

# A TAILOR-MADE PORTFOLIO TO SUIT YOUR NEEDS

Much like a tailor who first takes measurements before they alter the hem, sleeves, and collar of a suit to fit your body perfectly, understanding your financial blueprint is the first step in building a portfolio to meet your financial goals. We use many tools to help us communicate effectively so we are on the same page as each other.

Every time you come in to review your account, we want to make sure your risk appetite hasn't changed since the last time we talked. We give you a short 5-6 question quiz (Riskalyze) designed by a Nobel Prize winning economist that will ask you to define the boundaries of your comfort zone in terms of how much risk you are willing to take in an average 6-month time frame. You will be given a score from 0-99, 0 being no risk and 99 being ultra-aggressive. Then we take your current portfolio which is also given a risk number based on each individual investment you currently hold to compare where you are today vs. where you want to be.

**Investment Objectives:** What is your primary goal? Is it long-term growth, cash flow or a combination of both?

**Investment Time Horizon:** How long can you leave your money to work towards your goals?

**Cash Flow:** How should your portfolio be managed to accommodate any current or future income needs?

**Capital Gains/Taxes:** How can we keep more money in your pocket and more away from the tax man?

**Restrictions:** Do you have any personal needs or desires when it comes to your portfolio? Any important things we need to know?

**Risk Tolerance:** How does your risk number reflect you or do you even know your current risk number?

## Riskalyze

- ✓ The world's first risk alignment system.
- ✓ Aligns you and our team in terms of risk.
- ✓ Helps us understand what you mean when you say "conservative" or "aggressive".
- ✓ Defines over 25,000 different investment risk numbers.
- ✓ Shows you all Investment Costs up-front.
- ✓ We build a portfolio that's custom to your risk number.



# HIGH-END CLIENT SERVICE

You will become accustomed to client service that will help ensure you understand our approach and are comfortable with the management of your Portfolio. You will have direct contact with Latko Wealth Management, Ltd. When you dial our number, it's not a call center or a robot who can never understand you. You will be warmly greeted by a real member of our team who is eager to help.

You will be able to have all your questions answered in one place. We won't transfer you to a different "department" that is supposed to have the answer you are looking for. Since we handle all the trading and financial plans in-house, we will always have an answer for you and if we don't, we will attempt to get you one within 24 hours.

## 127 Personal Touches

We want to make sure our clients get the attention they deserve by always being up-to-date with what their account and what Latko Wealth Management, Ltd. is doing. That's why we go out of our way to make sure we have a minimum of 127 personal touches a year, which include but are not limited to:

**-Weekly Newsletters: 104**

**-Monthly Statements: 12**

**-Quarterly Statements: 4**

**-Client Events: 2-4**

**-Semi/Annual Reviews: 1-2**

**-Client Seminars: 2**

**-Birthday Cards: 1**



## LET US HELP

- ✓ Explain anything that is happening in your account and why.
- ✓ Review with you regularly.
- ✓ Have your day-to-day needs handled in a smooth and timely manor.
- ✓ Send out or add money to your accounts without having to always sign a form or wait weeks for a physical check to arrive.

# YOU ARE WORKING WITH A FIDUCIARY

At Latko Wealth Management, Ltd. we are not brokers, we do not earn transaction commissions and you will know all your costs up-front. As a Registered Investment Advisor, we are legally bound to work in your best interest.

Under the Investment Advisers Act of 1940, Registered Investment Advisors are held to a fiduciary standard of care. By law, they must ensure that each investment recommendation they make is based in your best interest. If a conflict of interest should arise, RIAs are required to let you know in advance. Additionally, they are required to have a written code of ethics that governs their actions and fully discloses how they are compensated.

- ➔ It's our job to understand the complexity of your situation and our financial plans are designed with your personal goals in mind. We don't want our clients to doubt our suggestions because they believe there is a conflict of interest regarding commissions.
- ➔ When the differences between a Fiduciary and a Broker are laid out before you, there is usually never a reason to be on the side whose biggest concern is how to take the money from your pocket and put it into their own.

