



THE NEW STANDARD IN WEALTH MANAGEMENT

## Part 2A of Form ADV: Firm Brochure

55 East 52<sup>nd</sup> Street, 23<sup>rd</sup> Floor

New York, NY 10055

Tel: (212) 822-7620

[www.evercorewealthandtrust.com](http://www.evercorewealthandtrust.com)

**March 2021**

**This brochure provides information about the qualifications and business practices of Evercore Wealth Management, LLC ("Evercore Wealth" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at (212) 822-7620 and/or at [wealthmanagement@evercore.com](mailto:wealthmanagement@evercore.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.**

**Additional information about the Firm is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2:      Material Changes**

Evercore Wealth Management, LLC's ("Evercore Wealth" or the "Firm") most recent update to its brochure was made in March 2020. Evercore Wealth's business activities have not changed materially since the time of that update.

In addition to clarifying language, the following updates were made to this version of the brochure:

- Added language describing how fees are charged on assets when the asset valuation timing may be delayed (Item 5)
- Clarified that financial planning services are generally included in the investment advisory services provided to clients (Item 5)
- Added language that certain third-party investment managers recommended by Evercore Wealth may invest in financial products sponsored by Evercore (Item 10)
- Added language that Evercore Wealth may recommend investment products sponsored by firms that beneficially hold more than 5% of Evercore's outstanding common stock (Item 10)
- Added language describing Evercore Wealth's policies with respect to margin balances (Item 12)
- Added language to describe Evercore Wealth's error policies (Item 12)
- Updated Evercore Wealth's proxy voting policies (Item 17)
- Updated Evercore Wealth's class action policies (Item 17)

### **Item 3: Table of Contents**

Item 2:	Material Changes .....	2
Item 3:	Table of Contents .....	3
Item 4:	Advisory and Wealth Management Business .....	3
Item 5:	Fees and Compensation .....	5
Item 6:	Performance-Based Fees and Side-By-Side Management .....	7
Item 7:	Types of Clients .....	8
Item 8:	Methods of Analysis, Investment Strategies, and Risk of Loss .....	8
Item 9:	Disciplinary Information .....	11
Item 10:	Other Financial Industry Activities and Affiliations .....	11
Item 11:	Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading .....	12
Item 12:	Brokerage Practices .....	14
Item 13:	Review of Accounts .....	19
Item 14:	Client Referrals and Other Compensation .....	20
Item 15:	Custody .....	20
Item 16:	Investment Discretion .....	21
Item 17:	Voting Client Securities .....	21
Item 18:	Financial Information .....	22

### **Item 4: Advisory and Wealth Management Business**

Evercore Wealth was founded in September 2008 and is majority owned by Evercore Partners Services East LLC, an indirect subsidiary of Evercore Inc. (“Evercore”). Evercore is a publicly-traded financial services firm (NYSE:EVR), which provides investment banking advisory services to multinational corporations on mergers, acquisitions, divestitures, restructurings, and other strategic corporate transactions, and also provides research, trading and execution services. Evercore also provides asset management services through Evercore Wealth and Evercore Wealth’s affiliates.

Evercore Wealth provides discretionary and non-discretionary investment advisory services to individuals and institutional clients and also provides financial planning, investment consulting and educational services with respect to asset allocation, portfolio diversification, portfolio risk, and other general economic and financial topics.

Evercore Wealth provides investment advisory services to a registered investment company, the Evercore Equity Fund (“EWMCX”), and investment sub-advisory services to an insurance dedicated fund, the SALI Multi-Series Fund, L.P.

Evercore Wealth provides a model equity portfolio for another financial institution, which is a registered investment advisor. The model provided to this institution uses the same strategy used for the EWM Partner Investments LLC account, which is described in Item 6 of this brochure. The financial institution that uses the model equity portfolio

does so at their own discretion; Evercore Wealth does not execute or facilitate any trading in relation to the model or the financial institution's underlying accounts, nor does Evercore Wealth have any knowledge about the other financial institution's clients.

Evercore Wealth's client accounts are invested primarily in equities and bonds managed by Evercore Wealth, mutual funds managed by Evercore Wealth and third-party investment managers, and exchange-traded funds, alternative investments, cash-equivalent instruments, and strategies and investment portfolios managed by third-party investment managers.

Investment advisory services are guided by the objectives and restrictions outlined in each client's Investment Management Agreement (the "Agreement") and Investment Policy Statement. Clients have the ability to restrict investment in certain securities or types of securities in their account, as well as to provide guidance and direction with respect to the securities maintained, purchased and sold in their account.

For certain client accounts Evercore Wealth may recommend pooled investment vehicles, such as hedge funds, private equity funds, limited partnerships, or one or more third-party investment managers. Third-party investment managers recommended to clients will have full investment discretion and trading authority over that portion of a client's account, and shall have sole responsibility for the implementation of the third-party strategy's investment objectives. With respect to the assets held in portfolios managed by third-party investment managers, Evercore Wealth will not place orders for transactions in that portion of the client's account or otherwise exercise trading authority over the third-party account. However, Evercore Wealth periodically monitors the third-party investment managers and reserves the authority to hire or terminate such managers.

