



SAM

SAM WEALTH PLANNING

Your Path to Financial Success:
A Comprehensive Guide to Financial Planning

A wide-angle photograph of a large agricultural field. The field is filled with rows of young, vibrant green plants, likely soybeans, planted in neat, parallel lines that recede into the distance. The soil between the rows is dark and appears to be in good condition. The sky above is a clear, bright blue, suggesting a sunny day. The overall scene conveys a sense of growth, order, and productivity in agriculture.

**At SAM, we help you
reach your financial goals through
informed active management.**

Why SAM?

SAM is a registered investment adviser that prides itself on independent thinking. We avoid one-size-fits-all packaged products, creating tailored portfolios that cater to your individual goals—and add value over time.

At SAM, our clients come first. Whether you're seeking an investment manager who shares your philosophy, you don't have the time to manage your investments, or you want to work with an advisor who understands your need to achieve higher risk-adjusted returns, we have the right solutions for you.

Understanding the value of independent thinking, SAM doesn't simply follow the herd. We conduct our own research and then formulate our views. This approach to investment management is disciplined, well-informed, and dynamic to take advantage of unique opportunities across all sectors and asset classes. And we have a strong focus on managing risk and preserving capital in times of economic downturns.

SAM is committed to giving you the service we'd want if our roles were reversed. Your investments will be actively managed by an experienced Investment Team. You'll have a dedicated Wealth Manager who will work with you in understanding your investment goals and how SAM can best help you reach those goals, even if they evolve over time. We'll keep you informed and up-to-date on account activity, and we'll always be available to answer your questions. And as a fiduciary, we have the responsibility to operate with full transparency and in your best interests.

Whatever your investment goals, SAM has the experience, ingenuity, and expertise to help you achieve them.



We're committed to giving you the service we'd want if our roles were reversed.

Welcome to Your Path to Financial Success!

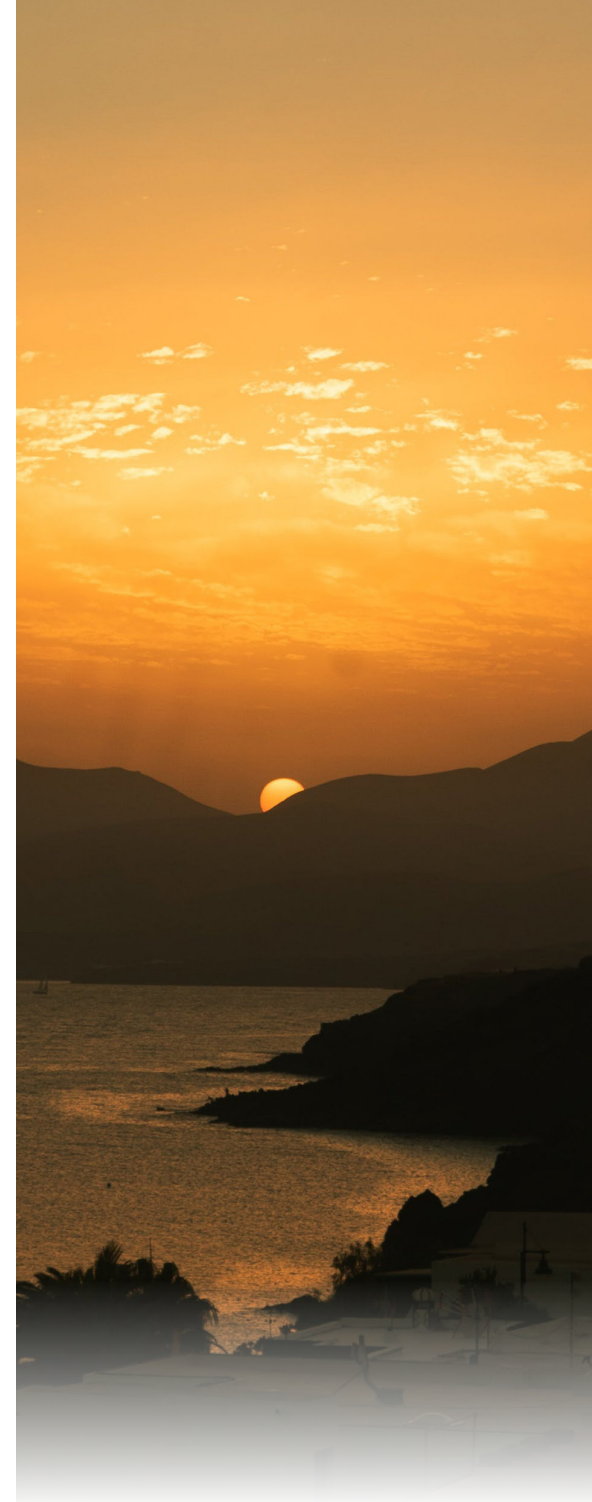
A financial plan helps to guide your family's long-term fiscal success!

