

Client Profile

When we first met, our client Bob and Mary had been married for 30 years. They were in their mid-50's with two financially independent adult children. Bob was a corporate executive and had been aggressive about funding his 401K which had grown to a sizeable amount.

Mary had recently received a large inheritance so their portfolio had nearly doubled in size to over \$2 million. Bob had done a great job over the years personally managing the couple's investments, but now they had new questions and concerns:

- Is our portfolio too big for us to manage ourselves? Do we have time?
- Are our funds in the right place to enable us to retire when we want to? What is "enough?"
- What if the country goes through another "201K" scenario? We have a lot more to lose now.
- Now that we have more money, do we need to set up a trust for our kids?
- We have wills, but do we need a more sophisticated estate plan?



The First Step Was Finding The Right Advisor

Bob and Mary, like many people that have self-directed their investments were a bit skeptical about hiring an advisor. They asked their accountant for a referral which led them to Steward Advisors. The couple got together with Steward and discussed Bob and Mary's lifestyle, their goals for retirement and children, and other concerns. Feeling comfortable with Steward, they agreed to a fee-based comprehensive financial plan. This included:

- Reviewing their current investment portfolio/insurance policies and tax returns
- Using the [Steward Riskalyze®](#) tool to determine their investment risk/reward comfort level
- Creating a household balance sheet as well as a cash flow model with projections through retirement
- Diversifying their portfolio, including alternative investments
- Using a computerized mathematical technique (a Monte Carlo simulation) to help quantify the probability of a successful retirement

Letting a Trusted Partner Put the Plan to Work

Bob and Mary were happy with their plan and felt confident that Steward could manage their full portfolio including all future planning and investment needs. After completing the financial plan, they decided to hire Steward based on an annual retainer. Over the years Steward services include:

- Quarterly meetings to review financial status, current economic and market conditions and investment portfolio
- Updated balance sheet, cash flow projection and Monte Carlo simulation of retirement success
- Periodic rebalancing recommendations in accordance with target investment portfolio
- Strategies to coordinate taxable & tax deferred accounts
- Implementation of a risk management (insurance) plan including guidance on the purchase of Long Term Care policies
- Partnering with their tax accountant to manage investment portfolio in tax efficient manner
- Working with estate planning attorney to create an estate plan, including trusts
- Established Donor Advised Fund for tax efficient charitable giving

Outcomes

- Monte Carlo analysis shows high projected retirement success rate
- Investment portfolio is diversified and tax efficient
- Financial security for both spouses in case of death or long term care event
- Ongoing updates to financial projections and continual adjustments as needed

If you are in a similar situation and would like see if we are a good fit for you, we'd be happy to talk.

Just call us at 847-637-0111 or email: [Tim Obendorf](#) or [Mike Kwon](#).

Read more [Case Studies](#) on our website.