Evercore Wealth also provides an array of general personal financial planning services in addition to investment management. Such services include, but are not limited to, retirement planning, financial planning, personal tax and cash flow planning, estate planning, insurance planning, marriage and divorce planning, college planning, compensation and benefits planning, and the preparation of financial analyses and personal financial statements reflecting net worth, cash flow, and income tax projections. Financial planning services may be provided as a stand-alone service or as part of the Firm's investment advisory services.

As of December 31, 2020, Evercore Wealth managed a total of approximately \$10.2 billion, of which approximately \$10 billion was managed on a discretionary basis and approximately \$90 million on a non-discretionary basis.

## **Item 5: Fees and Compensation**

For the investment advisory services it provides, Evercore Wealth is compensated based on a percentage of assets under management. The terms of each client's fee schedule is outlined in their Agreement. Fees are generally charged monthly in arrears based on the prior month-end market value, and are generally deducted directly from the client's custodial account. However, some clients may have other arrangements. For example, they may be billed for the fees incurred, charged fees less frequently than monthly, in some cases may pay fees in advance, and in other cases may be charged a flat or set fee.

Investment advisory services begin with the effective date of the Agreement, which is the date the client signs the Agreement. For the first fee billing cycle that the Agreement is effective, fees are charged on a pro-rata basis based upon the number of days in which Evercore Wealth managed the account in the billing period. Fees are charged according to a tiered schedule and may be negotiated as determined on a case-by-case basis based upon a number of factors, including the type of assets under management, the services provided, and any restrictions on particular assets, or asset classes.

Evercore Wealth's standard investment management fee schedule for separately managed accounts is outlined below.

<b>Asset Value and Composition</b>	<b>Annual Fee</b>
For relationships up to \$10,000,000	1.00%
For relationships over \$10,000,000, or for those relationships with at least \$5 million of fixed income assets, a split fee schedule applies	Fixed Income Assets: 0.35% on the first \$10 million 0.25% on the balance  Growth Assets: 1.00% on the first \$10 million 0.75% on the next \$10 million 0.60% on the balance

Fees may be negotiated with clients in Evercore Wealth's sole discretion. The agreed upon investment management fee for any account may be higher or lower than the fees reflected in the table above.

Fees are calculated and paid in accordance with the fee schedule in effect for the account at the time of payment, as may be amended from time to time. Evercore Wealth may charge a minimum annual fee for services provided on any account.

Either Evercore Wealth or the client may terminate the Agreement at any time upon written notice to the other party, subject to the terms of the Agreement. Clients are responsible for paying for services rendered until the effective termination of the Agreement. If the client has paid fees in advance and terminates the agreement, Evercore Wealth will provide a pro-rated refund.

As the investment adviser to EWMCX, Evercore Wealth receives an annual investment advisory fee of 0.75% of EWMCX's assets under management. Evercore Wealth has contractually agreed with EWMCX to waive Evercore Wealth's fees and/or reimburse EWMCX for any expenses (excluding taxes, interest, brokerage fees, and extraordinary expenses) to the extent necessary to ensure that EWMCX's Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement do not exceed 1.00% of EWMCX's average daily net assets. This agreement will continue in effect until April 30, 2022, with successive renewal terms of one year unless terminated by the EWMCX Board of Trustees prior to any such renewal. For fee reductions and/or expense payments made in the prior three fiscal years, Evercore Wealth has the right to receive reimbursement provided that after giving effect to such reimbursement, Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement do not exceed 1.00% of EWMCX's average daily net assets in the year of reimbursement. Clients should refer to the EWMCX prospectus for a complete description of all fees and expenses charged by EWMCX.

For Evercore Wealth client discretionary accounts that have all or a portion of their assets invested in EWMCX, Evercore Wealth excludes the value of the EWMCX investment from the calculation of Evercore Wealth's investment management fee. However, because Evercore Wealth is unable to adjust the fee charged by EWMCX and paid by clients invested in EWMCX, it is possible that certain Evercore Wealth relationships that hold EWMCX may pay higher fees to EWMCX, an Evercore Wealth affiliate, than those fees described on the standard investment management fee schedule or otherwise negotiated by clients.

In addition to the fees charged by Evercore Wealth, clients may be responsible for additional expenses, such as brokerage fees, commissions, mark-ups and mark-downs, custody fees, tax preparation fees and fees and expenses charged by unaffiliated custodians, as well as investment management fees charged by third-party mutual funds, pooled investment vehicles, and third-party managers that may be recommended to clients. Account assets invested in these types of investment vehicles will be included in calculating the value of the account (using the most recent available valuation or price) for purposes of computing the fee Evercore Wealth charges for the investment advisory services it provides, and the same assets will also be subject to additional fees and expenses, as set forth in the offering documents of those investment vehicles, including, for example, performance fees, if applicable.