- At SAM, we believe in the importance of generating a holistic understanding of your financial condition to help guide toward long-term financial independence. Important to that process is the need for a comprehensive Financial Plan.
- Financial planning refers to the process of setting and achieving financial goals by assessing your current financial situation, creating a strategy to reach those goals, and making informed decisions about managing your money and resources. It involves evaluating your income, expenses, assets, liabilities, and other financial factors to develop a comprehensive plan that aligns with your short-term and long-term objectives.
- Importantly, financial planning is an ongoing process that requires periodic reviews and adjustments as your life circumstances and financial goals evolve. It aims to provide you with a clear roadmap to make informed decisions that lead to better financial stability, security, and overall well-being.
- As fiduciaries, we understand that all client situations are unique and, through our thoughtful planning process and diligent investment solutions, we will help guide you toward financial success.

Within this document, we will lay out the key elements of financial planning including how best to build and maintain wealth, prudent investments, building for retirement now, managing risk, tax planning and the importance of estate planning. Each of these elements are crucial to not only building toward your goal of financial independence but also how to best protect and maintain your wealth.

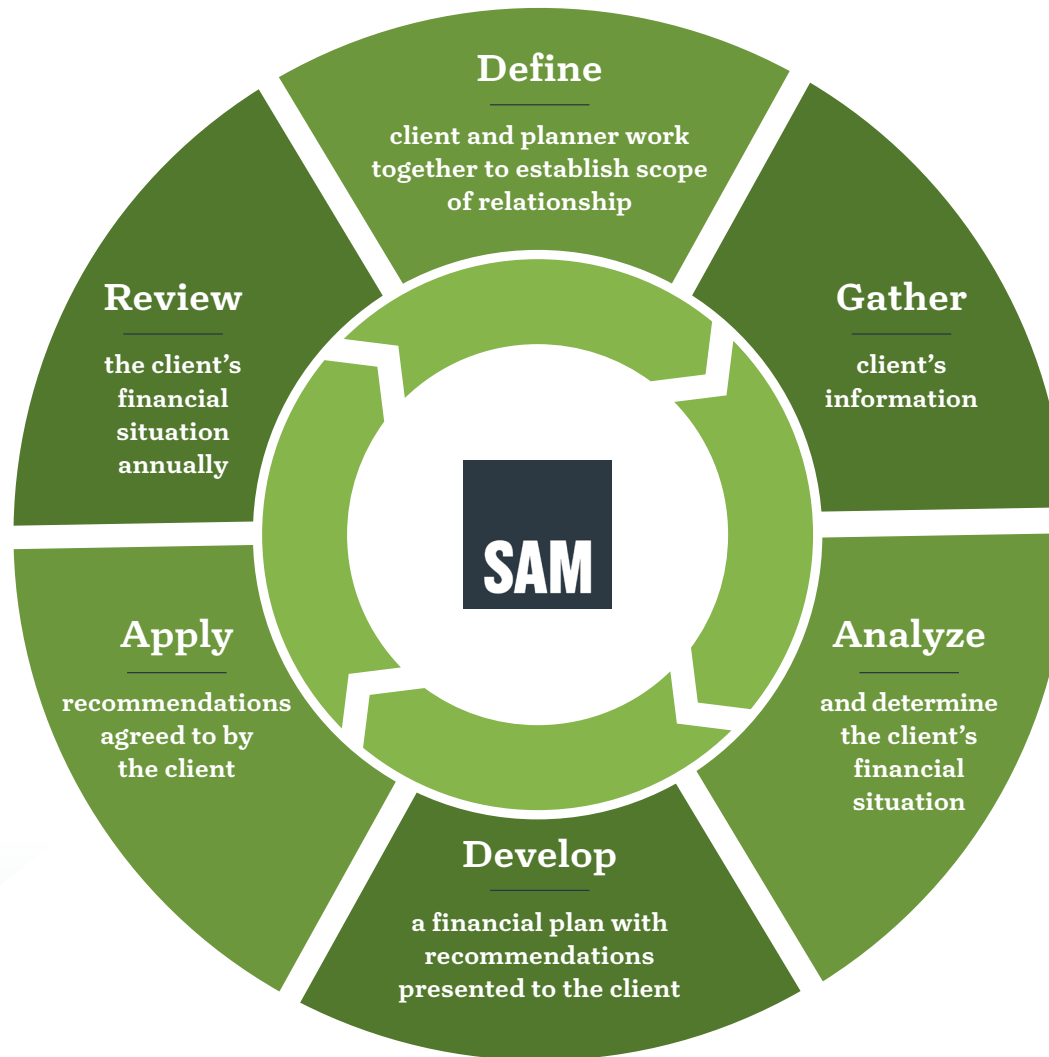
Your Financial Planning Journey, Our Expertise

At SAM, we are a source for transparent and professional financial guidance. Our mission is to help you identify your financial aspirations and determine the optimal path to achieve them. We are seasoned professionals who specialize in comprehensive financial planning. Importantly, some of our team members hold the Certified Financial Planner™ (CFP®) designation, making fiduciary responsibility and unwavering commitment to providing exceptional financial advice a requirement within their practice.



