



**HUDSON VALLEY
INVESTMENT ADVISORS, INC.**

A subsidiary of Orange County Bancorp, Inc.

Deliberate investing. Intentional value.

Keller Williams



Invest local. Think global.

- A Hudson Valley-based investment advisory firm serving both individuals and businesses in our community and beyond.
- Local clients, often with a national or global footprint.
- Access to additional and supplemental resources from our partner, Orange Bank & Trust.

Who we serve

More than 50 institutional clients, both philanthropic and private

Charitable organizations, foundations and endowments	Pension funds and corporations
--	--------------------------------

Approximately 650 individual client relationships with a diverse set of investment goals

Retirement, education, savings, trust and estate planning	Mass affluent and high net worth individuals and families
---	---



HUDSON VALLEY
INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.

It takes as much energy
to wish as it does to plan.

Eleanor Roosevelt

quote fancy

50/30/20 Budget Rule



HUDSON VALLEY
INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.

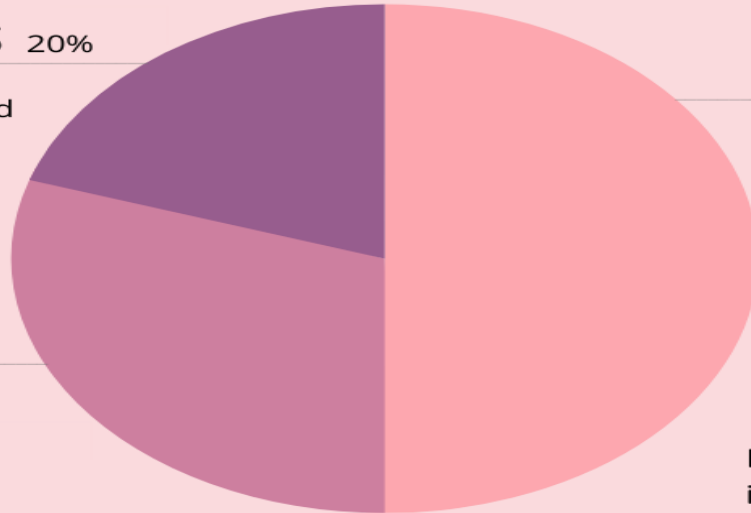
The 50/30/20 Budget Rule

SAVINGS 20%

Emergency fund
Debt payments
Retirement
Investing

WANTS 30%

Travel
Entertainment
Restaurants
Shopping
Hobbies



NEEDS 50%

Housing
Groceries
Transportation
Bills & utilities
Health insurance
Car payments

Limit 50% of your
income on needs,
30% on wants, and
save at least 20%.

