

MANCHESTER

CAPITAL MANAGEMENT

ANNUAL REPORT

2024



MANCHESTER

CAPITAL MANAGEMENT

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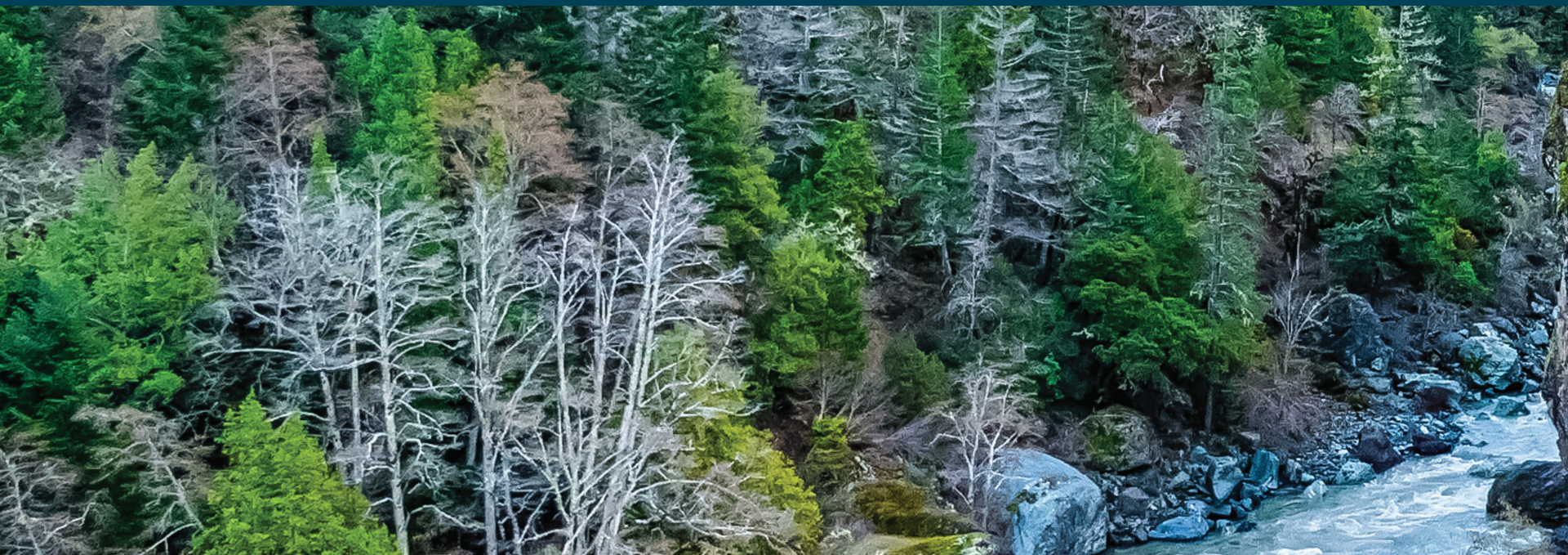
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MANCHESTER CAPITAL MANAGEMENT





Dedicated to helping families sustain their wealth,
values, and legacy from generation to generation.





Montecito, CA



NEW LEADERSHIP

Navigating the markets of 2023 proved the merits of discipline by our team and by our clients. The Federal Reserve sought to find the balance between managing inflation while avoiding a potential recession. Their aggressive interest rate increases early in the year threatened higher borrowing costs and the possibility of slowing the economy. The bond market experienced ups and downs with yields rising and then falling. By the end of the year, we were pleased to report strong performance for client portfolios as equity and bond markets delivered solid returns.

Demand for our independent Multi-Family Office business model remained compelling as entrepreneurs, successful business owners, and wealthy families sought a firm with experienced professionals offering the breadth of skills needed to address their myriad financial needs. Clients want independence, a focus on their welfare, and a willingness to do whatever is necessary. They want to be cared for as trusted partners rather than as customers valued for their fee revenue. They want a firm large enough to meet all their needs, yet small enough to remain personal and attentive.

Last year also witnessed continued progress of a generational shift within the firm as the ranks of senior employees welcomed an increasing number of colleagues from the millennial and Z generations creating an exciting mixture of the boomer culture with those born in our new digital age. Two employees with 25 years of tenure each were rewarded with special vacation getaways. We were proud that another ten colleagues celebrated work anniversaries of 10 years or more at MCM. At the same time, we marveled at the developing skills of younger, new colleagues who were defining their new career paths as they energized the firm with passion and new perspectives.

Leadership also continued a transition at the senior ranks as our founder, Ted Cronin, changed his role to Executive Chair while the former Head of Real Estate, Jeff Hall, assumed the position of Chief Executive Officer (CEO). Synergy and collaboration were immediate, with Ted focused on strategic matters and Jeff directing tactical issues. They have created a dynamic, creative, and productive working relationship.

As Executive Chair, Ted focuses on shaping the overall business model and direction, driving innovation, and ensuring we remain true to our independent mission. As CEO, Jeff is responsible for managing the day-to-day financial affairs, and operations, and supervising our team of 37 colleagues, our four offices, and our three coordinated service platforms.

Corbin Rich, as the Head of Real Estate services, is leading the team in acquiring new properties while caring for existing ones. Griffin Sivret continues to manage the operations and administration duties.

Perhaps the fastest growing platform in the company is Family CFO Services, which is led by Kristi Soares. She has made multiple recent hires enabling the expansion of their accounting and

"Clients want independence, a focus on their welfare, and a willingness to do whatever is necessary. They want to be cared for as trusted partners rather than as customers valued for their fee revenue. They want a firm large enough to meet all their needs, yet small enough to remain personal and attentive."



