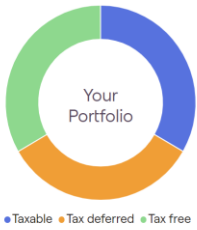


Case Study

Tax Allocation -An Investment Strategy

Tax allocation summary



\$500,000
Taxable asset

\$500,000
Tax deferred asset

\$500,000
Tax free asset

Most individuals use the same investment strategy (pro-rata) , ignoring how the accounts are taxed.

Challenge

Minimize taxes and maximize wealth

Solution

Match investment types with each account type for the highest tax efficiency.

Tax allocation summary



Taxed - Annually
Inv. - Value Equities
Strategy- lower capital gains tax rate as well as potentially eliminating the tax with tax loss harvesting .

Tax allocation summary



Taxed - On withdrawal @ ordinary tax rate.
Inv. - Taxable Bonds
Strategy- interest on bonds are taxable @ ordinary rates. Rates are the same and it allows you to postpone the tax.

Tax allocation summary



Taxed - Tax Free.
Inv. - Growth Equities
Strategy- Over time these investments historically have had the highest gains. Match with a tax free account and eliminate the tax.

Benefit

Implementing this strategy of minimizing taxes can create wealth over time. It is not what you earn but what you keep that makes a difference!