MINTNOTION.COM



Goals-based wealth management

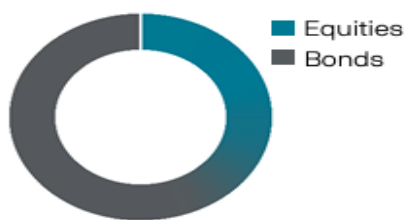
Short-term goals

Includes an emergency reserve



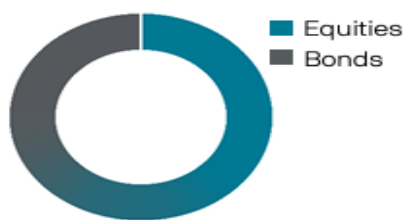
Medium-term goals

5-10 years, e.g., college, home



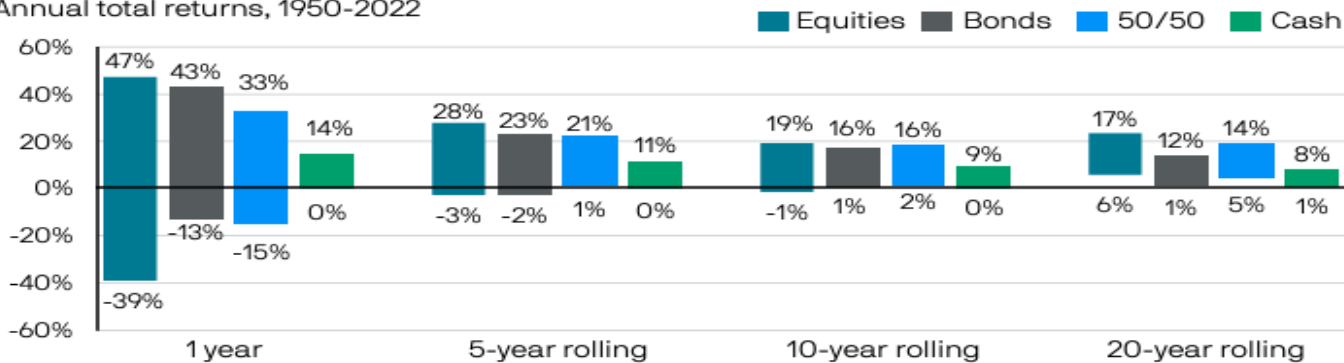
Long-term goals

15+ years, e.g., retirement



Range of stock, bond and blended total returns

Annual total returns, 1950-2022



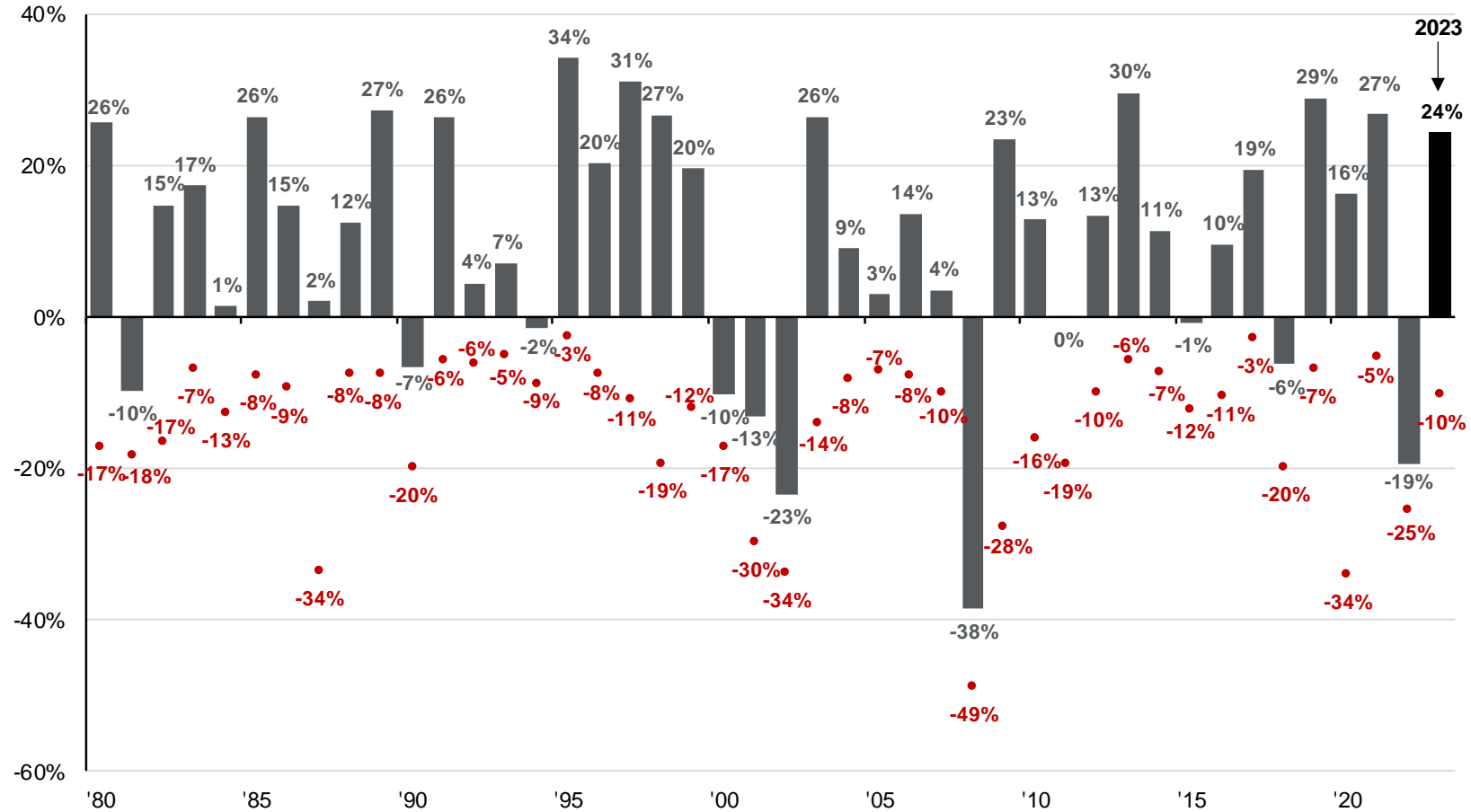
Source (top chart): J.P. Morgan Asset Management.