Build a Strong Financial Foundation with a Plan

Financial planning provides a more comprehensive understanding of your current financial circumstances and the clarity necessary to manage your strategy toward longer term financial independence. This process consists of six steps as defined in the illustration below:



Key components of financial planning include:



Overall financial assessment

- **Individual Financial Statement Analysis:** Taking stock of your current financial situation, including your income, expenses, assets, liabilities, and net worth.
- **Goal Setting:** Identifying specific financial goals, such as buying a house, saving for retirement, funding education or perhaps paying off debt.
- **Debt Management:** Evaluate strategies to effectively manage and/or pay off debts, such as credit card debt, student loans, and mortgages.
- **Emergency Fund:** Determine a financial cushion to cover unexpected expenses or temporary loss of income.
- **Risk Evaluation:** Stress Testing with a Monte Carlo simulation – allocation and how to appropriately diversify.



Retirement Planning

Developing a strategy to ensure you have sufficient funds to maintain your desired lifestyle during retirement. This may involve contributing to retirement accounts like 401(k)s or IRAs in addition to Medicare and strategies for saving toward future health expenses.



Risk Management

Identifying and mitigating potential financial risks through insurance coverage, such as health insurance, life insurance, disability insurance, and more.



Tax Planning

Evaluate and consider opportunities available to the client to reduce long-term tax implications.



Estate Planning

Identifying the potential need for outside legal assessment of a client's estate. Providing education of more common estate tools such as trusts, wills, power of attorney.



Investment Strategy

Determining your risk tolerance, investment time horizon, and the appropriate asset allocation (e.g., stocks, bonds, and varied alternative investments, etc.).

