

SB Wealth Strategies

Investment solutions for
cemetery and funeral trusts



SB Wealth Strategies



**Wealth
Management**

SB Wealth Strategies

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Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

Your challenges. Our solutions.

As a trustee of a cemetery or funeral home, you are tasked with balancing the urgent needs of today with the uncertain demands of tomorrow. You must contend with complex financial and operational challenges that, if managed improperly, can have devastating effects on your organization's financial future. But your organization is not the only entity at risk—trustees now face increased regulatory scrutiny, a dramatic rise in fiduciary responsibility and the potential for personal liability.

Given these challenges, managers and trustees now realize that they can benefit from unbiased, trusted, financial advice from professionals with experience in the highly specialized death care industry. That's where we come in.

SB Wealth Strategies (SBWS) has been providing independent investment consulting services to the death care industry for the past 25 years. We understand the operational and regulatory complexities of this industry, and we address the issues that need to be faced today to work toward a successful tomorrow. Through this unique combination of industry knowledge and investment experience, we can help your organization construct, implement and monitor an investment strategy that meets your current and future objectives.



Preserving the past. Securing the future.

Organizations served include:

- Nonprofit
- Private and commercial for-profit
- Religious
- Municipal or town-owned

Areas of focus include:

- Endowment/Perpetual care trusts
- Pre-need cemetery merchandise and service trusts
- Pre-need funeral trusts
- Working capital/Operational cash flow

SBWS fulfills the role of strategic partner and trusted advisor to the death care industry by dedicating ourselves to our clients' financial success. We draw upon our industry experience to provide relevant insights tailored to your unique requirements. We then work with you to translate those ideas into practical solutions that help you advance your mission and achieve your goals.

Endowment/Perpetual care trusts

We recognize the inherent challenge that cemeteries face in balancing the short- and long-term objectives of an endowment care trust. At SBWS, our clients gain from our ability to structure portfolios in a way that enables cash flow to fulfill operational needs, while simultaneously satisfying regulatory concerns and strategic, long-term growth initiatives.

Pre-need trusts

Pre-need trust fiduciaries are under tremendous pressure to meet the demands of guaranteed contracts following years of depressed interest rates. By providing prudently progressive and straightforward

investment advice, SBWS helps these clients fulfill their contracts and satisfy their stewardship responsibilities.

Strategic advice to:

- Assess endowment care adequacy
- Maximize income from endowed or pre-need trust assets
- Invest pre-need trusts during low interest rate environments
- Restore under-funded or neglected endowment trusts
- Navigate regulatory changes and restrictive state mandates
- Satisfy stewardship responsibilities
- Mitigate fiduciary risk



In memory
of

Our process



We view ourselves as an extension of your team; actively collaborating with owners, trustees, boards and committee members to create a strategic framework for your organization's investment assets. Our Four Step Process (Organize, Formalize, Implement, Monitor) is designed to provide discipline, remove emotion, document decisions, facilitate fiduciary obligation and meet financial objectives.

- **Organize** — We begin with a detailed interview to learn more about your operations and finances. This allows us to thoroughly understand your unique situation before recommending an appropriate investment solution.
- **Formalize** — We then work with your committee to create an investment policy statement (IPS), which clearly defines the parameters by which the portfolio will be managed and the key metrics by which success will be judged. It also defines the roles, responsibilities and relationships of those involved with the investment process.

- **Implement** — The investment strategy is then implemented in compliance with the IPS. We ensure the chosen investment vehicles are appropriate for the portfolio size and a formal due diligence process is followed in selecting investment managers.
- **Monitor** — On a quarterly basis, portfolio performance is benchmarked to appropriate indexes, peer groups and IPS objectives. Additionally, we monitor our investment managers to ensure they are meeting their objectives and avoiding style-drift and/or key-man risk. Our quarterly reviews are conducted in-person, when possible, to ensure the most direct communication with the investment committee and other stakeholders.

Our commitment to client service

We are committed to providing a highly-sophisticated, customized level of service that leverages the global resources of RBC Wealth Management. Service is deeply ingrained in our team's culture and we maintain an unwavering commitment to our clients based on our values of honesty, transparency and integrity.