	<b>Fiduciary (RIA)</b>	<b>Broker</b>
<b>Focus</b>	The client and building a relationship	Transactions
<b>Legally Obligated to client</b>	Yes	No
<b>Primary Business</b>	Advice	Buying & Selling
<b>Compensation</b>	Fee-Only	Commissions & hidden charges
<b>Transparency</b>	Yes	No
<b>Incentives</b>	If your account grows, we grow with you	Kickbacks, Revenue Sharing, More Trades
<b>Quotas</b>	No Product Quotas	Sales Quotas on specific Products

# COMPETITIVE & TRANSPARENT FEES IN YOUR BEST INTEREST

We always want our clients to know everything about their account. Understanding your investments is only half the battle. On your statements you will see every fee and charge if one had incurred. With brokers, most costs are HIDDEN, and they don't like to explain to you what you're paying. We show you every possible cost and how that affects your investments over the years, so you will hopefully never have a surprise.

We want the market to be your ONLY enemy, not us. How can it be in your best interest if you're fighting against things like hidden costs, up-front, back-end or surrender fees that were never fully explained to you? Those types of things eliminate any sort of transparency as well as flexibility for our clients. For example, we don't know if you're going to call us in 5 months and need all your money out for a large expense. If you have just paid us 5% up-front or will incur a 7% surrender fee to pull out your OWN money, you would understandably not be happy.

## HOW OUR FEES WORK .80-1.35% ANNUALLY

- ◆ When our fees are aligned as such, this places our firm on the same side of the table as you. When your account value goes up it benefits the both of us. Our recommendations are done solely to benefit you and your future. Likewise, should your account decline in value, we both lose.
- ◆ For household accounts that are valued at more than \$500,000, you will benefit by receiving **FREE** trading costs that Latko Wealth Management will pay for on your behalf.
- ◆ For those who have accounts under \$500,000 you will be responsible for our current average of trading cost:
  - ◇ \$9.00 Per Equity Trade (Stock, ETF) (many are free)
  - ◇ \$26.50 Per Mutual Fund Trade (many are free)
  - ◇ \$0.00 Per Fixed Income Trade (Bonds, Structured Products, CD's)
- ◆ Our incentive is not to trade your account. Latko Wealth Management does not receive a penny of the trading fees above. The cost incurred is simply to use the trading system at LPL.
- ◆ There are **NEVER** appointment or phone call fees. We do not charge THOUSANDS of dollars for our financial plans. Everything we do is encompassed in our annual fee.



# COMPREHENSIVE INVESTMENT STRATEGY

As an investor there are hundreds of thousands of individual stocks, bonds, ETF's and Mutual Funds to choose from. How could any individual or investment firm possibly look through all the different options in the investment universe? The answer is, they can't!

If properly done, a single investment can take several hours or even days to look through and calculate. It would take several lifetimes to go through every single investment option. Therefore, we use Morningstar and other research tools to help us filter through that long list.

**Only 4 and 5 star rated ETF's and Mutual Funds (some with Gold or Silver analyst ratings) are considered.** Only 10% of funds in any category receive a Morningstar 5 Star rating. We will override this rule occasionally if we believe, based on research, a fund has the potential to be greater than its Morningstar rating.

## WHAT DRIVES INVESTMENT RETURNS?

- ▶ Asset allocation and diversification are responsible for most favorable returns. No matter what your risk tolerance is, focusing on a well-diversified portfolio is our first step. Analyzing our market environment, investor sentiment, politics and how they will affect asset classes go hand in hand with setting up a diversified portfolio.
- ▶ How do you know if you should focus on value, growth, small, mid or large cap investments? Should you consider certain sectors such as technology, healthcare, financials and so forth? Or is a shift to fixed income the correct decision? What investment grade is acceptable to you? Are municipal, government or corporate bonds the right investments for your portfolio?

