BakerAvenue
WEALTH MANAGEMENT

Retirement & Volatile Markets

Identify Your Action Steps, Considerations & Pitfalls to Avoid

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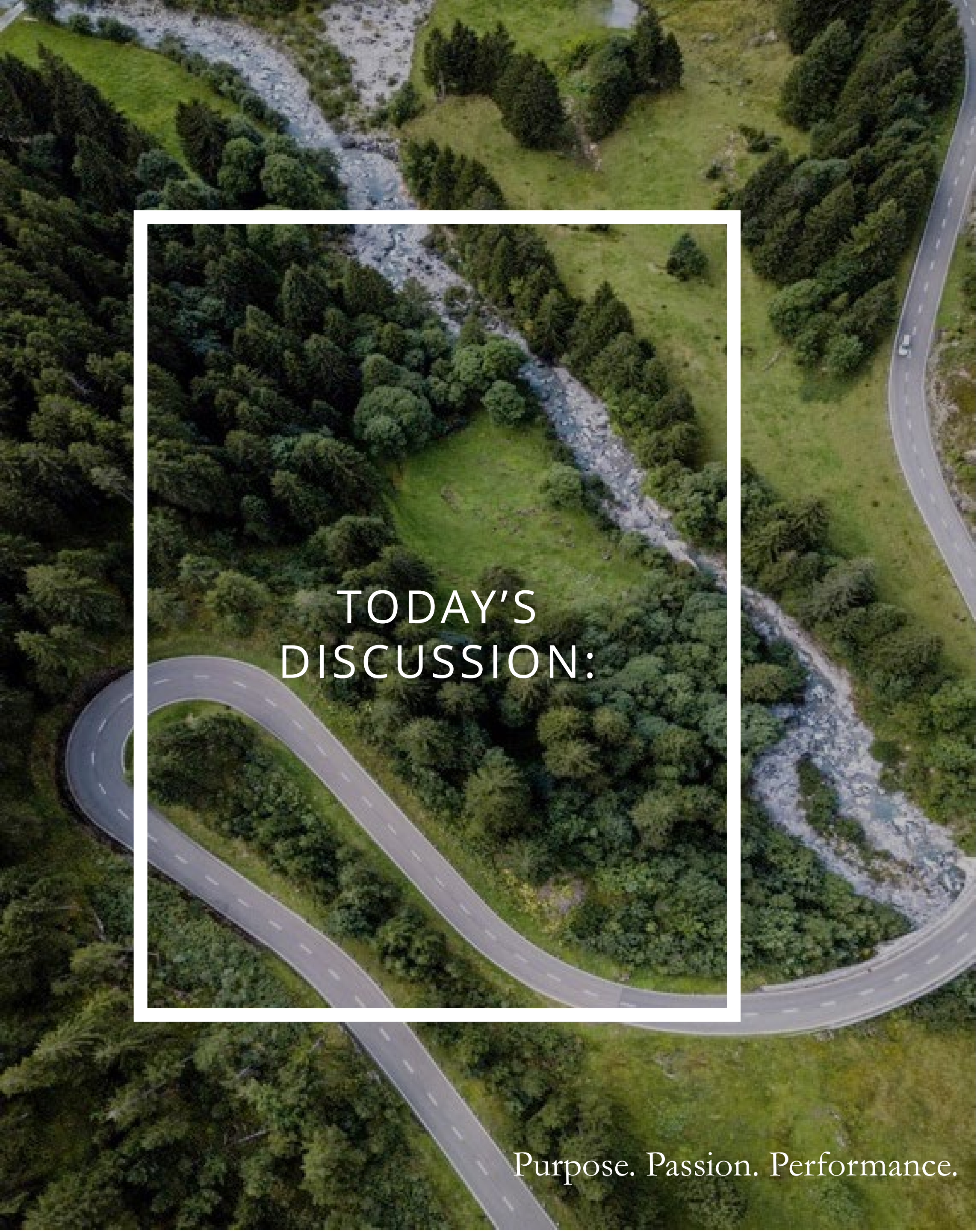
Welcome & Introductions

Tanya Welch, CFA, CFP
Wealth Advisor

Tanya is responsible for overseeing vision, training, and execution of the wealth management team for BakerAvenue clients. She is also an active member of the CFA Society of San Francisco and involved in numerous charitable causes.