Investment process

The portfolio construction process integrates manager selection, asset allocation and risk management to deliver customized, multi-manager portfolios. Our process is designed to improve returns, reduce volatility, lower expenses, and protect our fiduciary clients from unnecessary risk. By following a prudent and disciplined investment approach, trustees can feel confident their assets are being managed in the best interest of the organization.

Investment managers

As an independent manager of managers, we engage in a rigorous research and due diligence process to identify managers that meet three simple criteria:

1. Their investment firm must be at least 50% owned by principals and employees
2. Their performance in recent market downturns must have outperformed the benchmark by 25–30%.
3. Their employee turnover ratio must be very low. We do not receive any compensation from investment managers or third-party providers, allowing us to objectively select the most appropriate managers for each client.

Professional trustee services

- More than 100 years experience as independent professional trustees,
- Multi-jurisdictional planning and cross-border tax awareness with presence in the Americas, Asia, the Caribbean and Europe.
- Experienced charitable trustee services for individuals and organizations, including donor advised Funds.
- RBC Trust Company (Delaware) Limited offers complete personal trust and custody services and specializes in Delaware Trusts, a preferred wealth building and preservation tool of America's leading families.
- Comerica Bank & Trust, NA offers personal and institutional trust services, including estate or trust/estate settlement.



Our team

The SB Wealth Strategies team consists of seven investment professionals dedicated to ensuring the unique needs of the death care industry are met. Led by principal founder, Pat Severo, SBWS is guided by a shared set of values that define our culture, character and integrity. These values have helped SBWS gain recognition as one of the premier wealth management teams in the industry from publications such as *Barron's*, and *Financial Times*, the *Los Angeles Business Journal* and *On Wall Street magazine*. SBWS consistently ranks among the top teams within RBC Wealth Management's nationwide network, in terms of assets under management.

Pat has been a financial advisor for more than 35 years and has been servicing the death care industry for the past 25 years. He is actively involved in the Cemetery and Mortuary Association of California (CMAC) and the International Cemetery, Cremation, and Funeral Association (ICCFA). Pat

has been a frequent guest speaker at regional and national conferences; often speaking on topics of fiduciary best practices and investing endowed assets.

Pat obtained his CIMA® (Certified Investment Consultant) from the Wharton Business School, AIF® (Accredited Investment Management Fiduciary) from the Center for Fiduciary Studies, and AWM (Accredited Wealth Manager) from Michigan State University. In addition to enhancing his knowledge of endowments, these accreditations require that Pat adhere to the strictest ethical guidelines.



Brett H. Bartman

Managing Director –
Financial Advisor,
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Prior to joining RBC Wealth Management in 2002, Brett worked for Westfield, one of the world's largest owners and developers of shopping

centers. During his tenure there, he worked as a budget and financial analyst as well as a center and leasing manager, and participated in the company's IPO. He earned a Bachelor of Arts degree in history at Pitzer College in Claremont, California, and graduated from the Executive Management Program at UCLA's Anderson Graduate School of Business. Brett has passed his Series 7, 31 and 66 exams and is licensed to sell life and disability insurance, fixed and variable annuities, health insurance and long-term care insurance. Brett is a Chairman's Council member and is regularly recognized for his contributions to wealth planning, and has been a recent contributor to *The Wall Street Journal*, *Reuters*, *Dow Jones*, *Financial Post*, and *TheStreet.com*.

Trish Delk, CFP®, CIMC®

Associate Vice President,
Senior Financial Associate

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Trish started in the investment industry in 1981. She has earned the Certified Financial Planner™ professional (CFP®) and the Certified

Investment Management Consultant (CIMC®) designations, both of which require rigorous professional fitness and ongoing continuing education.

Trish graduated from California State University at Los Angeles with a Bachelor of Science degree in business administration—finance. She has passed the Series 7, 63 and 65 exams and is licensed to sell life and disability insurance as well as fixed and variable annuities.