Charlottesville, VA


Ted Cronin, Executive Chair

bookkeeping practice. We have welcomed a new senior member of the California team, Susan Sofronas, who will lead our west coast office.

While we are proud to have enjoyed a successful year, marked by growth in both assets and client base, our eyes look forward to a rapidly changing environment. We are faced with a period of higher interest rates, political discord, global conflicts threatening expanded war, and a new digital age that promises both incredible opportunities for humanity and potential chaos caused by evil actors. Despite these cross currents, we remain optimistic because, throughout the years, history records a litany of challenges, each of which was equally disturbing, unknowable at the time, and was somehow overcome.



Jeff Hall, CEO

NOTHING NEW

At a recent Barron's conference, Jeremy Siegel kindly autographed the sixth edition of his book, "Stocks for the Long Run," and explained again the compelling argument for the long-term superiority of stocks as an investment vehicle. Over the past two centuries, stocks have consistently outperformed other major asset classes, such as bonds, real estate, and commodities, owing to their ability to reflect the economic growth and innovation of America's industrial capabilities.

At the heart of his thesis lies a powerful chart (Figure 1) that vividly illustrates the remarkable compounding power of stocks. A single dollar invested in stocks in 1802 would have grown to more than $3 million today, translating to an annualized return of 8.1%, or 6.7% real (after inflation). This staggering growth is a testament to the stocks' ability to capture the value created by the inherent growth of America's economy.

Importantly, the persistence and stability of inflation-adjusted real returns have been astonishing. Over what Siegel defined as the "Major Subperiods" spanning 50-70 years, real stock market returns have been remarkably consistent at 7.0%, 6.6%, and 6.6%.

Siegel's work underscores the importance of time horizon when it comes to the risk of investing. If the time horizon is measured in weeks or months, the risks associated with volatile stocks can indeed be significant. However, those with longer-term perspectives spanning five, ten, or certainly twenty years stand a much better chance of achieving positive returns. This insight is particularly relevant for retirement planning, where wealth accumulation over decades is essential for financial security in later years.

Since the release of the first edition of "Stocks for the Long Run," we have weathered five major world events resulting in stock

market drawdowns exceeding 15%. The Dot-Com crash of the early 2000s spanned 25 months, resulting in a 44.7% loss, and took 49 months (over four years) to recover to former levels—a painful period for investors.

Similarly, the Great Financial Crisis (GFC) from 2007 to 2009 saw a shorter but more severe drop of 51%, followed by a three-year recovery period.

So, what does our signed sixth edition say? Siegel recalculated the real return of stocks through 2022 and found it to be... 6.7%, the same as his findings in 1992. Through two world wars, a civil war, pandemics, social unrest, geopolitical trauma, and ever-changing leadership, there has been relentless progress. We have evolved from agricultural to industrial to now a technology-oriented economy. Information that once took weeks to cross the country is now instantaneously broadcast around the world. Yet the basic factors generating wealth have shown an astounding persistence.

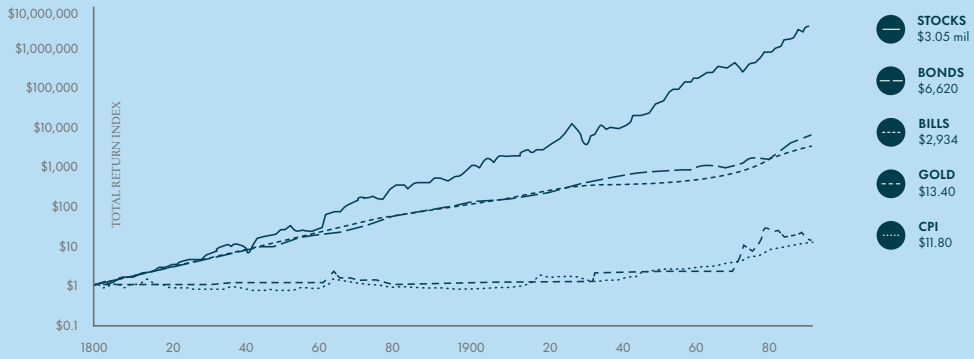
While past performance is no guarantee of future results, the historical evidence presented by Siegel serves as a powerful reminder of the wealth-building potential of equity investments. Speculators and traders should take note that pundits calling for a bear market opportunity or a market bubble have the odds stacked against them. The odds, Jeremy Siegel points out, favor the long-term perspective that they should participate in the ongoing economic growth and innovation that have defined the American experience.

Siegel, Jeremy. 2022. Stocks for the Long Run: The Definitive Guide to Financial Market Returns & Long-Term Investment Strategies. 6th ed. McGraw Hill.

Siegel, Jeremy. 1994. Stocks for the Long Run: A Guide to Selecting Markets for Long-Term Growth. 1st ed. Irwin Professional Pub.

FIGURE 1: TOTAL NOMINAL RETURN INDEXES (1802–1992)

Source: Siegel, Jeremy, Stocks for the Long Run (1994), First edition. A (near-mint) copy resides in our Vermont office.





AUGMENTING HUMAN CAPABILITIES

One cannot turn on the television or pick up a newspaper without a barrage of content about the storm of change Artificial Intelligence (AI) is creating or the industries it is set to disrupt. AI's potential impacts have been likened to a scale of change created by the development of the first personal computer, the internet, or ubiquitous smartphones. We might suggest that change will be more akin to the difference between travel by horse and buggy versus a jet airplane.

