Wisdom Financial Services

Retirement Distribution & Wealth Preservation Strategies; done with precision and care

Income Planning Question Will Your Retirement Income Last as Long as You Do?

Reality When your working years end, so does your paycheck. But bills, taxes, and unexpected expenses? They don't stop. Many people are caught off guard—not because they didn't save enough, but because they didn't plan how to spend smartly, distribute efficiently, or protect their wealth intentionally.

Reality Too many retirees learn the hard way:

- They claimed Social Security too early, leaving thousands of dollars unclaimed.
- They overlooked rising taxes, letting the IRS erode their wealth.
- They were hit by market volatility, with a 20% downturn wiping out years of savings.
- They outlived their funds, forced to downsize or rely on family.

The truth? Saving for retirement—the "accumulation phase"—is the easy part. The real test is the "distribution phase," where turning assets into lasting income trips up most people.

Solution At Wisdom Financial, we create personalized, written income and distribution plans that help you to:

- Secure lifetime income you can't outlive.
- Optimize Social Security, pensions, annuities, IRAs, and investments for maximum efficiency.
- Minimize taxes by strategically timing and structuring distributions.
- Ensure flexibility, safety, and control, keeping you in charge of your wealth.

As independent fiduciaries, we're not tied to banks, brokers, or insurance companies. Our family-office approach means no generic solutions—just a dedicated team working solely in your best interest.

Proof In 2022, when markets plummeted 22%, we helped our clients stay calm and ensure their income was secure, protected, and planned.

Wealth Management

Investment Committee

Our 10-person investment committee, composed of seasoned professionals including CFAs, two non-advisor analysts, the chief investment officer of a major pension fund, and CG Financial's Chief Investment Officer, oversees our investment strategies. Supported by an independent economist providing tailored data and feedback, our team brings centuries of collective experience, diverse expertise, and a unified mission to deliver exceptional outcomes for our clients.

Investment Process

1. **Define the Objective**
    - **Bucket-Specific**: Align investments with specific time horizons.
    - **Risk-Based**: Target defined risk parameters.
    - **Income-Focused**: Balance income generation with risk management.
2. **Establish Benchmark**
    - Stock benchmark for growth-focused portfolios.
    - Bond benchmark for income-focused portfolios.
    - Risk-level blend for balanced portfolios.
3. **Acceptable Tracking Error**
    - Core equity/income: Low tracking error for stability.
    - Thematic/alternative: Higher tracking error for potential outperformance.

Key Considerations

- **Where are the best risk/reward opportunities?**
  We carefully analyze market conditions to identify attractive risk-adjusted returns.
- **Is the portfolio size-appropriate?**
  We ensure allocations suit the client's goals and scale.
- **How does the portfolio perform?**
  We evaluate using key metrics:
    - Beta
    - Standard deviation
    - Sortino ratio
    - Up/down capture
    - Cost efficiency
    - Strategic metrics (e.g., yield)

Our process begins with a base portfolio, typically representing "the market" (stock market for growth, bond market for income, or a blend for balanced objectives). Through rigorous analysis and debate, we focus on intelligent risk-taking, not risk elimination, to optimize returns. Our size grants access to institutional-grade data and expertise from firms like JPMorgan, BlackRock, and First Trust, whose portfolio management teams provide external perspectives on our research and models.

Tax Efficiency

We employ a breadth of tools to help minimize client taxes:

- **ETFs over Mutual Funds**: Lower tax impact due to reduced capital gains distributions.
- **Legacy Sleeves**: Preserve existing holdings to avoid unnecessary taxes.
- **Tax-Budget Coded Trading Software**: Optimizes trades for tax efficiency.
- **Opportunistic Tax-Loss Harvesting**: Captures losses to offset gains.
- **Tax-Aware Strategies**: Prioritize tax-efficient investments.
- **Equivalents Coded in Trading Software**: Swap assets to maintain exposure while minimizing taxes.
- **Direct Indexing Technology**: Facilitates tax-efficient transitions.
- **Enhanced Direct Indexing**: Further optimizes tax outcomes.
- **Net Unrealized Appreciation (NUA)**: Leveraged for specific 401(k) plans.

Expert Trading

Our trading team combines cutting-edge technology with deep experience to minimize tax impacts in after-tax accounts. We prioritize ETFs and individual stocks over mutual funds, as mutual funds often distribute gains to investors regardless of sales or share appreciation. We target inherently tax-efficient assets for after-tax accounts and minimize trading to reduce tax events. These strategies, among others, maximize your after-tax returns.