Addressing Your Retirement

Retirement Planning is the foundation of long-term financial security. It's about ensuring you have the means to enjoy your golden years without financial worries.

What will your retirement look like?

- **Traditional Retirement:** The classic idea of retiring in your 60s, often after a long career, to enjoy leisure, travel, and spending time with family.
- **Semi-Retirement:** Partially stepping back from a full-time career, working part-time, or pursuing passion projects while maintaining some income.
- **Phased Retirement:** Gradually reducing work hours or transitioning to less demanding roles as you approach traditional retirement age.
- **Entrepreneurial Retirement:** Starting a business or pursuing entrepreneurial ventures after retiring from a traditional career.
- **Financial Independence/Retire Early (FIRE):** Achieving financial independence early in life, typically in your 30s or 40s, to retire early and focus on personal interests.

Holistic retirement planning leads to greater financial independence, allowing you to hone in on what style of retirement you see for yourself and your family.



Explore Retirement Account Types

- **401(k):** Employer-sponsored retirement account where you contribute a portion of your paycheck before taxes. Many employers match contributions up to a specific percentage of your salary. Employees have annual contribution limits, which increase when over 50 years of age.
 - Eligibility: Typically offered by employers, eligibility can vary. Many employers have a waiting period before employees can participate. Part-time employees may have different eligibility criteria.
- **IRA (Individual Retirement Account):** A personal retirement account with tax advantages. Traditional IRAs may offer tax deductions when contributing. Withdrawals are generally taxed at ordinary income rates in retirement. Penalties may apply if withdrawals are taken prior to age 59.5.
 - Eligibility: Generally, anyone with earned income can contribute to a Traditional IRA. However, the deductibility of contributions may be affected by your income level if you (or spouse) are covered by an employer-sponsored retirement plan.
- **Roth IRA:** Contributions are made after taxes, but withdrawals are tax-free in retirement when certain conditions are met.
 - Eligibility: Primarily income-based for Roth IRAs. Those with higher incomes may not be eligible to contribute directly to a Roth IRA.
- **Others:** There are many additional types of retirement accounts available, such as SEP IRAs, SIMPLE IRAs, 457, 403(b), among others. The purpose for each account type varies with different eligibility requirements. We can help you navigate through your options and help you determine the most appropriate choice.

Setting Retirement Savings Goals

- **Calculate your future expenses:** Estimate how much you'll need for living expenses, healthcare, and leisure activities. Ask your SAM Wealth Manager for our retirement worksheet.
- SAM will consider factors like inflation, life expectancy, and future expected healthcare costs.
- Calculate how much you need to save each year to reach your retirement goals.

Understand Your Income Sources in Retirement

- **Social Security:** Retirement benefits funded by employer and employee contributions when working. Employee contributions are mandatorily withheld from payroll. The amount you receive depends on your work & earnings history and when you start claiming benefits. Benefits typically increase with inflation rates.
- **Pensions:** Retirement plans provided by some employers, offering regular payments based on your salary and years of service. Depending on the plan, benefits may stay fixed or increase with inflation measures.
- **Cash Flows from Investments:** Building a well-designed investment portfolio can provide a reliable source of income in retirement. Common investment choices include stocks, bonds, alternatives, and real estate. Choosing which account type to take distributions from can be extremely impactful to the longevity of your portfolio and SAM can help you determine the most effective sequencing of cash flows.
- **Other Sources:** If you own other assets, such as rental properties or ownership in a business, you should factor in these streams of income into your retirement plan.

The Role of Insurance & Annuities

While insurance is often used for mitigating risks and providing benefits to one's beneficiaries, it is also an asset that can generate growth and produce income during the insured's lifetime. As part of our portfolio review process, SAM evaluates a range of insurance offerings, including life insurance (Term, Whole, Universal and Variable) and annuities (Fixed, Variable, Indexed, Immediate and Deferred).

Life Insurance

While life insurance is most commonly known for the benefits it provides upon death, it can also be used to add financial flexibility and tax advantaged income in your living years.