Whatever the metaphor, AI is important because it will likely revolutionize the economy and transform the way we live and work. Knowledgeable financial experts, like the team at Goldman Sachs, believe it could increase economic productivity by 1.5% over the next ten years, which given our current productivity of around 3%, would be a massive increase in output when compounded over the next decade.[1]

AI is not entirely new, indeed, having been suggested by Alan Turing as early as World War II.[2] It has recently gained center stage with the development of advanced large language models (LLMs) like ChatGPT, an acronym for Generative Pre-trained Transformer. This powerful AI system can generate human-like responses to a wide range of prompts or inquiries with the use of neural networks. These neural networks are computer systems modeled on the human brain and nervous system which make decisions in a manner more akin to humans than ever before.

At its core, AI is a technology of pattern recognition, a skill that humans evolved themselves over millions of years. Just as early hominids learned the importance of remembering the pattern of where and when certain fruits ripened in the forest, AI platforms are trained using reinforcement learning on large datasets, such as all the videos on YouTube or entries within Reddit. They

learn the relationships between words, patterns, grammar, and context to create humanlike responses and behavior. This training process allows AI to generate responses that are coherent, contextually relevant, and can often be nearly indistinguishable from those written by humans. They can make mistakes like humans do, but they have the advantage over humans in speed, scale, and processing power.

For example, in medical diagnostics, an experienced radiologist looking for plaque in the arteries of the human heart may have been able to study thousands of CAT scans in his career to help reach a diagnosis. An AI system performing the same task has been able to examine many millions of CAT scans and can often identify more accurately and more thoroughly than their human counterpart.


Christine Kaming Tomas, Managing Director

LLM's like Chat GPT are "pretrained" by learning the contextual difference between the sentences "she poured the water from the pitcher into the cup until it was full" versus "she poured the water from the pitcher into the cup until it was empty." Humans recognize that "it" refers to the cup in the first sentence and "it" refers to the pitcher in the second sentence. LLMs need to be trained in these subtle language contexts.

The "transformer" model is a digital neural network that learns the meaning of an answer by tracking relationships in labeled data. LLMs consume mountains of trained data and "transform" it by maximizing the probability of "generating" the next word in a sentence. They can process data non-sequentially allowing complex problems to be reduced to credible meaning. They augment human capabilities across industries to help solve the world's toughest problems.

There are so many applications of AI for the economy it can be overwhelming. In the realm of customer service, AI-powered chatbots can handle a volume of inquiries simultaneously, providing timely customer service which is needed and leading to cost savings. AI is poised to transform the manufacturing industry, with the potential to optimize supply chain management, improve quality control, and increase efficiency. In the financial sector, AI is already being used to detect fraud, analyze market trends, and make certain investment recommendations.

Though it can add value, AI is still vulnerable to mistakes, sometimes referred to as "hallucinations." Like any human work product, there is a need to review all AI outputs to ensure accuracy, even though AI error rates are much lower than human endeavors. Over time these systems will improve, and the rate of errors will decrease, but one needs to still be diligent while using these systems.

While Manchester Capital is familiar with most of the LLM platforms, one of our current favorite LLM's is Perplexity, which provides the sources of its response so that you can investigate what data was used for generating an answer and includes the ability to adjust attributes according to the answers sought. Improvements such as those developed by Perplexity allow one to be more confident in the AI derived result as potential biases are more apparent.

The development of AI raises significant questions about privacy, bias, and accountability. As AI systems become more integral to our lives, they must be used in a way that is transparent, fair, and in accordance with legal rights. A current controversy revolves around the ownership of the data used to train systems. Google is said to have used over 100 million YouTube videos for its Gemini platform, many sourced from independent content creators. Who owns those videos? Should Google alone enjoy the commercial benefits? How should a content creator be compensated for their work in training an AI algorithm?

A separate controversy revolves around the ownership of AI-created content. Artists in every field from musicians to painters to authors have historically studied other artists to build their skills and understanding as part of the creative process. An architect, for example, might borrow ideas from successful historic designs, such as classical Greek buildings, to incorporate themes in their contem-

porary design for a public building. AI operates in much the same way, generating content based on available data and then tailoring it to meet the specific question being asked. Where is the line between when a human or AI is the creator, if the content is merely collated material from a database of human created content?

AI promises to change the legal and ethical responsibility to know if an artificial mind is creating the content or a human is creating content without assistance from reference materials. That line has been blurred and might disappear in the years ahead as digital neural networks advance. For now, AI can analyze, assist, and facilitate materials, but we believe a human should be responsible for initiating the questions, supervising the process, checking for accuracy, and authorizing the approval. Their respective roles should always be made known to the reader.

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Emiko Kirshman, Receptionist and Emma Chesnut, Director of Communications and Marketing