The current valuation of certain assets, such as unique and hard-to-value assets, alternative assets and certain pooled vehicles may be received by Evercore Wealth on a delayed basis, after the Firm calculates its investment advisory fee. In these cases, Evercore Wealth will use the last available price or assigned value of the asset to calculate the market value for fee purposes. In such cases, the valuation may fluctuate up or down between billing periods and Evercore Wealth may benefit from the use of the last available price or assigned value when it is higher than the current price. Similarly, Evercore Wealth is disadvantaged when the last price is lower than the current price.

Evercore Wealth and its employees do not receive any compensation or consideration from third-party or non-proprietary investment managers related to recommending or employing their services in client accounts.

Financial planning services are generally included in the investment advisory services provided to clients. However, in cases where financial planning services are being provided on a stand-alone basis, such fees are negotiated on a case by case basis and shall be mutually agreed upon by the client and Evercore Wealth.

Employees of Evercore Wealth and its affiliates who maintain accounts with Evercore Wealth for investment advisory services are offered discounted fees, and in some cases are not charged a fee.

Evercore Wealth compensates its affiliates for certain services through an intercompany arrangement or by direct payment (e.g., for research reports). Additional information about intercompany arrangements may be found in Item 10 of this brochure.

Additional information about brokerage practices may be found in Item 12 of this brochure.

## **Item 6:      *Performance-Based Fees and Side-By-Side Management***

Evercore Wealth does not charge performance-based fees.

Evercore Wealth maintains a discretionary investment advisory account for certain of Evercore Wealth's partners through EWM Partner Investments LLC for which no investment management fee is charged. This account serves as the representative account used for advertising and marketing the performance of the Firm's Core Equity Strategy.

Evercore Wealth maintains discretionary investment advisory accounts for its affiliates Evercore Partners Services East, LLC, Evercore Group, LLC and Evercore Trust Company, N.A. for which either no investment management fee is charged, or a discounted fee applies.

Evercore Wealth provides investment advisory services for employees of Evercore Wealth and their families and/or employees of its affiliates and their families for which a discounted fee may apply. Certain employees may, in their capacity as portfolio manager, manage other Evercore Wealth employee accounts, or accounts for employees of Evercore Wealth's affiliates, including those for other Evercore Wealth portfolio managers on a discretionary basis.

Evercore Wealth may recommend or invest in, on a client's behalf, pooled investment vehicles, limited partnerships or limited offerings which may be subject to performance-based fees payable to a third-party investment adviser, which is in addition to Evercore Wealth's investment management fee. If applicable, any such fees and expenses are set forth in the offering documents of those investment vehicles.

### ***Item 7: Types of Clients***

Evercore Wealth provides discretionary and non-discretionary investment advisory, financial planning and investment consulting services to high-net-worth individuals and associated trusts, estates, pension and profit sharing plans, endowments, foundations, charitable organizations, insurance companies, trust companies, and other legal entities, including affiliated entities. In addition, Evercore Wealth serves as the investment adviser to a registered investment company, EWMCX, and provides investment sub-advisory services to an insurance dedicated fund, the SALI Multi-Series Fund, L.P. as described in Item 4 of this brochure.

As described in Item 4 above, Evercore Wealth also provides a model equity portfolio for another financial institution, which is a registered investment advisor. The model provided to this institution uses the same strategy used for the EWM Partner Investments LLC account, which is described in Item 6 of this brochure. The financial institution that uses the model equity portfolio does so at their own discretion; Evercore Wealth does not execute or facilitate any trading in relation to the model or the underlying accounts, nor does Evercore Wealth have any knowledge about the other financial institution's clients.

### ***Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss***

Evercore Wealth's investment approach starts with an understanding of each client's investment objectives, goals and constraints within the context of the client's family, lifestyle, business, and philanthropic commitments, as applicable. From there, Evercore Wealth seeks to build customized and diversified portfolios. In doing so, client assets are allocated among various proprietary and non-proprietary fixed income, equity and balanced strategies, as well as various investment vehicles, such as proprietary and non-proprietary mutual funds, and third-party exchange-traded funds, alternative investments (where appropriate), cash-equivalent instruments, investment strategies and investment portfolios.



Clients have the ability to restrict investment in certain securities or types of securities in their account, as well as to provide guidance and direction with respect to the securities maintained, purchased and sold in their account.

Evercore Wealth's fixed-income investment team seeks to provide clients with a steady income stream while preserving principal. Evercore Wealth seeks to maximize portfolio returns by creating a bond portfolio with a focus on tax-considerations and specific client objectives. The approach is backed by fundamental economic and technical market analysis, as well as specific security analysis.

For equity investment management, Evercore Wealth emphasizes a team approach drawing on the long and varied experience of its investment professionals. Evercore Wealth seeks to generate long-term returns and capital appreciation by investing in the large, small and mid-capitalization stocks of domestic, foreign, and global businesses.