Source (bottom chart): Bloomberg, FactSet, Federal Reserve, Robert Shiller, Strategas/Ibbotson, J.P. Morgan Asset Management.

Equities

S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.2%, annual returns were positive in 33 of 44 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2023, over which time period the average annual return was 9.0%. *Guide to the Markets - U.S.* Data are as of December 31, 2023.

Impact of being out of the market

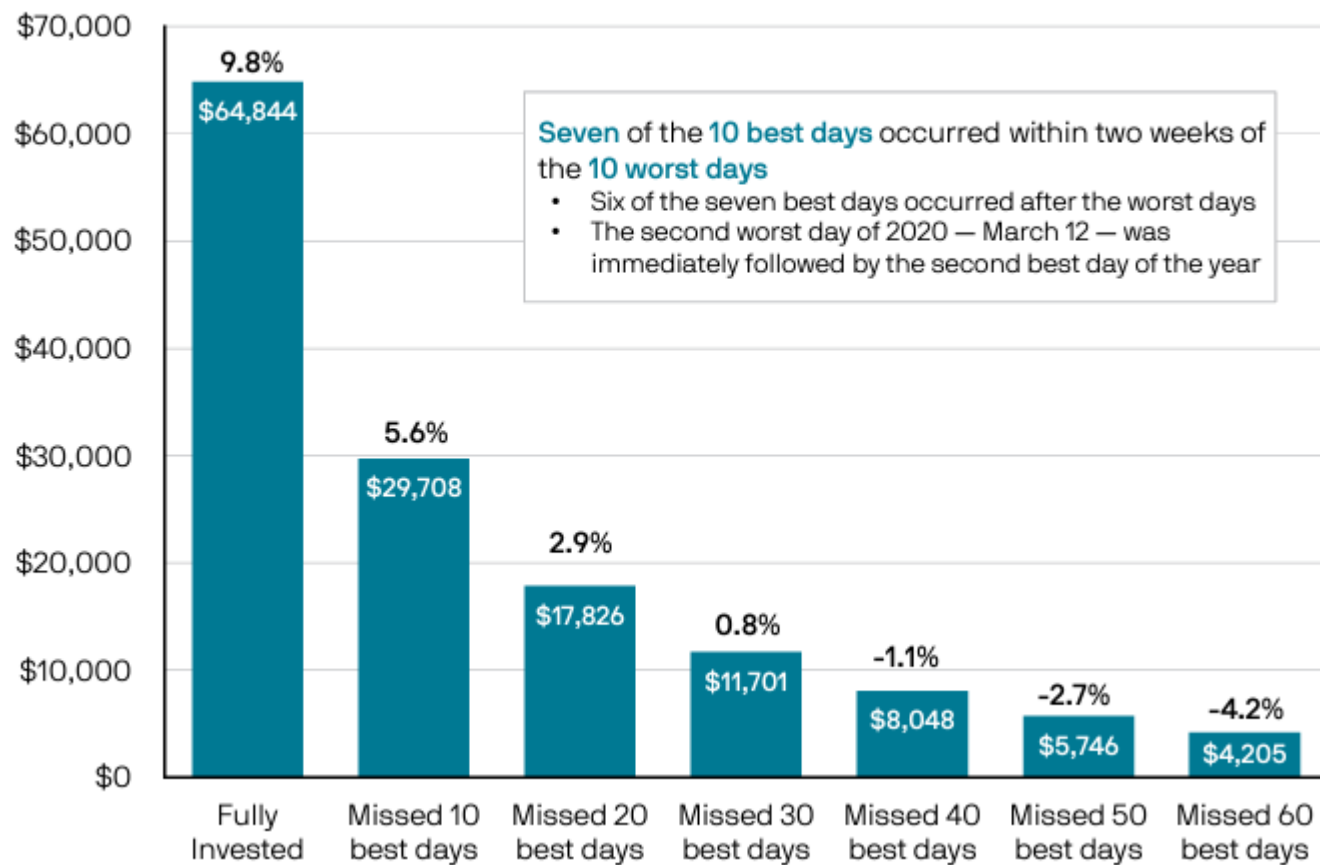


HUDSON VALLEY
INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.

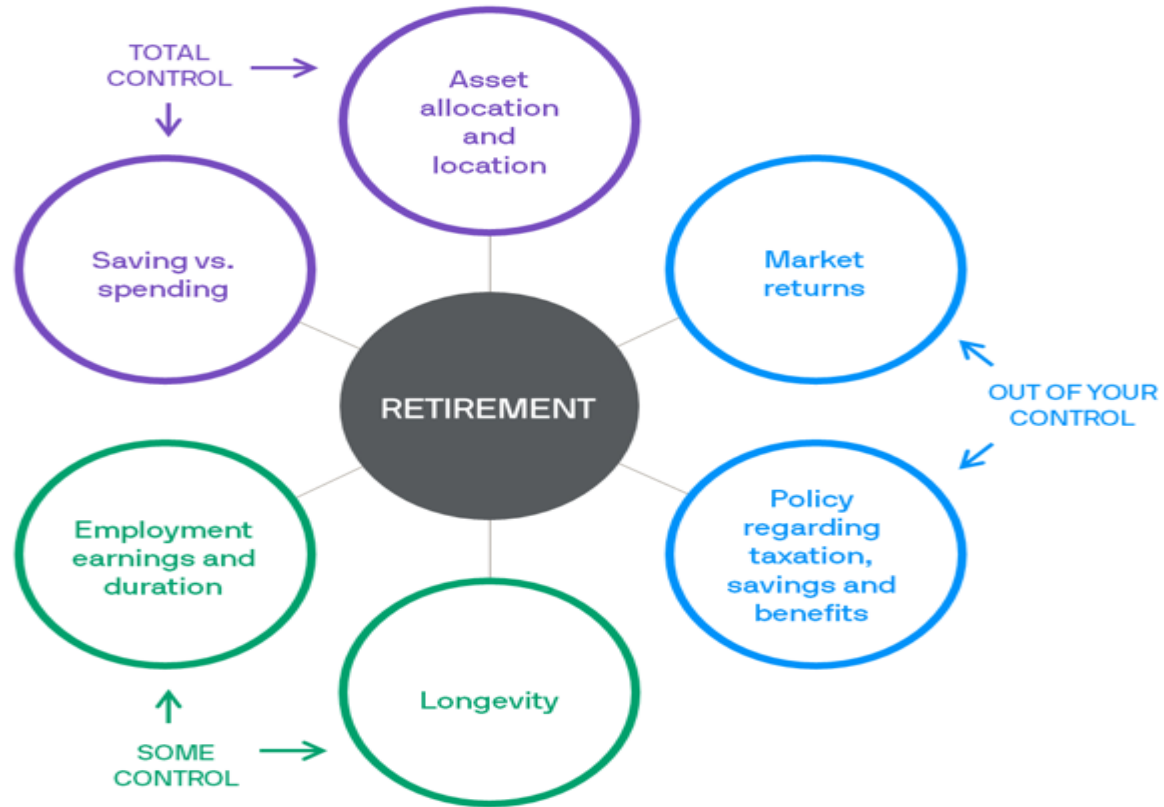
Returns of the S&P 500

Performance of a \$10,000 investment between January 1, 2003 and December 30, 2022



