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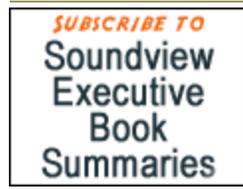
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Edited by Toddi Gutner

## SPIRITS

A Hudson Valley Kir Royale

If you want more than a glass of plain bubbly for Valentine's Day, try a Kir Royale using champagne and cassis made in New York's Hudson Valley. Most cassis, a black-currant liqueur, is imported from France. But one of the best -- at \$35 a bottle -- comes from Clinton Vineyards, and it only recently became widely available. Clinton was the first American vintner to produce cassis after the lifting of a decades-long ban on growing black currants in the U. S. (The berries once carried a fungus poisonous to white pine trees.) If cassis is not to your taste, go for one of Clinton's dessert wines: Embrace, Desire, or Romance.

By Gerry Khermouch

## TRUSTS

No Prenup Needed

Since nearly 50% of first marriages end in divorce, wealthy parents often push prenuptial agreements on their kids before they marry. But there may be a better way to

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## MARKET

### HIGHLIGHTS

DOW S&P

500 NASDAQ

DJIA	10671.81	+78.70
S&P 500	1197.14	+7.25
Nasdaq	2074.34	+16.70

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protect your kid, says James Kronenberg, principal at Bessemer Trust: Put the inheritance into a discretionary, irrevocable trust. Such a trust can be drafted long before anyone pops the question. As long as the money is inside a proper trust, it's off-limits to creditors, including former spouses. A caveat: Once money is distributed to your child, it's no longer protected. To shield the money, give the trustee full discretion to decide when to make payouts.

If a bride or groom's wealth is self-made, a prenup may still be needed. That's because until recently, it has not been possible for a person to set up a trust for his or her own benefit that protects against creditors, including ex-spouses. Seven states -- including trust-friendly Alaska and Delaware -- now allow trusts that have this sort of protection, and residency is not required. Be forewarned, though, that such trusts are untested in the courts, and some have exceptions that allow ex-spouses to get access to the money.

By Anne Tergesen

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INTERNATIONAL

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Socially responsible exchange-traded funds (ETFs) are here. Barclays Global Investors launched iShares KLD ([KLD](#)) Select Social Index Fund on Jan. 28, while the PowerShares WilderHill Clean Energy Portfolio is awaiting Securities & Exchange Commission clearance. The iShares fund, which shuns tobacco stocks, is a broadly diversified ETF that seeks to match the risks of the Russell 1000 stock index. The fund overweights companies that score well on its screens, such as Wells Fargo ([WFC](#)) and Fannie Mae ([FNM](#)). The PowerShares ETF, meanwhile, will focus on alternative energy. With expense ratios capped at 0.60% for PowerShare and 0.50% for iShare, the two are cheaper than many comparable mutual funds.

**INVESTING**

**STOCKS SANK** in January, which according to the pundits does not bode well for the rest of the year. But the market does have a second chance if you look at the gross domestic product. According to an analysis by Voyager Asset Management in Minneapolis, the Standard & Poor's 500 index usually performs well—an average **20.1% gain—in the 12 months following a year of at least 4% growth in GDP.** Since GDP was up 4.4% in 2004, don't be too quick to write off 2005.

YEAR	GDP GROWTH*	NEXT YEAR S&P 500
1978	5.6%	18.6%
1983	4.5	6.3
1984	7.2	31.7
1985	4.1	18.7
1988	4.1	31.7
1994	4.0	37.6
1997	4.5	28.6
1998	4.2	21.0
1999	4.5	(9.1)

\*Including reinvestment of dividends  
Data: Voyager Asset Mgmt.; Business Week

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