ADVISING THE EMPOWERED WOMAN

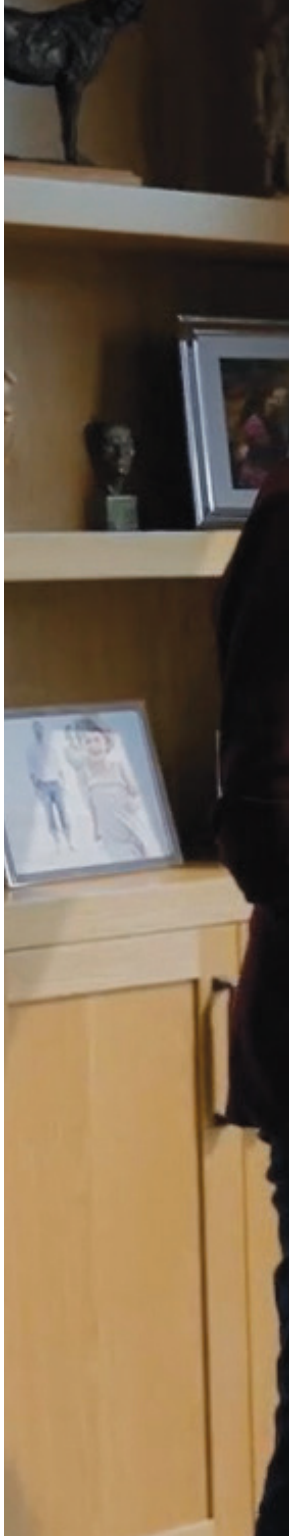
At Manchester Capital, our firm was founded to serve women and men at all stages of life and all levels of financial expertise. We feel a particular affinity for creating a community for women based on mutual respect; where women can connect and share their knowledge, experiences, and concerns.

Women continue to build businesses, manage organizations, and make a profound difference in the world. In 2023, more than 10% of Fortune 500 companies were led by women, more than 30% of college presidents were women, and more than 55% of medical school matriculants in the U.S. were women. In addition, by 2030, women will have inherited an estimated $30 trillion from parents and spouses in "The Great Wealth Transfer". These women will be searching for advisors who truly care about their specific, unique, and personal financial objectives and will guide them on how to use their wealth with intention.

A GOALS-BASED APPROACH

Rather than focusing solely on investment performance, women are typically more concerned about achieving their overall financial goals. They view money and investing as a means to an end, whether that means launching a new venture, helping their loved ones succeed, supporting a cherished cause, or all three! They need an advisor who addresses their unique needs and helps prepare them for what may lie ahead.

For example, women on average live longer than men, and a healthy woman in her 60s could live another 30 years or more. Statistically, a disproportionate number of women will require nursing home care. Thus, they need to ensure their money will last and that they will be cared for in the way they prefer as they get older. In addition, more and more young women are choosing





Angela Straughn, Senior Executive Assistant and Isabel Bolaños, Investment Associate

LONG-TERM NURSING HOME RESIDENTS BY GENDER[5]

- 67% Women
- 37% Men

WOMEN IN LEADERSHIP

- 10% of Fortune 500 companies are led by women[1]
- 30% of college presidents are women[2]
- 55% of medical school matriculants in the U.S. are women.[3]

to remain single while starting a family, and an increasing number of women are embarking on business ownership. Financial security gives them the freedom to do so.

Manchester Capital strives to guide women throughout their life journeys. We collaborate with women and their wealth using a range of strategies that address their circumstances, whether they need risk management, a prenuptial agreement, or compassionate assistance navigating a divorce. In addition, our empathetic, professional team assists women in having impactful conversations with their families about financial stewardship and the future, with concern but without judgment.

ENCOURAGING CONVERSATION AND COMMUNITY

A Fidelity analysis of more than 5 million retail investment accounts found that women outperformed their male counterparts by 40 basis points (0.4%) because they are more likely to stick to their investment plan, so women should have strong faith in their innate investment abilities. In addition, according to a study by McKinsey & Company, women tend to be more focused on their goals holistically, including wellness issues, and feel that it's very important to establish a personal connection with their advisors. Manchester Capital offers clients the opportunity and environment to connect with like-minded women who can serve as a sounding board and help boost each other's confidence and a team of passionate advisors who truly want to help them succeed.

Every woman is different. At Manchester Capital, we get to know each of our clients as individuals, making it a priority to create a genuine connection so they are prepared for life events, feel secure in achieving their personal goals, and continue to be surrounded by a community that supports their purpose and their passions.

[1] Schaeffer, Katherine. The Data on Women Leaders. Pew Research Center, September 27, 2023.

[2] The American College President: 2023 Edition. American Council on Education®

[3] AAMC. Applicants, First-Time Applicants, Acceptees, and Matriculants to U.S. MD-Granting Medical Schools by Gender.

[4] McKinsey & Company. "Women as the Next Wave of Growth in Wealth Management." 29 July 2020.

[5] A Place for Mom. "Long-Term Care Statistics: A Portrait of Americans in Assisted Living, Nursing Homes, and Skilled Nursing Facilities." A Place for Mom, 13 Sept. 2023, www.aplaceformom.com/senior-living-data/articles/long-term-care-statistics.

[6] Fidelity Investments®. 2021 Women and Investing Study.

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"This coming year Manchester Capital is excited to continue embracing the women in our communities. As a woman who has been in the financial industry for over three decades, I've been blessed to work with so many empowered women; guiding, connecting, advising, and advocating for them. I strive to empower women on their journey toward financial independence and self-realization. Together, we can illuminate pathways to success. I look forward to hearing about your journey..."

SUSAN SOFRONAS
Managing Director and Head of West Coast, Partner

Susan has been recognized as a leader in this space by both her peers and outside organizations, including the Financial Times, which named her one of the Top 100 Women Financial Advisors in America, and by Private Asset Management (PAM) as one of The 50 Most Influential Women in Private Wealth.





FAMILY OFFICE CFO SERVICES

Our Wealth Managers have always assisted our family clients with basic budgeting support, tax guidance, and gathering their important financial data as part of designing a prudent investment program. However, a significant shift occurred when a successful entrepreneur and friend of MCM faced a crisis with his single-family office. The talented professional who ran the family's multiple efforts in business, real estate, and investing unexpectedly decided to pursue other interests. Consequently, ongoing transactions, important documents, and meaningful payments and distributions were left in limbo. In this crisis, we saw a need within our industry and felt compelled to offer our hand.