Source: JP Morgan Asset Management

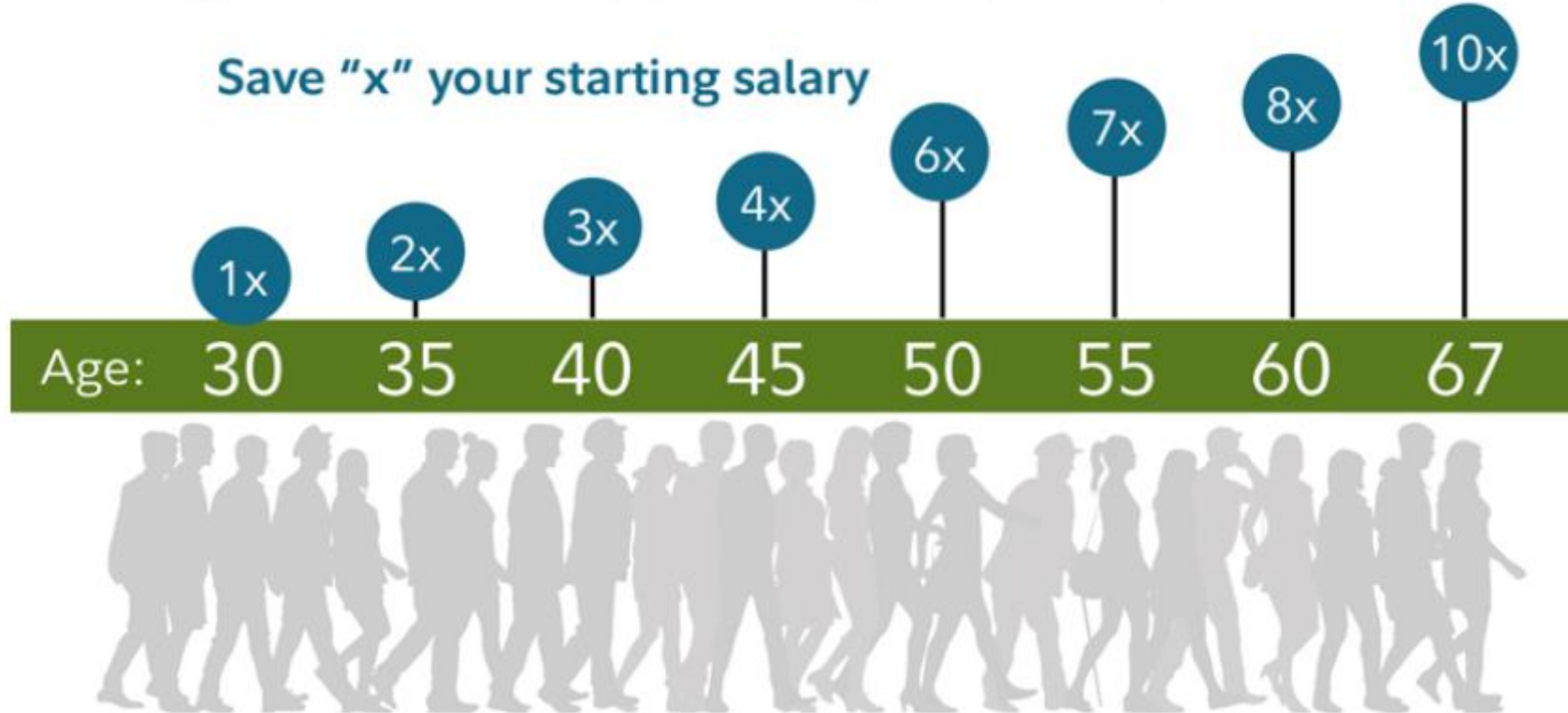
The Retirement Equation



How much do I need to retire?

Savings factors to help you on your journey to retirement

Save "x" your starting salary



SEP IRA:

- Simplified Employee Pension (SEP) IRAs – employer contributions only; no salary deferral from employees
- Deductible contributions for 2024 can be up to the lesser of 25% of compensation (limited to \$345,000) or \$69,000.
- Deductible contributions for 2024 can be up to the lesser of 25% of compensation (limited to \$350,000) or \$70,000.