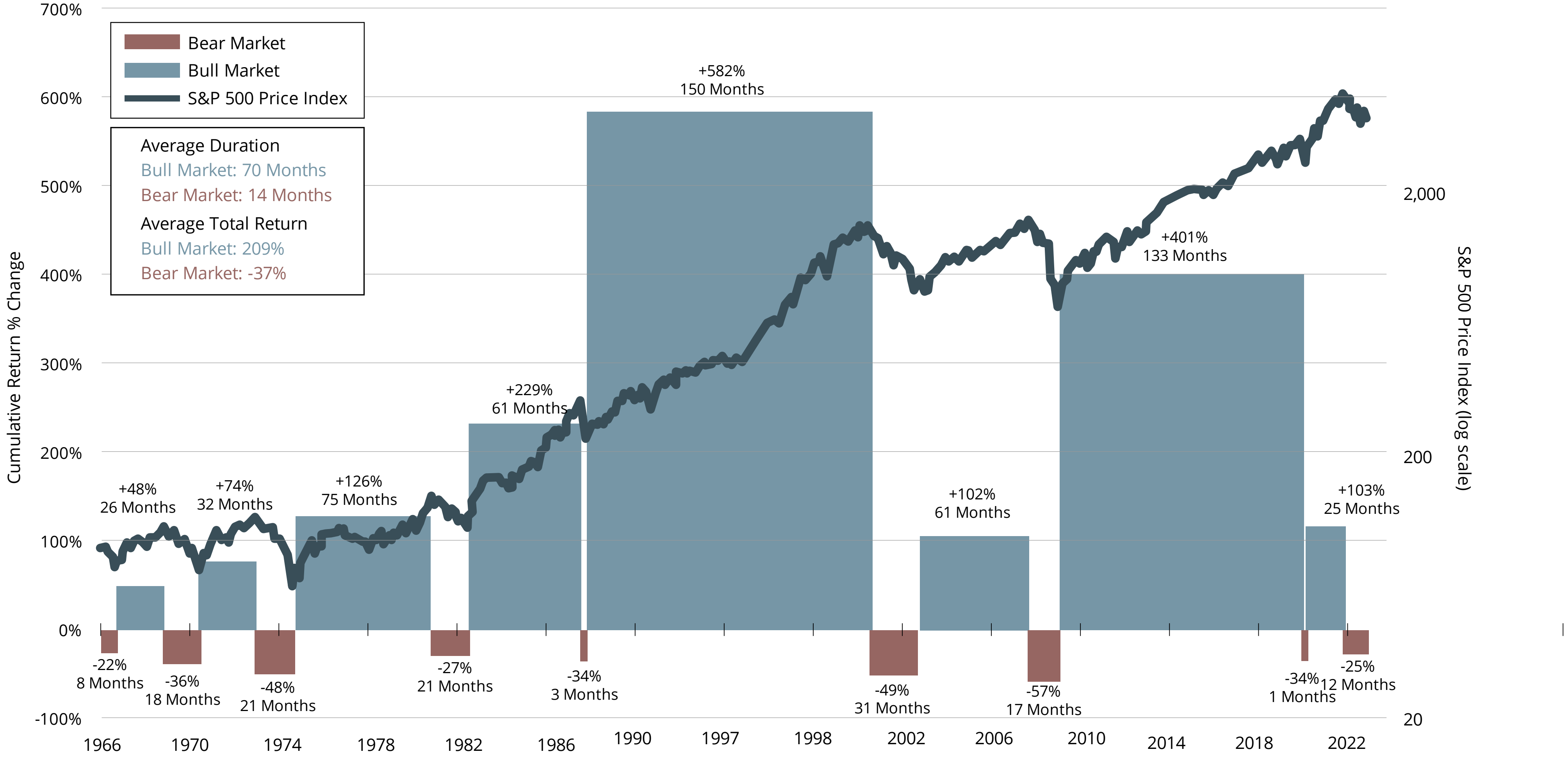
Doug Couden, CFA
Chief Investment Officer

Doug leads the firm's multi-disciplined (technical, fundamental and macro) investment approach including BakerAvenue's Impact Strategy. He is a member of the firm's executive committee, is responsible for managing the investment team, the firm's research process, and the overall performance of the strategies.