With his small family office at risk of disruption, we swiftly mobilized teams from our NYC, California, and Vermont offices to ensure seamless continuity in ongoing transactions and vital financial activities. Recognizing the need for dedicated support, we welcomed a skilled CPA who initially would focus solely on his family office needs.

His situation reminded us that single family offices have unique challenges. The costs to hire senior professionals, manage their support people, staff them in a facility, purchase complex financial tracking and reporting software, subscribe to necessary data feeds, maintain cybersecurity protections, HR responsibilities, etc. can be significant. Indeed, this was the reason why we had grown from our own single-family office to a multi-family office, thereby combining families so there would be sufficient assets to afford and justify a larger team of dedicated professionals.

Today, the demand for what we now call our "family office CFO services" from our existing and new clients has created what is the fastest growing part of the company. There have been several recent hires that include additional CPAs and experienced controllers, along with additional family office support. We've also implemented an evolving software solution to handle the complex accounting issues of families, where we manage their assets and provide CFO services.

Our family office CFO services is a sanctuary designed for our families who wish to sustain their wealth, values, and legacy across generations, here's how:

TAILORED SOLUTIONS FOR UNIQUE CHALLENGES

We approach each engagement as an ongoing collaboration, working closely with our clients to develop tailored solutions that address their specific challenges and aspirations. The team can provide reports such as a balance sheet, chart of accounts, cash flow statement, budget and spending, liquidity analysis, and many custom reports or dashboards that fit the specific needs of a family. Wealthy families need their own personal CFOs who can maintain their records to maximize tax strategies and help their tax preparer accurately file annual returns. A growing number of new clients have made their wealth from operating companies which they eventually sold and discovered that they lost the support that they had depended on. Our family office CFO team can meet those needs.

EXCEEDING CONVENTIONAL PRACTICES

What distinguishes our team is how we approach every client's distinct needs and objectives by providing services that exceed conventional accounting practices. Our family office CFO team serves a diverse clientele, including hospitality and retail entrepreneurs, real estate investors, and entertainment industry professionals, each facing unique challenges in their respective domains. We have helped families recover missing trust and passport documents, found an apartment for a





child moving to a new city, and quickly orchestrated the removal of graffiti off an urban commercial property about to host an event. We've ventured into the world of purchasing exotic livestock and unique art pieces. Whether glamorous or mundane our team understands that our client families' needs can be overwhelming. Equipped with resources, connections, experience, and support we are ready to tackle any challenges that arise.

GUARDIANS OF CONFIDENTIALITY AND INTEGRITY

A core responsibility of our family office CFO team is discretion, integrity, and confidentiality. Clients are entrusting us with their personal financial details, and we respect their need to protect their interests. The modern digital world seems to have broken into our private spaces in a way that is dangerous. Our team strives to safeguard financial matters in ways usually not possible at large corporate firms or the prying eyes of cyber threats that are so common.

As years have passed since we onboarded our first family office CFO client, we look forward to continuing to grow the service. We are honored to be entrusted with the family office CFO responsibility and are committed to delivering the highest level of personalized financial stewardship.

Meet The Family Office CFO Team

Top row: Matthew Metz, Family Office Professional, Boston Chinsenga, Family Office Controller, Lydia Lombard, Family Office Controller, Kristi Soares, Family Office CFO

Bottom row: Rossa Christensen, Family Office Accountant, AJ Puziol, Family Office Controller

REAL ESTATE RESILIENCE

A successful real estate investor once said, "Time and inflation solve all real estate problems." There is much truth in this statement, for while pricing on commercial real estate rises and falls, there is an inherent value in hard assets.

Recent headlines raise alarm that commercial real estate is in trouble because of rising interest rates and remote work patterns that are leaving cities empty. Prices, especially on certain offices, hotels, and retail buildings have experienced significant downward pressure. Those investors who took advantage of the low rates available several years ago to leverage their ownership are in jeopardy if they have to refinance at higher rates. But real estate is not a monolith. Some sectors have prospered while depressed properties are drawing attention from new buyers anxious to take advantage.

Creating a real estate portfolio that will perform well into the foreseeable future requires identifying large secular shifts underway, which markets offer opportunity, and which property types are positioned for long-term success. Key trends shaping future success include the impact of artificial intelligence on job functions and efficiency, US companies relocating manufacturing back to the country, and the increasing prevalence of remote work, decreasing the demand for traditional office space and commuting.

Property types benefiting from long-term tailwinds include the following:

BUILD FOR RENT

Build for Rent (BFR) housing is a newer category of residential that has been gaining momentum since the Great Financial Crisis in 2008 and 2009. BFR developments are essentially a blend of




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conventional apartment buildings and single-family home neighborhoods. They tend to be single-story and provide tenants with more indoor and outdoor space yet have some of the community amenities found in apartment buildings. This newer asset class has emerged to meet the growing demand of younger renters. Millennials and Gen Z are reaching major life milestones and seeking more space, yet many of them do not have the ability or the desire to purchase homes.

SENIOR LIVING FACILITIES

According to the U.S. Census Bureau, for the first time in U.S. history, people over the age of 65 are projected to outnumber those under 18 in 2034.[1] At that time, these older Americans will number approximately 77.0 million. By 2060, this cohort is forecast to increase to 94.7 million. The U.S. currently appears grossly undersupplied for the country's aging demographic. According to the National Center for Assisted Living, there are approximately 30,600 assisted living facilities today with 1.2 million licensed beds.[2] Assisted living facilities have clear and long-term demand that appears to be significantly undersupplied today.