Evercore Wealth conducts fundamental analysis on the securities, investment vehicles and third-party investment managers recommended for client accounts and each such potential holding is analyzed to understand the business fundamentals and expected value drivers, while also considering the macroeconomic environment.

From time to time, Evercore Wealth may evaluate certain third-party investment opportunities for its clients that are sourced through its affiliate, Evercore Group, L.L.C. ("EVR"). Should Evercore Wealth decide to invest client assets in any such opportunity, EVR may receive a benefit. In these cases, Evercore Wealth will notify affected clients of any conflicts of interest inherent in the transaction.

Evercore Wealth seeks to provide customized investment advisory services based on each client's individual and specific needs, objectives, investment guidelines and restrictions, which may be adjusted to market or client circumstances. Evercore Wealth may make investment decisions for its clients that are different from or inconsistent with decisions made for other similarly situated clients. In some cases, there may be concentrations of investments.

There are limitations inherent in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities markets, changes in relevant economic, legal and political circumstances and in the economy generally, Evercore Wealth may pursue any objective or use any technique that it considers appropriate and in clients' interests.

Investing in securities involves risk of loss, which clients should be prepared to bear. In addition, investment performance could be hurt by a number of different market risks, including, but not limited to, those outlined below. Clients should refer to any disclosures or risk factors contained in offering documents or materials or other disclosure statements provided to such clients in addition to the risks described.

1. Stock Market Risk – The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
2. Sector Risk – The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
3. Issuer Risk – The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of an issuer's securities may decline because of a variety of factors, including management performance, disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, major litigation against the issuer, or changes in government regulations affecting the issuer or the competitive environment. A change in the financial condition of a single issuer may affect securities markets as a whole. Certain unanticipated events, such as natural disasters, can have a dramatic adverse effect on the value of an issuer's securities.
4. Foreign Securities Risk – Investments in foreign companies, including ADRs, involve certain risks not generally associated with investments in the securities of U.S. companies, including changes in currency exchange rates, unstable political, social and economic conditions, a lack of adequate or accurate company information, differences in the way securities markets operate, less secure international banks or securities depositories than those in the U.S. and foreign controls on investment. These risks may also apply to U.S. companies that have substantial foreign operations.
5. Liquidity Risk – Investments may from time to time be illiquid. As a result, such investments may be required to be held for a significant period of time in order to realize a return on invested capital.
6. Interest Rate Risk – An investment's value, typically investments in bonds, may fluctuate due to a change in interest rates. For example, as interest rates increase, the value of the security may decrease and vice-versa. Longer-term bonds may be more sensitive to interest rate changes.
7. Credit Risk – Bonds may lose value if the issuer does not make payments as promised, or securities may decline in value because of changes in the issuer's financial condition.
8. Cybersecurity Risk – The increased use of technologies to conduct business increases operational, information security and related risks. Cyber incidents can result from deliberate attacks or unintentional events and include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking")

or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption, or for purposes of causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber security failures or breaches by issuers of securities or the exchanges on which they are traded, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with or impediments to trading, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

9. An epidemic outbreak or other natural disaster and reactions to such an event could cause uncertainty in markets and businesses, including Evercore Wealth's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Evercore Wealth has policies and procedures to address known situations, but because a large epidemic or other natural disaster may create significant market and business uncertainties and disruptions and its effects may be short term or last for an extended period of time, not all events that could affect Evercore Wealth's business and/or the markets can be determined and addressed in advance.

Additional information about Evercore Wealth's investment strategies and advisory business may be found in Item 4 of this brochure.

### ***Item 9: Disciplinary Information***

Neither Evercore Wealth nor its management personnel have been involved in any legal or disciplinary events in the past ten years that would be material to a client's evaluation of the Firm or its personnel or the integrity of the Firm.

### ***Item 10: Other Financial Industry Activities and Affiliations***

Evercore Wealth is affiliated with other registered investment advisers and broker-dealers through common ownership. The entities owned by Evercore may share certain resources, such as human resources and technology support systems. Evercore Wealth has implemented policies and procedures to help ensure that adequate information barriers exist between Evercore Wealth and its affiliates and that Evercore Wealth operates independently of Evercore and its affiliates.

With the exception of EWMCX, Evercore Wealth does not market or invest, on a discretionary basis, in investment products or strategies, including registered and unregistered investment companies, managed or issued by its affiliates. However, Evercore Wealth may recommend third-party managers that may invest, on a discretionary basis, in investment products or strategies sponsored by EVR, including

Evercore's common stock or financial products for which EVR has acted as an adviser or underwriter for its clients, such as an Initial Public Offering or IPO, or a Special Purpose Acquisition Company or SPAC. In such cases, EVR may receive a benefit.

Evercore Wealth currently recommends the use of BlackRock and Vanguard investment products as investments in client accounts. BlackRock and Vanguard have disclosed that they are each the beneficial owner of over 5% of EVR's outstanding common stock. All transactions with these 5% holders and their affiliates are arms-length transactions entered into in the ordinary course of business, with management and other fees based on the prevailing rates for non-related persons.