1. Welcome & Introductions
2. Action You Can Take Now
3. Wealth Considerations
4. Pitfalls to Avoid
5. Concluding Thoughts
6. Q & A

Stock Market Correction/Frequency



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Action You Can Take Now

Review Your Spending: Discretionary vs. Essential Expenses

Fixed

Essential items or services with consistent cost

Rent, mortgage, car finance, phone bills, travel cost

Variable

Essential items or services with inconsistent cost

Petrol, bonuses, grocery shopping

Irregular

Items or services with irregular or infrequent cost

Dentist appointments, pet bill, self maintenance

Discretionary

Non-essential items or services with varied cost

Clothes, Uber rides, eating out, gifts…

Utilize a “Tax-Aware” Approach

Active Tax-Loss Harvesting in Volatile Markets

- Actively track your short and long-term holding periods
- Research substitute securities to replace loss-harvested positions
- Monitor IRS “wash-sale” provisions for proper reinvestment into previous loss-harvested portfolio positions
- Consider the cost-basis method utilized (e.g. LIFO, FIFO, HICO, etc.) for individual holdings

Wealth Considerations

Roth Conversion Analysis

With a Roth conversion, you can take advantage of potentially lower tax brackets today and allow your assets to grow tax-free.

At BakerAvenue, we review your projected income each year to 'fill the gap' within your current income bracket to develop a more balanced tax liability in future years.