INDUSTRIAL WAREHOUSE & DISTRIBUTION SPACES

E-commerce as a percentage of total retail sales has steadily risen for the last 20+ years and this accelerated during the pandemic. As a result, the demand for industrial warehouse and distribution space is strong and continues to increase. Like apartments, some markets are currently working through heightened deliveries, but many markets are poised for long-term demand in this asset class.

DATA CENTERS

Between growing artificial intelligence and cloud-based technology platforms, there is surging demand for data centers in the U.S. These specialized properties are located in areas with abundant electricity for their high power demands, large amounts of water for cooling, access to fiber connectivity, and lack of natural disasters. U.S. data centers are primarily concentrated in Northern Virginia, Dallas, Silicon Valley, Phoenix, Chicago, Atlanta, Portland (OR), New York, New Jersey, Seattle, and Los Angeles.[3] With the ever-increasing need for computing power, data centers are an asset class poised for long-term growth.

The list above is not exhaustive, but these are some of the property types we believe have clear, long-term demand drivers. In addition to selecting favorable property types, it is critical to identify markets with the best long-term prospects. In the past, it would have been effective to select either established primary markets or growing secondary markets. For long-term investments, one must now pick the best markets combined with those best suited to endure the impacts of climate change.

Climate change may be a polarizing topic, but climate-related risks are objectively impacting real estate today via rising insurance costs. For example, property owners are seeing the highest insurance costs as a percentage of income in California and

"...Real estate is not a monolith. Some sectors have prospered while depressed properties are drawing attention from new buyers anxious to take advantage."



Robyn Harrington, Managing Director, Real Estate

Florida.[4] There is a limit to how much landlords can pass higher insurance costs through to tenants via rents and this eventually impacts the net income. The long-term residual value of real estate in areas with worsening natural disasters may deteriorate over time.

Real estate should continue to be an effective portfolio diversifier and store of value. However, in recent years, it seems many of the asset class's ground rules have evolved. Investors must reconcile previous norms with emerging trends to create real estate portfolios of lasting value.

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Jeremy Heidrick, Managing Director, Real Estate and Corbin Rich, Head of Real Estate

COMMUNITY ENGAGEMENT

SCOTT SWENOR
Chief Financial Officer

Scott is on the Board of Trustees and Treasurers at Burr and Burton, an independent coeducational Vermont High School with a public mission. Situated at the foot of Mt.Equinox and overlooking picturesque Manchester Village, Burr and Burton is a school with a proud tradition of educating students of diverse backgrounds and talents.



BRIAN VOGEL
Senior Wealth Manager

Brian serves as Treasurer for the Manchester Dog Park Foundation, which formed as the first public space in southwest Vermont that offers dogs and their owner an opportunity to run free and play off-leash in a safe environment. He has served on the board for over seven years. Brian also serves as the Treasurer for the Town of Manchester where he is responsible for overall management of cash flow and distributing payments authorized by the Selectboard and Town Manager and works closely with the Investment Advisory Committee (IAC) to manage the Town's financial investments.

ROBYN HARRINGTON
Managing Director, Real Estate

Robyn serves as the Treasurer of the Manchester Historical Society, which collects and preserves historical artifacts and sites in Manchester and educates the public about the town's history. Robyn also serves on the Board of Trustees as the Treasurer and Finance Committee Chair at Northshire Day School. NDS is a non-profit early education center committed to cultivating a nurturing an inclusive community for children to grow and thrive.

PHIL KIRSHMAN
Wealth Manager, Director of Impact Investing

Phil serves on the Board of Calvert Impact as Governance Committee Chair and Pension Committee Chair. Calvert Impact is a global nonprofit investment firm that helps all types of investors and financial professionals invest in solutions that people and our planet need. Phil is also on the President's Council for Pathfinder International, a non-profit that builds lasting and trusted local partnerships to strengthen health systems, forging resilient pathways to sexual and reproductive health and rights internationally. Locally, he also serves on the investment committee for the Santa Barba Museum of Natural History.

FRED HINKLEY
Senior Wealth Manager

Fred is on the Investment Advisory Committee for The Arts Students League of New York. The League offers accessible, affordable, top-notch education and instruction in painting, drawing, printmaking, sculpture, and assemblage to students of all ages, backgrounds, and skill levels every month.

TED CRONIN
Executive Chair

Ted is a member of the Board of Directors and serves as the Chair of the Investment Committee and Audit responsible for the endowment of Music Academy of the West, one of the nation's most distinguished summer schools and festivals featuring gifted, young, classically trained musicians. The students are offered advanced study and performance under the guidance of internationally renowned faculty.

JEFF HALL
Chief Executive Officer

Jeff Hall has volunteered with Habitat for Humanity of Greater Charlottesville for the last 7 years. In that time, he served as the Chairman of the Board from 2017 to 2019. The organization strives to unite people to build and rebuild homes and communities so that safe and affordable housing is available to those in need.

SUSAN SOFRONAS
Managing Director, Head of West Coast

After recently moving to Santa Barbara Susan joined the National Association of Women Business Owners Santa Barbara Chapter. NAWBO is a 49-year-old organization interested in representing and supporting women entrepreneurs across the country. They provide the resources needed to propel women into greater economic, social, and political spheres of power.