ROTH IRA:

- After-tax contributions (no tax break today, but tax-free withdrawals when you retire).
- Never required to withdraw money; can pass along in estate plans.
- Contribution rate \$7,000 for 2024 and 2025 plus catch-up of \$1,000 for those 50 and older.

Non-deductible contribution:

Salary	\$100,000
ROTH contribution	\$7,000
AGI	\$100,000

Traditional IRA:

- Pre-tax contributions (a tax break now, but your contributions and all the growth are taxed as income in retirement).
- Must begin making withdrawals starting at age 73 (in 2024 to age 75 in 2033).
- Contribution rate \$7,000 for 2024 and 2025 plus catch-up of \$1,000 for those 50 and older.

Deductible contribution:

Salary	\$100,000
IRA contribution	\$7,000
AGI	\$93,000

Diversified Sources of Retirement Funding

Account type	Investment earnings/ withdrawals	Included when calculating whether:	
		Income taxes owed?	Social Security % taxed? Medicare surcharges?
Health Savings Account	Tax-free withdrawals (for qualified health care expenses) ¹		
Roth 401(k)/IRA	Tax-free withdrawals ²		
Taxable Account	Tax-exempt interest		<input checked="" type="checkbox"/>
	Ordinary dividends Taxable interest	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Qualified dividends	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Realized capital gains	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pre-tax 401(k)/ Traditional IRA	Taxable withdrawals (ordinary income)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Source: JP Morgan Asset Management

Compound Interest



HUDSON VALLEY
INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.

Rule of 72 Estimates the length of time (in years) for funds to double with compound interest.

$72/\text{interest rate} = \text{number of years to double}$



Deposit \$5,000 today at 2% interest rate: $72/2 = 36$
(36 years for \$5,000 to double to \$10,000)

Deposit \$5,000 today at 8% interest rate: $72/8 = 9$
(9 years for \$5,000 to double to \$10,000)