Proud to be national award-winning advisors



As financial advisors, it is gratifying to be recognized as leaders in the industry, because it means we are

serving our clients well. We are proud to be recipients of the following prestigious awards:

- **Pat Severo:**
 - *Forbes*/SHOOK's Best-In-State Wealth Advisor – 2016, 2017, 2018, 2019
 - *Barron's* Top 1,200 Financial Advisor – 2008 through 2019 (every year in existence)
- **Brett Bartman:**
 - *Forbes*/SHOOK's Best-In-State Wealth Advisor – 2018, 2019
 - *Financial Times*' FT 400 Top Financial Advisors award – 2013, 2016, 2019
 - *On Wall Street's* "Top 40 Advisors Under 40"
 - *The Los Angeles Business Journal's* "Most Influential Wealth Managers"

Forbes.com America's Top Wealth Advisors: State-By-State ranking was developed by SHOOK Research and is based on in-person and telephone due diligence meetings and a ranking algorithm that includes: client retention, industry experience, review of compliance records, firm nominations; and quantitative criteria, including: assets under management and profitability. For more information: www.SHOOKresearch.com. This award does not evaluate the quality of services provided to clients and is not indicative of this advisor's future performance. The financial advisor does not pay a fee to be considered for or to receive this award.

The Barron's Top Financial Advisors Award is based on the following criteria: The individual is credentialed as a FINRA registered representative, assets under management, revenue produced for the firm, regulatory and compliance record. The financial advisor does not pay a fee to be considered for or to receive this award. This award does not evaluate the quality of services provided to clients. This is not indicative of this financial advisor's future performance.

The Financial Times 400 Top Financial Advisors is an independent listing produced annually by the Financial Times. The FT 400 is based on data gathered from advisors, broker-dealer home offices, regulatory disclosures, and the FT's research. The listing reflects each advisor's status in six primary areas: assets under management (AUM), asset growth, compliance record, experience, credentials and online accessibility. This award does not evaluate the quality of services provided to clients and is not indicative of this advisor's future performance. Neither the brokerages nor the advisors pay a fee to the Financial Times in exchange for inclusion in the FT 400.

Strength you can trust

Royal Bank of Canada (RBC) is one of the world's leading diversified financial services companies. One that is distinguished by a long heritage of financial strength, integrity and unwavering dedication to our clients.



RBC's vision, "Always earning the right to be our clients' first choice," is supported by its strong stewardship values.

Key facts

- Chartered in 1869
- Approximately 84,000 employees speaking over 100 languages, serving more than 16 million clients worldwide
- One of North America's leading diversified financial services companies

Among the world's best

- Top 15 bank globally based on market capitalization, with operations in 36 countries (as of April 30, 2019)
- Named one of world's top 100 sustainable companies in 2017 – Corporate Knights Global 100 Most Sustainable Corporations
- Ranked as one of the World's Safest Banks 2017 – Global Finance
- Acquired City National Bank in 2015, to offer private and business banking solutions and meet a broader range of clients' financial needs in select markets in the U.S.

Canada's leading financial institution

- Largest Bank in Canada, with over US\$1.04 trillion in total assets and a Common Equity Tier 1 capital ratio of 11.8% (As of April 30, 2019)
- Canada's largest bank by market capitalization with broad leadership in financial services (as of April 30, 2019)

- Named "Best Private Bank in Canada" for the sixth consecutive year in the Global Private Banking Awards 2017
- "Best Private Banking Services Overall" in Canada for the 11th consecutive year; RBC also received 11 additional first-place awards in the annual industry survey (2018 Euromoney Private Banking and Wealth Management Survey)

Stable ... safe ... sustainable

- Consistently high credit ratings: Moody's A2, Standard & Poor's A, Fitch AA
- Consistently strong and stable with a high quality balance sheet, proactive risk management and a strong liquidity position
- Committed to environmental and watershed protection in communities worldwide through the 10-year, C\$50 million RBC Blue Water Project
- Named one of Canada's Greenest employers, according to Canada's Top 100 Employers project

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**Wealth
Management**

RBC Wealth Management does not provide tax or legal advice. We will work with your independent tax/legal advisor to help create a plan tailored to your specific needs.

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