BART KRAFT
Managing Director, Chief Compliance Officer

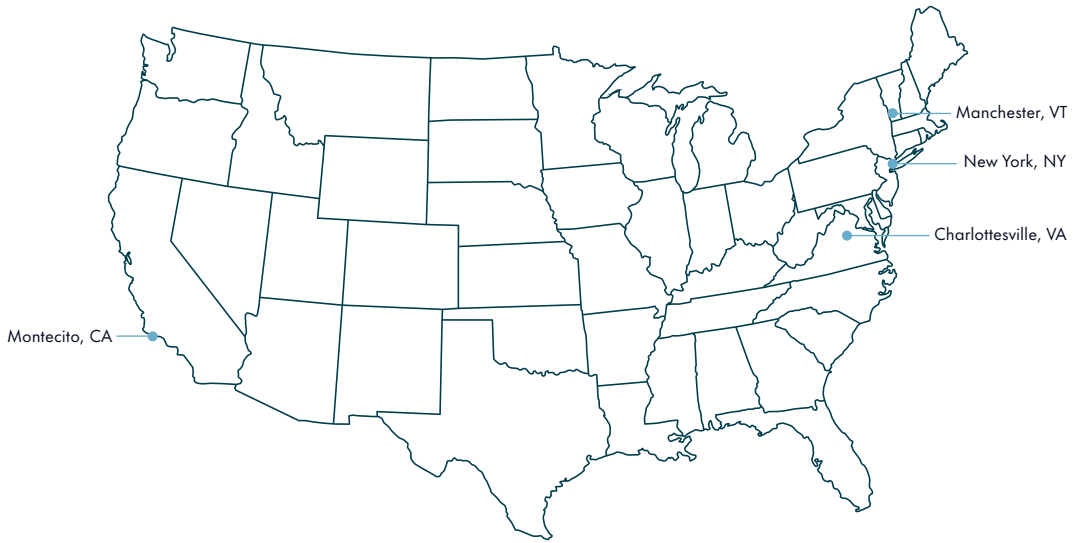
Bart serves on the Board of Directors as the President and Treasurer for the Equinox Lacrosse Association. The non-profit is a boys and girls youth sports organization dedicated to developing a lifelong love for lacrosse by teaching sportsmanship, skill development, respect, and teamwork to students in grades 1-8. The Association serves Manchester, Vermont and surrounding towns.

MCM IN NUMBERS

$4 BILLION ASSETS UNDER MANAGEMENT (APPROXIMATELY)

- 30+ Years of Serving Families

4 OFFICES ACROSS THE NATION



#12 Barron's Top Independent Financial Advisors (2023)[1]

- **17** consecutive mentions on Barron's Top Independent Financial Advisors list

#3 Ted Cronin is the third RIA advisor elected to the Barron's Hall of Fame[2]

#68 2023 CNBC Financial Advisor 100 List[3]

37 Team Members

- **Across 4** generations (Boomers, Gen x, Millennials, Gen Z)
- **10** employee partners
- **7** Chartered Financial Analysts (CFA)
- **5** Certified Financial Planners (CFP®)
- **4** Certified Public Accountants (CPA)
- **600+** Combined Years of Industry Experience

105 Clients (Separate Families)

- **1:15** Advisor to Household Ratio
- **1,600** unique reports each year
- **1** person is the smallest household
- **52** households is one family
- **28** Commercial Properties currently managed across **8** States
- **6** Member family CFO Team Servicing **6** Families





Above: Lorry Delille, Director, Investment Research

Below: Brian Vogel, Senior Wealth Manager, and Angela Straughn, Senior Executive Assistant

[1] Barron's Advisor. "Top Independent Financial Advisors 2023." Barron's, www.barrons.com/advisor/report/top-financial-advisors/independent?page=1&.

[2] CNBC. "Manchester Capital Management - FA 100." CNBC, 12 Sept. 2023, www.cnbc.com/2023/09/12/manchester-capital-management-fa-100.html.

[3] "Manchester Capital Management Named to CNBC's FA 100 List." CNBC, 4 Oct. 2022, www.cnbc.com/2022/10/04/manchester-capital-management-fa-100.html.

Information Sourced Internally





A LOOK AT GENERATION Z

In the digital age, Generation Z (ages 12 to 27) thinks about the world of money differently than past generations. Real-time news reports, social and environmental issues, market updates, and videos explaining where, how, and why to invest are readily at their fingertips. The younger half of the generation has had access to smartphones and similar technology since they were born. But with immediate access to the world, is Gen Z using their resources wisely?

Their methods of research and reliance on technology seem to be getting a bad rap from senior generations. Gen Z may be criticized for giving into consumer culture, instant gratification, and indulging in bad spending habits. However, Gen Z isn't as doomed to its vices as spectators might assume. At Manchester, we think that this emerging generation has a lot to offer in their understanding of the world of money as well as a lot to learn.

In the past few years, Manchester Capital has eagerly welcomed six Gen Z workers into our cohort. Our employees and many of our young clients have shown us that these negative perceptions about Gen Z are misconceived. With our young employees' input, we have come up with some responses to the pressing topics surrounding Gen Z and how they handle money:

SOCIAL MEDIA

Nearly 60% of Gen Z and Millennials cite social media as a catalyst for their investment ventures.[1] While we believe that these platforms do offer a wealth of information, it's essential to verify insights from credible sources. After receiving some investment tips from TikTok it's prudent to follow up to ensure that those tips match research from Bloomberg or Morningstar or start a conversation with a wealth manager. Social media can be a great place to

start asking questions about the financial world but it's important to do the due diligence when navigating it.

