

# Midland Asset Management: Wealth Management Process



# Overview

- Provides a comprehensive “diagnostic review” of your personal financial situation:
  - Identifies and prioritizes your goals and objectives
  - Assesses your current financial situation and determines whether it is aligned your goals and objectives
  - Recommends action steps and strategies that may:
    - Reduce taxes, insurance costs, and liability exposure
    - Improve investment performance and reduce investment risk
    - Bring greater cohesiveness to your overall financial plan
  - Assists you in formulating an action plan for further exploration of specific areas of concern and/or implementation of any recommended strategies

# Value Proposition

- Peace of Mind
  - Assurance that your wealth management plan is more closely aligned with today's economic/risk environment
  - Objective advice – no hidden agenda or disguised product sales
- Improved financial plan that is more cohesively aligned with your current goals and objectives, with a focus on:
  - Better investment performance and reduced investment risk
  - Current and future tax savings
  - Cost-effective risk management and insurance coverage
  - More strategic coordination of your income tax, investment, retirement, insurance, business and estate planning needs

# The Process

- Identify Goals and Objectives
- Data Collection
- Assess Present Situation
- Make Observations
- Make Recommendations
- Formulate Action Plan and proceed to implementation

# Step One - Identify Goals and Objectives

- We meet with you to identify and prioritize your goals and objectives, with focus on:
  - Wealth Accumulation and Management
  - Wealth Preservation
  - Wealth Transfer

# Step Two - Data Collection

- Gather personal and business data
  - Balance sheet information
  - Brokerage statements, investment reports
  - Income and gift tax returns from prior years
  - Benefit statements, stock option information
  - Existing wills, trusts, buy-sell agreements, etc.
  - Insurance documents

# Step Three - Assess Present Situation

- Review data, documents, etc.
- Perform analysis and prepare current assessment, including but not limited to:
  - Current and projected net worth
  - Current and projected cash flow
  - Current and projected income taxes
  - Current asset allocation
  - Current insurance coverage
  - Current estate disposition
  - Current and projected estate taxes
  - Current and projected liquidity position

# Step Four - Make Observations

- Determine how well your present situation is aligned with your goals and objectives
- Note specific areas where your goals and objectives are not well served or fulfilled
  - Cash management and debt structure
  - Asset allocation and investment holdings
  - Tax posture
  - Risk management and insurance arrangements
  - Estate plan
  - Stock option planning
  - Business plan/entity selection

# Step Five - Make Recommendations

- Based on our observations, we will make two types of recommendations:
  - **Tactical** - Steps of a ministerial nature (e.g., retitle assets, amend estate planning documents, change beneficiary designations)
  - **Strategic** – Tax and non-tax planning strategies designed to further your goals and objectives
- For each strategic recommendation, we will:
  - Describe what it is, how it works, why you should consider it, and the implications to your overall situation
  - Project the tax and economic benefits
  - Describe how the strategy is implemented -- who does what and when?
  - Describe the costs of implementation and ongoing administration
  - Compare the benefits, risks, and complexity with similar strategies

# Step Six -Formulate Action & Monitor Plan

- Prioritize recommendations
- Discuss plan for implementation
- Decide whether any further exploration is needed
- Consult with your other advisors on the plan design, as needed
- Create monitoring plan for investment, tax, estate, and insurance needs