- **Income Replacement:** Life insurance helps replace lost income that would have been provided by the insured. Permanent or whole life policies may allow the insured to borrow against any accrued cash value, which may be used as tax-free income.
- **Debt Repayment:** Life insurance may be used to settle outstanding debts, such as mortgages, loans, or other financial obligations. This protects your loved ones from potential debt liabilities.
- **Estate Planning:** Life insurance can provide liquidity to pay estate taxes, which protects your heirs from the forced sale of other estate assets.
- **Legacy Planning:** Policy proceeds can be used to leave a financial legacy for heirs or charitable causes.

Annuities

Annuities are offered by insurance companies and are typically designed to create a stable source of income in retirement. Annuities effectively transfer investment risk to an insurance company that guarantees a minimum rate of return, and income benefits.

Guaranteed Income:

Annuities provide a regular income stream, either for a specified period, or for life.

- **Tax-Deferred Growth:** Like with IRAs and 401Ks, the growth of an annuity is tax-deferred. This means that taxes are paid only when funds are distributed from an annuity.
- **Longevity Risk Mitigation:** Annuities can protect against the risk of outliving your saving by offering a guaranteed income.

While annuities are a powerful financial tool, not all annuities are created equal. The benefits of each annuity must be carefully weighed against any potential drawbacks.

- **Fees and Costs:** Annuities may carry material expenses which can affect overall returns.
- **Terms and Conditions:** The terms of annuities can be complex; withdrawal restrictions and early withdrawal penalties may apply.
- **Inflation and Purchasing Power:** The fixed payments in annuities may not adjust for inflation, which can reduce purchasing power over time.
- **Opportunity Cost:** Annuity returns may underperform other investments because of built in ceiling or "caps". The investment selection within an annuity may also be limited.

When integrating life insurance or annuities into your portfolio it is important to consider individual circumstances, risk tolerance, and long-term goals. Your SAM Wealth Management Team will work with you to help utilize annuities and life insurance to your benefit.

Tax Planning

Taxes are an inevitable part of life, and they can significantly influence your financial health. Financial Planning with SAM can help you understand how taxes impact your investments, income, and overall financial stability. Our team can work with your CPA or tax advisor, to strategically manage your future tax liabilities. We'll explore the benefits of tax-advantaged accounts (such as 401k's, IRAs, and HSAs) and sequencing your future expected cash flows.

Importantly, when moving investment accounts to SAM, our team can provide insight on the possible tax consequences when applicable.

- Tax laws are subject to constant changes, which can impact your financial plan. We can help you stay abreast of changes to adapt accordingly and identify new opportunities.
- Seeking professional advice for complex tax situations.
- Crucially, navigating the ever-evolving landscape of tax laws may require specific expertise. We can collaborate with your Certified Public Accountant (CPA) to fully address any tax considerations. SAM is happy to provide you with suggestions on how to find a qualified CPA to help address complex tax-specific questions.



Estate Planning

- Estate Planning is a legal service that arranges for the management and distribution of your assets during your lifetime or after your death. The primary purpose of estate planning is to ensure that your wishes are carried out, your loved ones are provided for, and your assets are protected and distributed in an efficient and tax-effective manner.
- While SAM does not provide legal services, we are happy to provide referrals to estate planners. We would urge you to interview and evaluate any referrals made to make sure they are in line with your needs.
- The preparation of an estate plan is unique to each individual but generally there are five primary documents. These include:
 1. Last will and testament: A will is a document of public record that outlines your wishes for property distribution and care of minor children; names beneficiaries, an executor/executrix, and guardianship for children.
 2. Trust: Controls property while you're living and after you die; the most common is the Revocable Living Trust. However, there are many circumstances where an Irrevocable Trust will best meet a client's needs. It's important to note that once an irrevocable trust is established, the grantor cannot control or change the assets once they have been transferred into the trust without the beneficiary's permission.
 3. Health care power of attorney: Appoints someone to make decisions regarding your medical treatment if you become incapacitated.
 4. Living will/advanced directive: Used by health care professionals as a guide to your wishes for end-of-life medical care.
 5. Financial power of attorney: Names someone to make financial and legal decisions in your stead or if you become incapacitated, depending on what is stated in the POA. If the authority granted continues after you are mentally or physically incapacitated, a durable power of attorney is needed.