Evercore Wealth is also affiliated, through common ownership, with Evercore Trust Company, N.A. ("ETC") a national trust bank regulated and supervised by the Office of the Comptroller of the Currency. ETC provides trustee and executor services and may serve as trustee for certain clients of Evercore Wealth. ETC and Evercore Wealth advertise and market their services together using a combined logo and a shared website.

ETC provides custodial services and serves as custodian for certain clients of Evercore Wealth. ETC generally does not charge Evercore Wealth's investment advisory client accounts for custody or trustee fees (if applicable) but is compensated by Evercore Wealth for such services through an intercompany arrangement. Similarly, Evercore Wealth may provide investment advisory services to certain clients of ETC for which Evercore Wealth is compensated by ETC through an intercompany arrangement. Certain Evercore Wealth personnel are also employees of ETC.

As discussed above, Evercore Wealth serves as the investment adviser to EWMCX. Evercore Wealth invests client assets in EWMCX in certain circumstances, such as when there is a goal for equity diversification.

Employees may occasionally be appointed to an advisory board for a Limited Partnership fund that Evercore Wealth recommends for clients and in which Evercore Wealth clients are invested.

## ***Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading***

### ***Code of Ethics***

Evercore Wealth permits its employees to engage, on a limited basis, in personal securities transactions. To avoid potential conflicts of interest involving personal trades, Evercore Wealth has adopted a Code of Ethics ("Code"), which includes formal policies and procedures to address insider trading, information barriers, handling the receipt of material non-public information, and personal security transactions. Evercore Wealth's

Code requires, among other things, that its employees place client interests ahead of Evercore Wealth's, engage in personal investing that is in full compliance with the Code, avoid taking advantage of their position, and maintain full compliance with applicable federal securities laws.

The Code also requires employees to pre-clear certain personal securities transactions, report personal securities transactions on at least a quarterly basis, and provide the Firm with a detailed summary of holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

Additionally, the Code imposes limitations on gifts and entertainment that employees may give and receive as well as restricts and requires pre-clearance for certain political contributions. Employees are also required to disclose their outside affiliations, including but not limited to, any employment or compensation received outside of Evercore Wealth or any directorships or officer positions held for any publicly traded, closely held or non-profit organization. Evercore Wealth may occasionally make donations to charitable organizations that are sponsored or supported by clients, vendors or consultants.

A copy of Evercore Wealth's Code shall be provided to any client or prospective client upon request by contacting the Chief Compliance Officer at (212) 822-7620.

### ***Participation or Interest in Client Transactions***

As noted above, Evercore Wealth may invest client assets in EWMCX in certain circumstances, such as when there is a goal for equity diversification. When client discretionary accounts hold EWMCX, Evercore Wealth excludes the value of EWMCX from the calculation of its investment management fee.

Employees may buy and sell shares of EWMCX, and other securities that are purchased and sold for clients, in their personal accounts subject to the Firm's pre-clearance and personal trading policies.

Certain employees may, in their capacity as portfolio manager, manage other employee accounts, including those for other Evercore Wealth portfolio managers on a discretionary basis, which does not require pre-clearance.

Employees may at times be permitted to serve as Power of Attorney on behalf of a client, or as Trustee for a client's account. In such cases the employee's conduct with respect to the account is monitored, for example, through a requirement that trade transactions are pre-cleared.

Employees may occasionally be appointed to an advisory board for a Limited Partnership fund that Evercore Wealth recommends for clients and in which Evercore Wealth clients are invested.

## **Personal Trading**

Employees may buy or sell securities (including mutual funds advised by the Firm) and limited offerings that are also recommended to clients. However, employees may not buy, sell, or recommend securities (or derivatives thereof) of an issuer for any proprietary, customer, employee, or other account while in possession of material, non-public information regarding the issuer. In addition, personal investments must generally be held for a minimum of thirty days.

## **Item 12: Brokerage Practices**

Evercore Wealth considers the following factors, among others, when selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation: (1) liquidity of the securities traded, (2) execution facilitation services provided, (3) timeliness of execution, (4) timeliness and accuracy of trade confirmations, (5) client direction, (6) account custodian and (7) expertise as it relates to specific securities.

Although Evercore Wealth seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent available. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

## **Soft Dollars**

Evercore Wealth uses brokerage “soft dollars” to pay for research services. Soft dollar arrangements are generally understood to be those where products or services other than the mere execution of securities transactions are obtained by an investment adviser from a broker-dealer in exchange for the direction of client transactions by the investment adviser to a broker-dealer. Soft dollars are that portion of brokerage commissions that exceed the lowest rate available for basic execution services.

Evercore Wealth does not intend to seek lower brokerage commissions to the extent that doing so may detract from its receiving valuable brokerage and research services. The commissions or equivalents paid to any one broker-dealer may be greater than the amount charged by another firm for executing the same transactions, and Evercore Wealth may determine to use the more expensive broker-dealer if Evercore Wealth determines in good faith that the amount of commissions charged by such broker-dealer are reasonable in relation to the value of the brokerage and research services provided. Selecting brokers on the basis of considerations that are not limited to applicable commission rates may at times result in higher transaction costs than may otherwise be obtainable.