FAMILY ENGAGEMENT AND VALUES ALIGNMENT

With all kinds of advice just one Google search away, Gen Z may feel that they don't need the wisdom of senior generations to help them through life. They may have lost a need for familial connection financially or otherwise. Working with a substantial number of families over the years, Manchester Capital knows that family plays a pivotal role in shaping the financial attitudes and behaviors of the next generation. Open communication and family meetings are important not only for fostering alignment with shared values but also for facilitating intergenerational wealth transfer discussions. Each generation can learn something from the other about values, best practices, and navigating complex decisions but it also requires an amount of humility and understanding.

INVESTING, BUDGETING, AND DIGITAL TOOLS

Digital tools today make it easy to get into the markets independently. Apps like Robinhood offer accessibility and fractional shares for novice investors. Education tools like Howthemarketworks.com help student investors practice risk-free, and platforms like eMoney help active investors easily navigate a full portfolio. Apps like Credit Karma and NerdWallet enhance financial acumen and promote responsible investing and budgeting practices. Despite a reputation earned from the 2021 Game Stop short squeeze, most young investors are not dabbling in chaotic behavior using these tools. They increasingly recognize the benefits of consistency and long-term planning in building robust investment portfolios.[2]

"By 2034 [Gen Z] will become the largest generation. They have immense potential to innovate and shape the future and their influence cannot be underestimated."

The tools of financial literacy used in the past are not lost on Generation Z, they simply prefer to manage and process information through a digital framework. Where it was once common to track a budget by hand or in a spreadsheet, it is now more common to use an app or website that links to one's accounts in real time. Although their tools and approaches are different, the wisdom and experience garnered by previous generations are still invaluable in helping Gen Z find their financial footing.

SUSTAINABLE AND IMPACT INVESTING

An emerging trend among young investors is a comparatively higher embrace of impact investing.[3] Cutting-edge tech companies, certified B-Corps, and companies well-known for their efforts in social entrepreneurship are often preferred over multinational energy companies and prime defense contractors. Beyond the allure of disruptive innovation, this trend reflects how Gen Z is thinking deeply about how to invest in ways that align with their values, especially when it comes to equality and environmental sustainability. Gen Z is more likely to desire benefits for the common good alongside their portfolio growth and are less willing to invest in companies that contradict their vision of the common good.

In 2024, Generation Z is entering the workforce, establishing families, and integrating into society as adults. By 2034 they will become the largest generation.[4] They have immense potential to innovate and shape the future and their influence cannot be underestimated. For that reason, they will need the support and accumulated wisdom of the senior generation as they tackle the financial challenges of our modern world.

Isabel Bolaños, Investment Associate

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[1] M1 Finance. "Long-Term Investors More Likely to Feel Financially Free Than Short-Term Investors, New M1 Finance Survey Finds." M1, m1.com/about/newsroom/financial-wellness-survey-release/.

[2] Apex Fintech Solutions. "Millennial and Gen Z Investing Habits: What Are They, and What Can We Learn from Them?" Apex Fintech Solutions, apexfintechsolutions.com/news-resources/blog/millennial-and-genz-investing-habits/.

[3] "How Millennials and Gen Z Are Driving Growth Behind ESG." Nasdaq, www.nasdaq.com/articles/how-millennials-and-gen-z-are-driving-growth-behind-esg.

[4] Morgan Stanley. "Millennial-Gen Z Economy." Morgan Stanley, www.morganstanley.com/ideas/millennial-gen-z-economy.html.




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AUTHORSHIP

Portions of the materials were prepared by an external third party writer. AI Large Language Models Chat GTP 3.5 and 4 and Perplexity were used to source some content and descriptions.

ASSUMPTIONS

This material is based on the assumptions stated herein. In the event any of the assumptions do not prove to be true, results are likely to vary substantially from any examples shown herein. Examples are for illustrative purposes only and no representation is being presented that any client has achieved, will achieve, or is likely to achieve, the results shown. Any Prices shown in the material do not necessarily reflect realizable values. Simulated, modeled, or hypothetical performance results have certain inherent limitations. Simulated results are hypothetical and do not represent actual trading, and thus may not reflect material economic and market factors, such as liquidity constraints, that may have had an impact on actual decision-making.

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Client specific asset allocations are based upon the investment objectives and other information conveyed by you to Manchester Capital. Specific strategies are chosen based upon your specific investment objectives. Before applying a particular asset allocation to your individual situation, you should consider whether it is suitable for your circumstances. A client's actual portfolio and investment objectives for portfolios management by Manchester Capital may look significantly different from the asset allocation information provided herein. The price or value of any strategy identified directly in this asset allocation may fall or rise against your interests.

PROJECTIONS AND RISK

An efficient frontier is utilized to help determine an allocation which has the potential to improve the trade-off between risk and return. Any standard deviation events are shown to illustrate the potential ranges for returns of a portfolio. There may be extreme market fluctuations that differ from the mathematical calculations the further away you are from the first standard deviation event. The percentages shown are not guarantees but illustrate a range of possible future performance and risk for a given allocation. Any projections are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. As with any investment, there is the risk of loss.

ALTERNATIVE INVESTMENTS

In considering an investment in hedge funds or other private investment funds, you should be aware that alternative investments are highly illiquid, not subject to the same regulatory requirements or oversight as mutual funds, more suitable for sophisticated investors, subject to leverage, and may impose significant fees.

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Manchester Capital does not directly provide tax or legal advice to its clients and all clients are strongly urged to consult with their own tax or legal advisors regarding any potential strategy or investment. Any statement contained herein concerning US tax matters is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties imposed on the relevant taxpayer.

Get to know the team and learn more about Manchester Capital at our website: mcmllc.com



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