Benefit of Saving and Investing Early

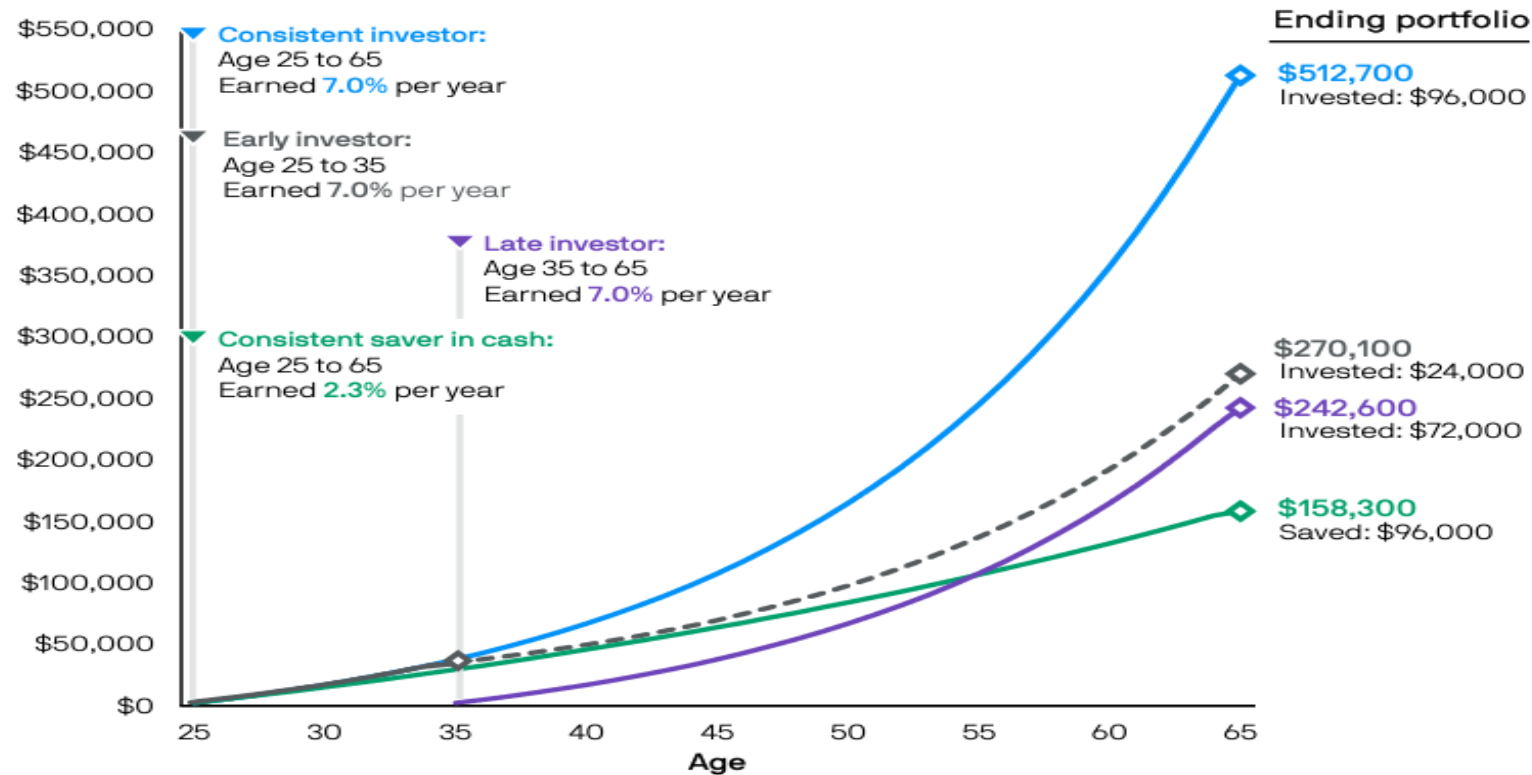


HUDSON VALLEY
INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.