Evercore Wealth intends to comply with the “safe harbor” provided by Section 28(e) of

the Securities Exchange Act of 1934, as amended, which permits the use of soft dollars to obtain brokerage and research services that provide lawful and appropriate assistance to the investment adviser in the performance of its investment decision-making responsibilities.

The products and services available from brokers include both internally generated items (such as proprietary research reports prepared by employees of the broker-dealer), as well as items acquired by the broker-dealer from third parties (such as outside research prepared by third-party research firms). Research services may include, but are not limited to, written information and analyses concerning specific securities, companies, or sectors; market, financial, and economic studies and forecasts; financial publications; news, quotation, statistics, and pricing services; discussions with research personnel; databases; and services utilized in the investment management process. Brokerage services may include, but are not limited to, clearance, settlement, custody, securities lending and financing, and recordkeeping.

Investment research and brokerage services received through soft dollar arrangements may be used by Evercore Wealth in servicing various clients, and not all such services will necessarily benefit all clients. In addition, investment research and brokerage services received through soft dollar arrangements may benefit clients whose brokerage commissions did not generate the soft dollars used to pay for such services (e.g., research obtained for fixed income securities management through commissions generated by equity securities transactions; or clients with directed brokerage arrangements, as discussed below). Generally, trades for clients whose accounts are custodied at a broker-dealer will be executed through the custodial broker-dealer and, may or may not, depending on the Firm's arrangement with the broker-dealer, generate soft dollars. In some cases, Evercore Wealth may instruct the custodial broker-dealer to "step out" a transaction to another broker-dealer which may incur additional costs to clients. Trades for clients whose accounts are held by non-broker custodians will be executed with broker-dealers through which Evercore Wealth may generate soft dollars.

In some instances, Evercore Wealth may obtain a product or service that is used, in part, for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, Evercore Wealth will make a good faith effort to determine the relative proportion of the product or service used to assist it in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by Evercore Wealth's personnel. The proportion of the product or service attributable to assisting Evercore Wealth in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between Evercore Wealth and its clients.

Relationships with broker-dealers providing soft dollar services to Evercore Wealth may

influence Evercore Wealth's judgment in allocating brokerage business, and may create a conflict of interest in using the services of these broker-dealers to execute securities transactions for clients. Because Evercore Wealth does not have to produce materials in-house or pay for the research, products, or services provided by these brokers, the Firm may have an incentive to select or recommend a broker-dealer based on the soft dollar benefits it receives, rather than on the basis of obtaining favorable execution for clients. While Evercore Wealth believes these relationships are generally beneficial, selecting broker-dealers on the basis of considerations other than applicable commissions may at times result in higher transaction costs than would otherwise be the case.

Evercore Wealth has recommended that certain clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab is independently owned and operated and not affiliated with Evercore Wealth. Schwab provides Evercore Wealth with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab, and contingent upon Evercore Wealth committing to Schwab a specific amount of trading commission business. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Evercore Wealth's client accounts maintained in Schwab's custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Evercore Wealth other products and services that benefit Evercore Wealth and may, or may not, benefit its clients' accounts. Some of these other products and services assist Evercore Wealth in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Evercore Wealth's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Evercore Wealth's accounts, including accounts not maintained at Schwab. Schwab also makes available to Evercore Wealth other services intended to help Evercore Wealth manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may



make available, arrange and/or pay for these types of services rendered to Evercore Wealth by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Evercore Wealth. While as a fiduciary, Evercore Wealth endeavors to act in its clients' best interests, Evercore Wealth's past recommendation that clients maintain their assets in accounts at Schwab may have been based in part on the benefit to Evercore Wealth of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### ***Client Referrals***

Evercore Wealth does not use brokerage commissions to compensate brokers for client referrals.

### ***Directed Brokerage***

On occasion, a client may direct Evercore Wealth to effect securities transactions in the client's account through a specific broker-dealer. This instruction shall be construed as a "directed brokerage arrangement." In such circumstances, the client is responsible for negotiating the terms and arrangements for their account with that broker-dealer. Evercore Wealth will not seek better execution services or prices from other broker-dealers and may not be able to aggregate the client's transactions with orders for other client accounts for execution through other broker-dealers. As a result, Evercore Wealth may not obtain best execution on behalf of a client with a directed brokerage arrangement, and the client may also pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case. When necessary, Evercore Wealth may elect to conduct "step-out" trades for clients with directed brokerage arrangements which may incur additional costs to clients.

### ***Trade Aggregation***

Orders for the same security entered on behalf of more than one client may be aggregated (i.e., blocked or bunched). Subsequent orders for the same security entered during the same trading day may or may not be aggregated with any previously filled or unfilled orders. All clients participating in an aggregated order shall receive the average price and, subject to minimum ticket charges, pay a pro-rata portion of commissions. Clients with directed brokerage arrangements generally will not participate in aggregated trades.