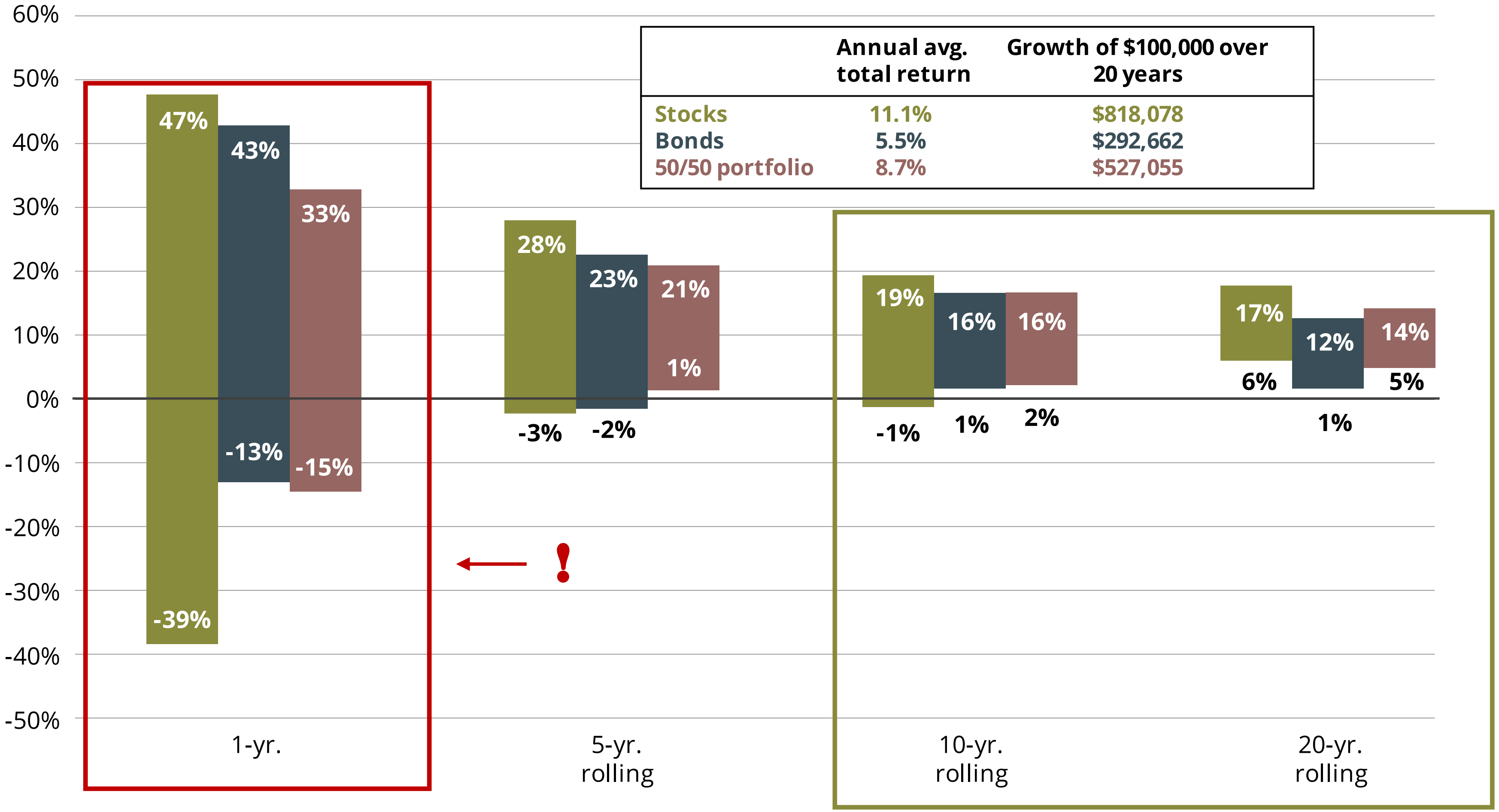
	SCENARIO 1 **Tax Year 2022**		SCENARIO 2 **Tax Year 2022 & Roth Conversion**	
1040 Income				
Wages	$	102,214	$	102,214
IRA Distributions	$	0	$	0
Taxable Pensions and Annuities	$	24,310	$	24,310
Roth Conversion	$	0	$	130,000
Gross Social Security	$	29,357	$	29,357
Taxable Social Security	$	24,953	$	24,953
Total Tax	$	12,360	$	43,101
Marginal Bracket		22.0%		24.0%
State Tax	$	1,284	$	11,806
Marginal Bracket		4.00%		9.30%

- FOR ILLUSTRATION PURPOSES ONLY - CALCULATIONS FOR INVESTORS IN THEIR EARLY 60'S -

Diversification of Asset Allocations

Range of stock, bond and blended total returns

Annual total returns, 1950-2022



	Annual avg. total return	Growth of $100,000 over 20 years
Stocks	11.1%	$818,078
Bonds	5.5%	$292,662
50/50 portfolio	8.7%	$527,055