The preparation of a proper estate plan can effectively eliminate the risk of prolonged probate, ensuring the smooth transfer of assets to their beneficiaries. In the case of real estate owned outside of your state of residence, ancillary probate can be a relevant factor. Certain applicable assets can bypass the probate process by establishing a trust, thus making the transfer of these assets more efficient. Because of the time consuming, costly, and public nature of probate, avoidance can be desirable for some individuals.

In addition to proper distribution and probate avoidance, estate planning can protect your beneficiaries from financial claims and lawsuits.

Estate planning can help minimize estate and inheritance taxes, ensuring that more of your assets are passed on to your heirs and less goes to the government. This may involve gifting strategies, setting up trusts, or identifying a client's qualification of certain tax exemptions.



Business Succession.

- If you own a business, business succession planning and estate planning can both ensure a smooth transition of ownership as well as grow and protect your wealth for years to come. We partner with your attorneys in creating a plan for how and when your assets are invested to align well with your financial goals.



Charitable Giving.

- Estate planning can facilitate your charitable giving goals by allowing you to make donations to your favorite charities or foundations through methods like Donor Advised Funds, charitable trusts or bequests in your will.



Asset Protection.

- Some estate planning strategies can help protect your assets from potential creditors, lawsuits, or other claims, providing additional security for your beneficiaries.



Legacy and Values.

- Estate planning can help you leave a legacy by documenting your values, beliefs, and wishes for future generations. It allows you to pass on not just your wealth but also your wisdom, values, and stories.



Peace of Mind.

- Having a well-thought-out estate plan in place can provide you with peace of mind, knowing that your affairs are in order and that your loved ones will be taken care of according to your wishes.



Investing Wisely

Investments play a crucial role in wealth accumulation by putting your capital to work. SAM can help strategically preserve and grow your wealth over time.

Often times investing can seem to be a risky endeavor. At SAM, we take risk management seriously and identify the most efficient ways through varied investment strategies to mitigate the risk to your hard-earned money.

Perhaps the most popular method of managing risk is through diversification. Diversifying your investment portfolio by spreading your wealth across different asset classes such as stocks, bonds, and alternatives, like real estate, precious metals, and private investments. Diversification can reduce the impact of underperforming assets, while allowing your portfolio to benefit from the higher returning investments.

Beyond diversification, we may utilize low correlation investments that reduce the risk of investments moving in lockstep to one another or to the broader market when challenging circumstances exist. We have found that by investing in this fashion, we can reduce the damage of security and sector specific declines and protect your assets. Further, having a solid understanding of the varied type of investments and effective strategies by using stocks, bonds, funds, real estate, merger arbitrage, tactical solutions as well as considering private investments, can go a long way to maximizing your longer-term success.

All this may sound a little daunting so you may just think that you want to “stuff your money in your mattress” or keep it in the bank earning nominal returns. While that may keep your money safe you, unfortunately, will lose the purchasing power of your money over the years as inflation chips away at the value of those dollars. This can really impact your ability to live a fulfilling retirement.

How is that?

Well, one of the most powerful and understated aspects of investing is compounding. When you invest your money, you earn returns on both your initial investment and the returns you’ve already earned. Over time, this compounding effect can significantly increase the value of your investments. The longer you leave your money invested, the more it can grow.

Additionally, investing intelligently across different strategies historically offers higher returns. While the returns are not guaranteed and come with some level of risk, the results can be compelling based on your time horizon and risk tolerance. At SAM, our highly experienced Investment Committee can help you to navigate the universe of investment solutions.