Preliminary decisions for the allocation of securities across client accounts are made prior to purchase and are based on various factors, including: client guidelines, account size, diversification, cash availability, tax considerations, and, where appropriate, the value of having a round lot in the portfolio.

In the event an order is partially filled, the Firm makes every effort to allocate in a fair and equitable manner, taking into account all relevant factors, including, but not limited to, the factors listed above as well as the size of each client's allocation, clients' liquidity needs, and previous allocations. As a general practice, Evercore Wealth shall seek to ensure that each account gets a pro-rata allocation based on its initial allocation. In some circumstances, when a pro-rata allocation may not be practicable (e.g., clients receiving odd lots and/or insufficient quantities), the Firm shall reallocate the securities in a manner that it deems to be fair and equitable taking into account all relevant factors, including, but not limited to, portfolio objectives, portfolio constraints, liquidity, tax considerations, and whether the amount allocated to the account is a sufficiently marketable quantity. In addition to these elements, par value, credit quality and the client's state of domicile are also considered when allocating fixed income securities.

Evercore Wealth selects investments for each client based solely on investment considerations for that client; therefore, the timing of purchases and sales, and the price paid or received, will vary and may be more or less favorable among similarly situated clients. Because different clients may have different investment strategies and objectives, Evercore Wealth may give advice to, and take action on behalf of any of its clients that differs from the advice that it gives, or the timing or nature of action that it takes on behalf of any other client due to a variety of factors, including specific client considerations. Evercore Wealth may buy (or sell) a security for one client but not for another, or may buy (or sell) a security for one client while simultaneously selling (or buying) the same security for another client. Therefore, a client's ownership in, and execution price of, a particular security depends on the timing of the portfolio investment decision. Evercore Wealth believes this process to be random and that over time, investment opportunities are allocated on a fair and equitable basis relative to other clients.

Evercore Wealth may face conflicts of interest when allocating investment opportunities among its various clients. For example: (i) Evercore Wealth receives different advisory fees from different clients; and (ii) Evercore Wealth and its affiliates, owners, officers and employees have invested amounts of their own capital in affiliated accounts. The majority of Evercore Wealth's clients pursue specific investment strategies, many of which are similar. Evercore Wealth expects that, over long periods of time, most clients pursuing similar investment strategies should experience similar, but not identical, investment performance.

Evercore Wealth is not obligated to acquire for any account any security that Evercore Wealth or its officers, managers, members or employees may acquire for its or their own accounts or for any other client.

### **Cross Trades**

Evercore Wealth does not presently effect trades on behalf of clients through its affiliated broker-dealer Evercore Group, L.L.C.

## **Margin**

Evercore Wealth may maintain a margin balance in an account as an accommodation to clients and at their request. When a margin balance is maintained, the margin and line of credit debt is disregarded for purposes of reporting assets under management and calculating Evercore Wealth's investment advisory fee. Recommendations that clients purchase or sell securities using borrowed money (i.e. margin accounts or lines of credits) create a potential conflict of interest. This conflict occurs because Evercore Wealth's investment advisory fee is based on the total market value of the securities in the clients' accounts. A margin debit balance does not reduce the total market value of securities on which a client will be billed. By using borrowed money to purchase securities, the total market value of an account will be higher, which results in a higher investment advisory fee.

## **Errors**

It is Evercore Wealth's policy that the utmost care be taken when making and implementing investment decisions on behalf of Client accounts. Errors may occur in either the investment decision-making process (e.g., a decision may be made to purchase a security or an amount of a security that is inconsistent with a Client's investment restrictions) or the trading process (e.g., a buy order may be executed as a sell, or vice versa, or the incorrect security or amount may be purchased or sold). Evercore Wealth has adopted policies and procedures relating to trade errors in an effort to ensure appropriate escalation and resolution of trade errors whenever they occur. When an error occurs, Evercore Wealth may engage in transaction(s) in the affected Client account as may be necessary to correct the error or may reallocate a trade to Evercore Wealth's error account. In either case, Evercore Wealth will reimburse the client for any net loss caused by Evercore Wealth. Reimbursement may take the form of a deposit of cash to the client account, or may be made in the form of a fee waiver or credit. Any gains in Evercore Wealth's error account may be used to offset losses in the error account that are incurred in connection with other erroneous transactions.

## **Item 13: Review of Accounts**

Generally, client accounts are reviewed on a continuous basis by the portfolio manager responsible for the management of the account. These reviews are designed to monitor and analyze client transactions, positions, and investment levels. Reviews may be triggered by changes in client circumstances or changes in market outlook. Clients are responsible for keeping Evercore Wealth informed of any changes in their financial condition, investment objective or risk tolerance.

Reports are provided to clients at least annually and include a summary of account holdings and values. More frequent and customized reports are available upon request.