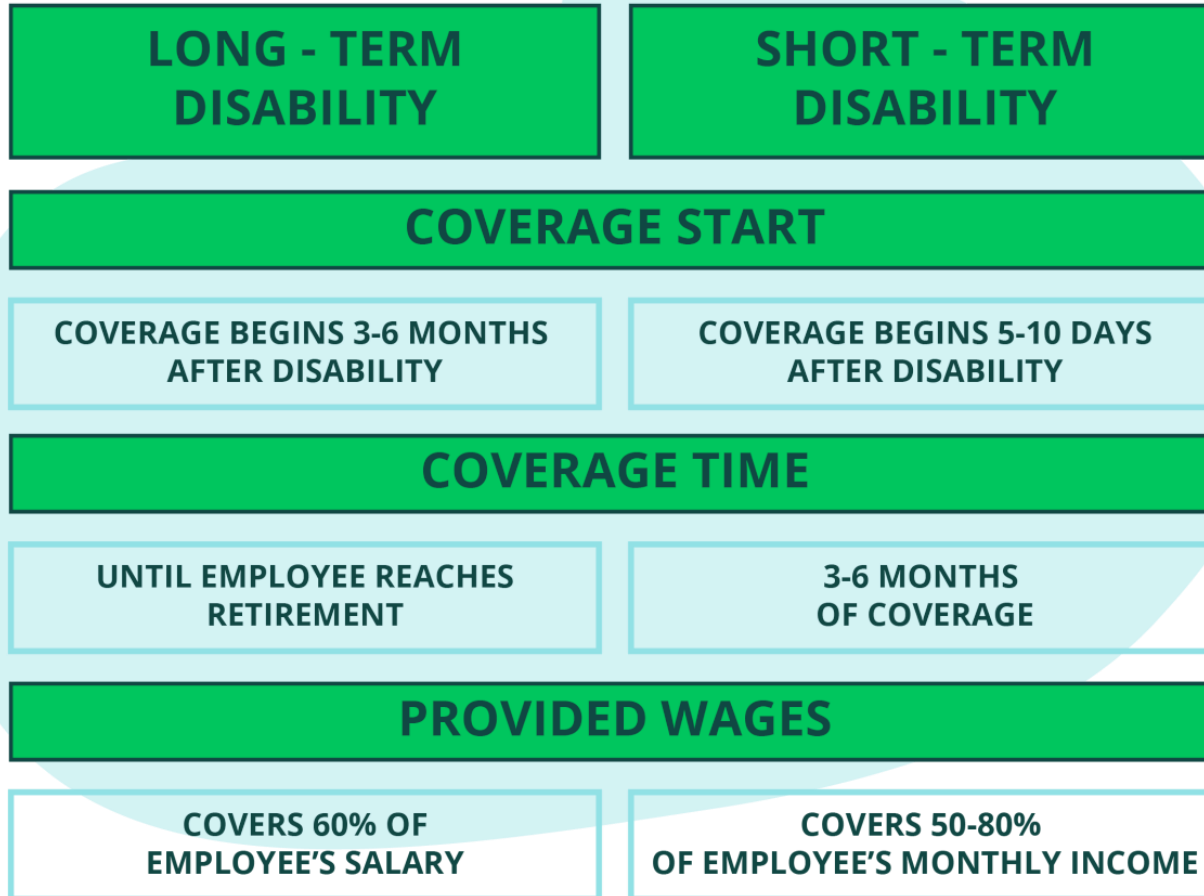
Benefit of saving and investing early

Account growth of \$200 invested/saved monthly



Source: JP Morgan Guide to Retirement

Disability Insurance



Source: Pattern

Which option works best for you?

Term life insurance

- Expires after term
- No cash value before your death
- Affordable premiums
- Best for most people

Whole life insurance

- Expires when you die
- Builds cash value you can access
- Significantly more expensive premiums
- Good for high-net-worth individuals



Policygenius



Source: Golwin Legal, LLC

Estate Planning Horror Story



Source: Wikipedia



HUDSON VALLEY
INVESTMENT ADVISORS, INC.
A subsidiary of Orange County Bancorp, Inc.

Deliberate Investing. Intentional Value.



HUDSON VALLEY
INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.



HUDSON VALLEY
INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.

Hudson Valley Investment Advisors, Inc. is an SEC Registered Investment Advisor.
Our investment minimums are \$250,000.

Please contact me with any questions.

Kelly Lynch-Moloney, CFP®
Vice President and Portfolio Manager

845-294-6127

kmoloney@hviaonline.com

www.hviaonline.com

IMPORTANT LEGAL DISCLAIMERS

There are a few bits of fine print we wanted you to know about...

1. Investments in securities are not insured, protected, or guaranteed and may result in loss of income and/or principal.
2. Registration with the SEC should not be construed as an endorsement or an indicator of investment skill, acumen, or experience.
3. All statements other than statements of historical fact are opinions and/or forward-looking statements (including words such as “believe,” “estimate,” “anticipate,” “may,” “will,” “should,” and “expect”). Although we believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such beliefs and expectations will prove to be correct. Various factors could cause actual results or performance to differ materially from those discussed in such forward-looking statements. All expressions of opinion are subject to change. You are cautioned not to place undue reliance on these forward-looking statements. Any dated information is published as of its date only. Dated and forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any stated or forward-looking statements.
4. Investment process, strategies, philosophies, allocations, and parameters are current as of the date indicated and are subject to change without prior notice.
5. Past performance is not indicative of any specific investment or future results. Views regarding the economy, securities markets, or other specialized areas, like all predictors of future events, cannot be guaranteed to be accurate and may result in economic loss to the investor.
6. This report may not be sold or redistributed in whole or part without the prior written consent of Hudson Valley Investment Advisors, Inc.
7. Industry recognitions or awards should not be construed as an endorsement or a recommendation to retain the Adviser by the ranking entity or any regulatory authority.
8. Recommendations may change over time and depend on market conditions and other variables.
9. Sample portfolios are for illustrative purposes only and a client’s actual portfolio will differ in composition and characteristics.
10. Unless stated otherwise, any mention of specific securities or investments is for illustrative purposes only. Adviser’s clients may or may not hold the securities discussed in the portfolios. Adviser makes no representations that any of the securities discussed have been or will be profitable.



HUDSON VALLEY
INVESTMENT ADVISORS, INC.

A subsidiary of Orange County Bancorp, Inc.