We believe these decisions must be made intelligently, using timely research in conjunction with Morningstar's expertise. We strive to pick the best investment for each category in your portfolio to hopefully help you reach your individual goals. Risk tolerance is a vital aspect of any responsibly managed portfolio. Your returns will be based on the risk tolerance you are willing to take. Your risk tolerance will considerably affect your return both negatively and positively. In order to combat unusual market environments such as low interest rates or a rising market we can use alternative investments.



# EDUCATION

In the 2008 financial crash, many investors could have had much different results if their financial advisor would have taken the time to **educate** their clients. So many people were over invested and had no idea how much risk they were taking because of poor communication. Individuals believed they were conservative yet had 100% in stocks. When the dust settled in 2009, many investors had lost over half of all the assets they had invested.

## REST ASSURED

- Alleviates the “what if” questions.
- Find out if you’re truly diversified.
- Gauge risk and opportunities before they unfold.
- Discover how one event ripples through many sectors of the economy.



## HIDDEN LEVERS

After we understand your risk tolerance we move on to “Hidden Levers”. Inside Hidden Levers we can walk your portfolio through hypothetical events such as oil crashes, terrorist attacks, another global pandemic, and other various scenarios. This gives us more opportunity to understand you better and lets us know what we need to do to further tailor your Portfolio. Hidden Levers runs each scenario 2,500 times to help give the most accurate prediction on your personalized Portfolio.

# MENU OF SERVICES

## INVESTMENTS

- ✓ Investment Consulting
- ✓ Risk Management
- ✓ Asset Protection Planning
- ✓ Social Security Planning
- ✓ Tax Planning Assistance
- ✓ Beneficiary Planning
- ✓ Living Trust Assistance

## EDUCATION

- ✓ Client Seminars
- ✓ Educational Workshops
- ✓ Latko Wealth Blueprint
- ✓ Hidden Levers
- ✓ Portfolio Stress Testing
- ✓ Semi/Annual Reviews

## EMOTIONAL

- ✓ Family Education and Coaching
- ✓ College Planning
- ✓ Family Support Issues
- ✓ Charitable Giving
- ✓ Eldercare and Long Term Care
- ✓ Certified Divorce Planning
- ✓ Acceptance of Children's Accounts

## OUTSIDE INTEREST

- ✓ Real Estate
- ✓ Home Security Review
- ✓ Purchase/Leasing of Automobiles
- ✓ Aircraft Leasing
- ✓ Collectibles Management

# A WELL-ROUNDED FINANCIAL PLAN

At Latko Wealth Management, Ltd. we believe in the “financial body”, which has many different parts just like a real human being. Where we see the majority of financial plans go wrong is when there are several different people trying to take control; multiple advisors, lawyers, accountants and even family members with the best intentions all trying to move on their own with no communication. When you work with us, we take into consideration your entire financial body.

## INVESTMENTS

- No Up-front or Back-end Fees
- Low Cost ETF's & Mutual Funds
- Asset Allocation
- 4 & 5 Star Rated Funds

## EMOTIONAL

- College Planning
- Charitable Giving
- Family Support Meetings
- Certified Divorce Analysis
- Fun Client Events & Educational Seminars

## OUTSIDE INTERESTS

- New / Used Car Purchase
- Real Estate Advice
- Collectibles

## TAXES

- RMD's Required Minimum Distributions
- Retirement Tax Planning
- Transferring Wealth
- Protecting Assets

## ESTATE PLANNING

- Trust Advice
- Limited Estate
- Insurance Planning
- Selling your Business



After we take into consideration all your financial facts and goals, we run your scenario through our **Monte Carlo** simulation. **This is extremely important to remember;** Monte Carlo is thought to be a much more accurate way of planning for your future than the traditional way advisors do. (Most individuals have never heard of **Monte Carlo** because of its high cost to run.) **Monte Carlo** simulation shows you a range of possible outcomes and the probabilities that they will occur for any choice of action. It shows the extreme possibilities from meeting your goals to running out of money.