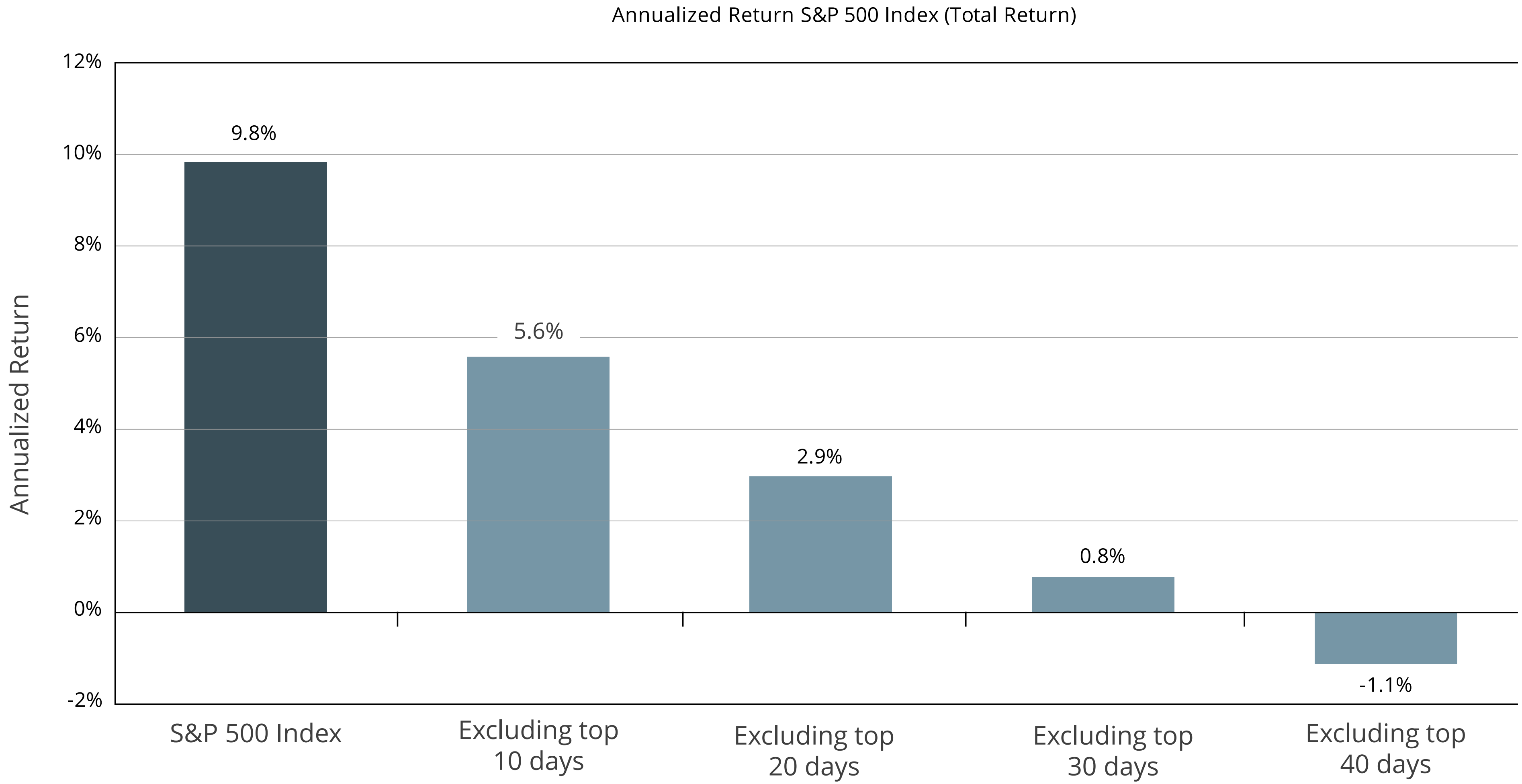
Pitfalls to Avoid

Stopping Your Contributions

Dollar Cost Averaging

	Lump-Sum Purchase: $200,000		DCA at $25,000 Per Week	
	Share Price	**No. of Shares Purchased**	**Share Price**	**No. of Shares Purchased**
Week 1	85	2,353	85	294
Week 2			86	291
Week 3			83	301
Week 4			81	309
Week 5			82	305
Week 6			78	321
Week 7			80	313
Week 8			82	305
Total Shares Purchased		**2,353**		**2,437**
Average Share Price	**85**		**82**	

Emotional Missteps



Concluding Thoughts

- Volatile markets are frustrating, and that frustration may result in an emotion-driven response to change your long-term financial plan – typically, at the wrong time
- Take control of what is controllable; there are action steps to consider in light of the volatility
- Times like this are when working directly with your advisor adds value

Q & A

For additional questions, please contact us at bakerave.com/contact or email us at info@bakerave.com

Thank You

Since 2004, BakerAvenue has guided clients through personal and professional transitions. Our firm provides comprehensive wealth management and investment expertise for high-net-worth individuals, families, trusts, foundations and endowments.

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Certified B Corporation | FT Top Financial Advisers 2020 | FT 300 Ranking July 2020 | Signatory of: PRI Principles for Responsible Investment | Great Place To Work Certified

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For more information, please contact us at 415.986.1110 or visit us at bakerave.com. To view BakerAvenue's full disclosures, please visit bakerave.com/disclosures.