Always Work with a Professional Team

Working with financial advisors, accountants, and estate planning attorneys can provide significant value in managing your financial affairs, planning for the future, and ensuring that your assets are protected and distributed according to your wishes. Here are some of the key benefits of working with these professionals:

- **Expertise and Specialization:** Investment advisors, accountants, and estate planning attorneys have specialized knowledge in their respective fields. They are well-versed in complex financial matters, tax laws, investment strategies, and legal requirements. Their expertise can help you make informed decisions and navigate complex financial situations.
- **Customized Financial Plans:** Investment advisors (like SAM) can create personalized financial plans tailored to your goals, risk tolerance, and financial situation. They can help you develop investment strategies, retirement plans, and wealth management strategies that align with your objectives.
- **Tax Efficiency:** Accountants are skilled in tax planning and can help you strategically minimize your tax liability. They can provide advice on tax-efficient investment strategies, deductions, credits, and compliance with tax laws.
- **Estate Planning and Asset Protection:** Estate planning attorneys can help you create a comprehensive estate plan that ensures your assets are distributed as per your wishes, minimizes estate taxes, and provides for the future needs of your loved ones. They can also assist in setting up trusts and other legal structures for asset protection and to help avoid unnecessary probate.
- **Risk Management:** Investment advisors (like SAM) can assess your risk tolerance and help you diversify your investments to manage risk effectively. In addition, they can provide guidance on insurance options, including life insurance, disability insurance, and long-term care insurance, to protect you and your family from unexpected financial setbacks.
- **Complex Financial Situations:** If you have a unique financial circumstance, such as ownership in a business, investments in various asset classes, or international financial interests, these professionals can provide specialized guidance and solutions tailored to your unique circumstances.
- **Compliance and Regulation:** Professionals like accountants and estate planning attorneys stay up-to-date with the latest tax laws, regulations, and legal requirements. They can ensure that your financial and estate plans are in compliance with current laws, helping you avoid legal issues and penalties.
- **Peace of Mind:** Collaborating with these professionals can provide you with peace of mind, knowing that your financial affairs are well-managed, your taxes are optimized, and your estate is protected. This can reduce stress and anxiety about your financial future.
- **Holistic Approach:** Many financial advisors take a holistic approach to financial planning, considering your entire financial picture. They can coordinate with accountants and estate planning attorneys to ensure that all aspects of your financial life are aligned and integrated seamlessly.
- **Long-Term Life Planning:** These professionals can help you set and achieve long-term financial goals, such as retirement planning, wealth preservation, and legacy planning. They can adjust your strategies as your circumstances change over time.

Choosing the right professionals based on your individual needs:

Choosing the right professionals for your needs depends on your specific circumstances. It is these professionals that can provide significant value in managing your financial affairs, planning for the future, and ensuring that your assets are protected and distributed according to your wishes.

Often times the best way to identify the right professionals is through friends, colleagues, family or other trusted sources. Also, look for firms and individuals who are fiduciaries enabling you to trust that they always have your best interests in mind.

While working with these professionals may involve fees, the value they provide in terms of financial security, wealth preservation, and peace of mind can often outweigh the costs. It's essential to choose professionals who are experienced, reputable, and trustworthy to ensure that you receive the best guidance and service for your specific financial needs. Additionally, maintaining open and regular communication with these professionals is crucial to keeping your financial plans up-to-date and aligned with your evolving goals and circumstances.



Conclusion

**What Now?
Where Do I Go From Here?**



First Steps

It's time to take the first step towards your long-term financial goals and hire SAM Wealth Management to assist you in building and implementing your plan. You deserve a future and retirement that exceeds your expectations!



Things Change

Don't forget that a plan is fluid and should be reviewed regularly by your SAM Wealth Management Team. It is also important to update your Wealth Management Team on any changes in your life, both big and small, that might impact your path to financial success.

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