

THE VALUE OF AN ADVISORY TEAM



Bringing reassurance to a DIY client



Our team helped a retired couple make the most of their investment accounts and meet their financial goals. Perhaps most importantly, we showed the clients that their assets could comfortably support them for the rest of their lives.

This successful case also benefited the financial consultant who referred the clients to our team, as the couple consolidated about \$9 million in outside assets to his firm.

SAVVY DIY INVESTORS

Dean and Irene Jenkins, both retired and in their 70s, are sharp, detail-oriented investors. Their smart investment tactics helped them build total assets worth about \$22 million. They clearly understood the fundamentals, such as asset allocation and tax diversification, and had a well-rounded portfolio. But several years into their retirement, the lifelong do-it-yourselfers needed a bit of advice for their next steps. They were concerned about whether their funds would continue to meet their spending needs over their lifetimes.

Our team went to great lengths to accommodate the Jenkins' busy schedule, putting together a financial plan within a week so they could review it before leaving town for an extended period.

OUR ANALYSIS AND FINANCIAL PLAN

Along with some real estate and municipal bond holdings, the Jenkins had about \$10 million in after-tax accounts with large, embedded gains and another \$9 million in pre-tax dollars in various IRAs. After a thorough analysis of the Jenkins' assets, we decided the wisest course was for our team to manage the IRA holdings that we could reallocate without creating a tax impact.

Client education is central to our approach. We wanted the Jenkins to fully understand our recommendations and the logic behind them. Our team used a variety of tools, including our Dynamic Cash Flow Illustration and a Monte Carlo analysis, to show the clients how our proposals could impact their financial future. **The Monte Carlo simulation predicted that even at a projected spending level of \$400,000 a year, the Jenkins have a 96 percent chance of meeting their financial goals.** We believe the assurance this kind of analysis can provide is priceless.

OUR PLAN INCLUDES:

- Recommendations to reallocate the clients' portfolio from 90 percent equities to 70 percent. This is designed to add diversification and reduce risk.
- A proposal to move IRA assets to the Wealth Enhancement Advisory Services' U.S. Total Return sleeve combined with ETFs and Mutual Funds.
- The use of Qualified Charitable Distributions as part of their required minimum distributions and a Donor Advised Fund to significantly boost the Jenkins' philanthropic donations while providing them with major tax benefits.
- Management of their existing municipal bond ladder.
- The use of alternative investments to add asset diversity to the IRA and lower the clients' correlation from public market returns.

Our team provided the Jenkins with high-touch service and comprehensive investment management guidance. We were able to understand what wealth means to them and craft a plan with an unprecedented level of care.



BOTTOM LINE:

Our plan is projected to save the client an estimated \$3.8 million in taxes and donate an additional \$2.7 million to charity over their lifetime.

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This case study is based upon real clients whose names have been changed. This content is for illustrative purposes only, may not be representative of any future experience of our clients, and is not intended to provide specific recommendations to any individual.

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