is having an emergency fund, and your financial plan will tell you how much savings you should have. But that's just the beginning. You'll also want to protect your income with disability insurance and have proper insurance to safeguard your assets.

Am I paying the right amount in taxes?

Thinking about taxes is no fun, but what's a real drag is realizing you've been paying the government more than you needed to. A comprehensive financial plan will include an evaluation of your tax situation. If necessary, your advisor will make suggestions for steps you can take to better manage your tax burden and keep more of the money you earn.

What's my plan for retirement?

Whether you're a few years or a few decades away from retirement, your financial plan should include a plan for what will happen after you stop working full time. Your finan-

cial plan should address how much you need to be saving for retirement and how to invest that money.

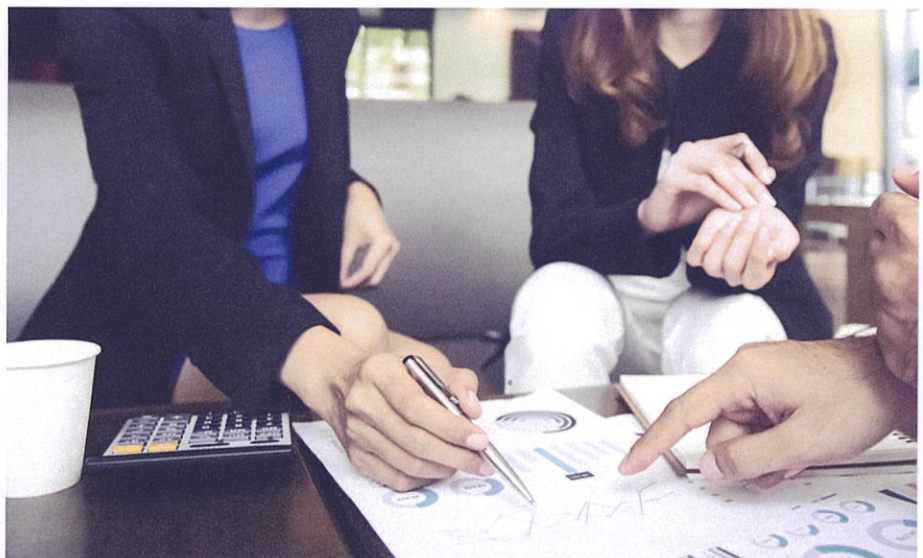
What will happen to my money when I die?

Your financial plan and your estate plan go hand in hand. Part of comprehensive financial planning involves checking to make sure the beneficiaries on your retirement accounts and insurance policies match with your overall estate planning goals. A financial planner can also work with your estate planning attorney to make sure your assets aren't lost to unnecessary taxes and address other issues related to how your wealth is distributed after your death.

Who is in charge of helping me achieve my money goals?

Finally, your financial plan should clearly identify who is in charge of helping you achieve your most important money goals. Your financial advisor is a critical partner in your financial life, guiding you to make smart decisions that will put you on the path to achieving your goals.

Please call if you'd like to discuss this in more detail. ○○○



Espinal's Corner

Continued from page 1

this name, and the 'committee' (my daughter) approved it.

I look forward to sharing more about Shiroh's journey in future newsletters.

Stern's Corner

For our 28th wedding anniversary Valerie and I had to move Brooke again! Five different places in 5 years so we are hoping she stays put for a couple years. She now lives in a cute apartment in the Edgewater neighborhood in Miami, which is adjacent to Wynwood, a hip, artsy neighborhood. Both have a very young and energetic vibe which is perfect for her. The move was not that difficult since we ditched most of her college furniture and treated her to a new bedroom set. She was able to purchase a new couch on her own as well as other homey decorations. The furniture stores delivered and set everything up so that made the move much easier. We were able to celebrate that evening at Jaya at the Setai Hotel and watch her work as a sommelier. She was so comfortable with the customers, and it was a joy to watch her learn a new trade.

Michael is going to Academy of Country Music's 60th anniversary show in Frisco, Texas with the Neal Agency. So, he is representing his new company with the one he worked with for 3 1/2 years. But I would imagine the country music business is a small world. He is excited that Ella Langley, whom they represent has won Best New Female Artist of the year. ACM gives out some of the awards before the show because that artist will most likely perform at the show.

The whole family is going to a destination wedding in May in San Miguel, Mexico. I am one of the worst travelers so this should be interesting. I will be having a little tequila on my travel days!

Oh I almost forgot..... "How about those EAGLES!!!"

