GEMMER ASSET MANAGEMENT LLC
LOCAL PARTNER | GLOBAL INVESTING

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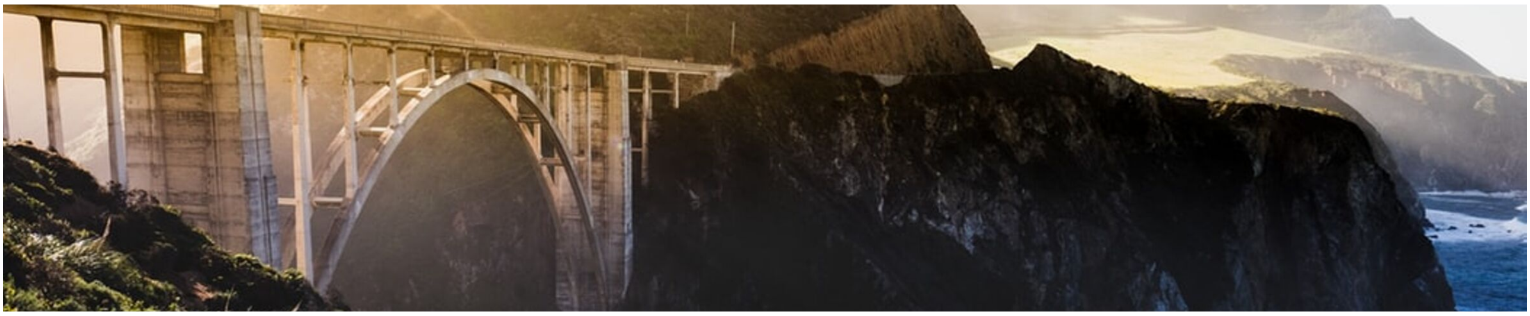

New First Party Definition at Schwab

Schwab's new definition of "first party" refers to money movements where funds are disbursed between two of the client's accounts where the client is the named account holder on both accounts, and the number of account holders, SSNs and tax IDs match on both sides of the money movement. This new definition applies to Schwab MoneyLink, checks and journal transactions.

In cases where it is considered a first party transaction, a signed form or an electronic signature is no longer needed. If the transaction does not fall under first party, then a signed form or electronic signature will still be needed. Please reference the attached material for a more in depth understanding of how this affects your clients.

Encouraging Clients (and Advisors) to Establish a Trusted Contact

Over the next decade, the entire Baby Boomer generation will be over the age of 65. This means that roughly one in every five Americans will be coming into retirement age. This makes it even more important for you to prepare to protect your senior (and all) clients. One way to begin this process is to start requesting trusted contact forms.

What is a Trusted Contact?
A Trusted Contact is designated by your client. This person gains authorization to speak on your client's behalf to both Schwab and Gemmer. Permissions given include:

- Confirm your client's current contact information
- Discuss your client's mental or physical health status
- Discuss activities or other possible red flags that might indicate your client is being financially exploited
- Address under limited circumstances when permitted by state law.

It's important to note that the authority granted to a Trusted Contact is different from that granted to a person with POA or Durable POA. Trusted Contacts do not act on your client's behalf. They are unable to view account information, execute transactions, or inquire about account activity unless they're already an authorized party. Only the account holder can add, update, or remove a Trusted Contact from their account.

Who has Authorization to Talk to a Trusted Contact?
Many custodian forms only allow these permissions to be given to that custodian. However, for Schwab, the trusted contact form gives permission to both Schwab and Gemmer. This does not mean that the client has given this permission to you, their Financial Advisor. It is recommended by custodians to have advisors create their own trusted contact form that gives them the same permissions (or more) as the custodian trusted contact forms.

Why? Serving Senior Investors: The Rules and Regulations for Advisors
While we should always be concerned about the safety and well-being of all our clients, the aging community is the most at risk due to many factors. The regulatory spotlight has been shone on these investors starting in 2017. This is seen in the new federal and state laws that have been proposed and adopted recently.

Please note that Schwab has started an email campaign to promote the addition of a trusted contact. These emails will be sent to existing clients who do not currently have a trusted contact on file and have an email account linked to their Schwab account. If you have any questions, please call or email the GAM Operations Team.

Did YOU Know...

The IRS is allowing Nationwide and Lincoln Financial to treat the payment of an advisory fee from a variable, fixed indexed or hybrid non qualified annuity to qualify as a nontaxable distribution. If your client has this type of an annuity with a different custodian, please contact them to confirm the advisory fee qualifies as a nontaxable distribution.

Schwab's first-party money movement guidelines and examples of third-party definitions

Number of account holders, names*, SSNs, and tax IDs **must match** on both sides of money movement	
From sending account	**To receiving account**
Individual/Designated Beneficiary Individual	**Individual/Designated Beneficiary Individual**
	IRA – Traditional/Roth/SEP
	Revocable Living Trust**
Joint Account – All types	**Joint Accounts** – All types
	Revocable Living Trust**
IRA – Traditional/Roth/SEP/SIMPLE/Inherited	**Individual/Designated Beneficiary Individual**
	IRA – Traditional/Roth/SEP/SIMPLE
	Revocable Living Trust**
Revocable Living Trust**	**Individual/Designated Beneficiary Individual**
	Joint Accounts – All types
	IRA – Traditional/Roth
	Revocable Living Trust**

The above chart represents when a form is no longer needed

Third-party money movement	
charles SCHWAB	charles SCHWAB or XYZ BANK
John Doe's account →	Jane Smith's account
John Doe's account →	John & Jane Doe's joint account
John & Jane Doe's joint account →	John Doe's account

Third-party = a form is needed if a SLOA is not on file

<u>* GEMMER WILL STILL ONLY ACCEPT A SIGNED FORM OR E-AUTHORIZATION FOR ALL WIRES ***</u>**

FAQs

Q: Can Gemmer process a money movement for my client from their joint account to their individual account?

A: No, this type of money movement would not be considered a first party transaction because of the number of account holders does not match on the two accounts in questions (joint=2+ : Individual=1).

Q: If my client is trying to move money from a joint account to another joint account where both the account holder name and tax IDs are identical on each side of the money movement, but the primary account tax ID is different, would Gemmer be able to process this request for my client without a signed form or e-authorization?

A: Yes. As long as the Schwab money movement conditions are met, the order in which the account holders appear has no impact. In this example, because the number of account holders and all underlying tax IDs match, this would be considered a first party transaction.

Q: When moving money, if the sending account is registered to John D. Smith and the receiving account is registered to John Smith (with no middle initial), would this still classify as a first party transaction?

A: Yes. As long as the number of account holders and all underlying tax ID numbers match on both sides of the money movement, the slight variations in how the name is registered and displayed would have no impact and the money movement would be considered first party.

Q: My client wants to get a check mailed to their address of record from their trust account. Can they have the check made payable to them rather than to the name of the trust?

A: Yes. As long as your client is the sole trustee, they can now have the check made payable to themselves.