In addition, subject to the client's custodial agreement, clients will also receive monthly or quarterly account statements confirming account transactions, positions, and activity directly from their account custodian. Clients should carefully review these statements, and should compare these statements to any account information provided by Evercore Wealth.

Clients may choose to receive reports by electronic delivery.

#### **Item 14: Client Referrals and Other Compensation**

Evercore Wealth pays incentive compensation or a bonus as part of its total compensation plan for its employees. In some cases, such compensation may be based upon an employee's contribution to annual new business revenue generated by Evercore Wealth by a client referral in addition to other factors. In addition, Evercore Wealth compensates affiliated and unaffiliated third-party solicitors for client referrals. In all such cases the client's fee is not affected and the bonus or incentive compensation will be paid entirely by Evercore Wealth, based on either: (1) a percentage of the investment management fee paid to Evercore Wealth by the referred clients, or (2) a pre-determined flat fee paid on a periodic basis (e.g., quarterly or monthly).

Evercore Wealth will comply with Rule 206(4)-3 under the Advisers Act with respect to its use of solicitors.

#### **Item 15: Custody**

Evercore Wealth is deemed to have custody with respect to most of its investment advisory accounts when it uses an affiliated qualified custodian, ETC.

Evercore Wealth also provides a service as an accommodation to certain existing clients where it will receive bills and invoices payable by clients (e.g., utility bills, invoices for personal and domestic services) and pay such bills using Evercore Wealth's access to the clients' bank accounts (known as "Bill Pay Services"). This access may be through online banking tools or by signature authority given by the client to Evercore Wealth over the client's checking accounts.

For these reasons Evercore Wealth is considered to have custody of client assets. Accounts for which Evercore Wealth and/or its employees have custody, other than accounts for which they have direct debiting authority, are subject to an annual surprise verification audit performed by an independent accounting firm. Subject to the client's custodial agreement, clients will also receive monthly or quarterly account statements. Clients should carefully review these statements, and should compare these statements to any account information provided by Evercore Wealth.

Additional information about ETC may be found in Item 10 of this brochure.

## **Item 16: Investment Discretion**

With respect to its discretionary accounts, Evercore Wealth is authorized to make the following determinations in accordance with client objectives and restrictions without obtaining prior consent from the client: (1) which securities or instruments, including affiliated and non-affiliated mutual funds and exchange-traded funds to buy or sell; (2) the total amount of securities or instruments to buy or sell; (3) the executing broker or dealer for any transaction; (4) the commission rates or commission equivalents charged for transactions; and (5) whether to invest client assets in third-party investment manager products and services, such as separate account portfolios or pooled investments or fund products, and if so, determining the total amount to invest. Such authorization, including any client-imposed restrictions is outlined in each discretionary client's Agreement and Investment Policy Statement.

## **Item 17: Voting Client Securities**

### **Proxies**

It is Evercore Wealth's policy to vote proxies consistent with its fiduciary duty to clients. Evercore Wealth shall generally be responsible for voting proxies on behalf of client accounts; however, clients may retain proxy voting authority. In cases where clients retain proxy voting authority, clients will receive proxy materials and other solicitations directly from their account custodian or the transfer agent. Clients may contact Evercore Wealth with questions about a particular solicitation by contacting us at (212) 822-7620.

In cases where Evercore Wealth votes proxies, including matters involving EWMCX where Evercore Wealth is acting as the investment manager to the fund, the Firm shall vote in the best interests of its clients with a goal towards maximizing shareholder value.

The Firm's Proxy Committee is responsible for determining how to vote client proxies. To assist with this responsibility, Evercore Wealth has engaged a third-party proxy advisory company that makes recommendations on how to vote proxies in accordance with their pre-determined guidelines. Evercore Wealth generally votes proxies in accordance with the recommendations of the third-party proxy advisory company, however, if a material conflict of interest relating to a proxy arises between Evercore Wealth and a client, the Firm's Proxy Committee will review the conflict and determine the appropriate course of action, which may include a decision to vote the proxy in a particular manner, including in accordance with the third-party proxy advisory company guidelines, passing the vote through to the client directly, requesting approval from the client to vote the proxy in a particular manner, or abstaining from the vote.

Evercore Wealth's complete proxy voting policy and procedures and a record of all proxy votes cast on behalf of clients are available upon request by contacting the Chief

Compliance Officer at (212) 822-7620.

### ***Class Actions***

The Firm may or may not participate in class actions on behalf of Clients.

For clients whose accounts are custodied with ETC, Evercore Wealth will decide whether it will (1) opt out of the class action lawsuit and pursue its own remedy; or (2) participate in the recovery achieved via the class action. If participation in the recovery is chosen, then the applicable Proof of Claim will be filed using a third-party service provider who will deduct a fee from any funds received and will credit the client's account as applicable with the net proceeds. For those clients whose accounts are not custodied at ETC, the client should contact their custodian who would ordinarily receive documents pertaining to class actions or other matters as to how the matter will be handled.

### ***Item 18: Financial Information***

Evercore Wealth has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.