On a business note, after two years of a pretty stellar bond and stock market we are experiencing extreme volatility. We are here to review your allocation, financial plan and holdings should you need us!

Kohn's Corner

This has been a wonderful quarter for me personally. It was full of carved out long weekends with memorable adventures.

February, Jackie, Mason and I went to Disney World and explored the Magic Kingdom and Epcot. When I kissed Mason goodbye in his car seat he said, "I love you Nana". I'm looking forward to Disney in 2026.

March was Jackson Hole and skiing. Jackie did a good job describing our experiences.

April, we went to Grand Bahama Island to celebrate my birthday. It was a long weekend with the markets closed Friday 4/18. Mason got his passport stamped for the first time. Another highlight was swimming with a dolphin who gave me a birthday kiss and even sang me happy birthday. There is not a great deal to do on the island so on our last day it was appropriate to have a Bahama Mama AND a Bahama Papa at the beach.

Finally, I went to the Ocean Reef Club for the Kentucky Derby. I enjoyed tennis, water aerobics, Silver Fit and a Navy Seal demonstration. It was topped off with festive hats and dinner watching the Derby with old and new friends. Last year, Jackie and I were lucky enough to be at the Derby in person, but this year was almost as special. The markets have been exceedingly volatile so hold onto your hats, Derby or otherwise.

Eckstein's Corner

This March for Spring Break our family embarked on an adventure to Jackson Hole, Wyoming. We've been visiting Jackson since I was young, but no matter how many times we go I am still filled with awe every time I step off the plane and see the majestic snow-capped Tetons.

This trip was extra special because it marked the continuation of a family tradition—starting to ski at the age of four. Mason is now the fourth generation in our family to learn skiing at this age and doing so with their mom (and for Mason grandma too). Of course, the Jackson Hole Mountain Ski School played a big part so let's call it a team effort!

When Mason first put on his ski boots, he amusingly called them "comfy shoes" (a first for ski boots, right?) and insisted on carrying his skis himself. Bundled in layers and beaming with excitement, my Florida boy walked into ski school and didn't look back. And by the end of our five days, he was confidently making "Pizza Pies and French Fries" down the bunny hill.

My mom and I had a blast skiing together as well. It's a joy we still share, only now our ski days might also include fun lunch or two at The Four Seasons. Our trip was filled with skiing, snow angels, gondola rides, catching up with great friends and plenty of unforgettable moments on and off the slopes. We left with full hearts (and maybe a few sore muscles).

Deakins' Corner

We have almost made it to the end of the school year, which means we made it through the first year of middle school for Bryn. It's been a whirlwind of early mornings, packed schedules, and a lot of learning (for all of us), but we survived! I am so proud of the kids and how well they have done this year in school. Bryn really learned how to study and prepare herself for her classes and tests, she has made honor roll every quarter so far. Cole has become an amazing reader this year. He keeps flying through difficult book series that are way beyond his grade level. He is only in second grade and finished the whole Harry Potter series in just a month. Hopefully he keeps that love of reading throughout his life!

As the school year winds down, I know my family is looking forward to slowing the pace a bit. Now we will have some time to breathe, enjoy the sunshine and ease into the rhythm of summer. We also have a couple of short trips planned that I am excited for. Cole has a couple of fun camps lined up like golf, tennis, and even a vet cadet camp out on a farm since he loves animals (especially dogs). Bryn will find various ways to keep herself busy with friends, tumbling at the cheer gym and maybe even some babysitting in the neighborhood.

This newsletter was produced by Integrated Concepts Group, Inc. on behalf of Morgan Stanley Financial Advisors James H. Stern, René A. Espinal, Jackie Eckstein, and Carolyn R. Kohn. The opinions expressed in this newsletter are solely those of the author and do not necessarily reflect those of Morgan Stanley. Morgan Stanley can offer no assurance as to its accuracy or completeness and the giving of the same is not deemed an offer or solicitation on Morgan Stanley's part with respect to the sale or purchase of any securities or commodities.

Tax laws are complex and subject to change. This information is based on current federal tax laws in effect at the time this was written. Morgan Stanley Smith Barney LLC, ("Morgan Stanley"), its affiliates, and Morgan Stanley Financial Advisors do not provide tax or legal advice. Individuals should consult their personal tax advisor for matters involving taxation and tax planning and their attorney for matters involving personal trusts, estate planning, and other legal matters.

Investments and services offered by Morgan Stanley Smith Barney LLC, Member SIPC.

FR2024-1107-0016

2025-PS-469