synergy
ASSET MANAGEMENT, LLC

LIFESTYLE PROTECTION PLANNING

Establishing a Wealth Vision

For Business Owners

What is a Wealth Vision?

As a business owner, your business is one of your greatest assets. Its value and risk has to be taken into account when creating your financial plan, for both your current lifestyle and eventual retirement. Why? Unless you know your business value and risk score, there is no way to know if you are on track to retire with the lifestyle you desire.

The purpose of a Wealth Vision is to provide a clear path to help you reach your desired wealth target.

First, we consider the five Ws: Who, What, Where, When, and Why. Determine exactly who you are investing for, what you want to do with your money and where your assets should be located. Understand why you are investing and when you will need your money.

Additionally, our Lifestyle Protection Planning Process can help you create a personal Lifestyle Return Benchmark (LRB) by evaluating your willingness and ability to take risks. The LRB process works with your Wealth Vision and gives you assurance about the future of your portfolio.

Financial planning and portfolio management is a time-consuming process. The larger your estate, the more details there are to manage. We understand your time is valuable and want to help you manage your assets efficiently. Our Wealth Vision and Lifestyle Protection Planning Process can free up your time by allowing us to manage your estate and portfolio effectively and efficiently for you.

3 GOALS

Minimize Taxes

Maximize Wealth

Maintain Control

Not just another money manager.

Synergy Asset Management, LLC is an SEC-registered investment advisor located in Bellevue, Washington, and is independently owned and operated.

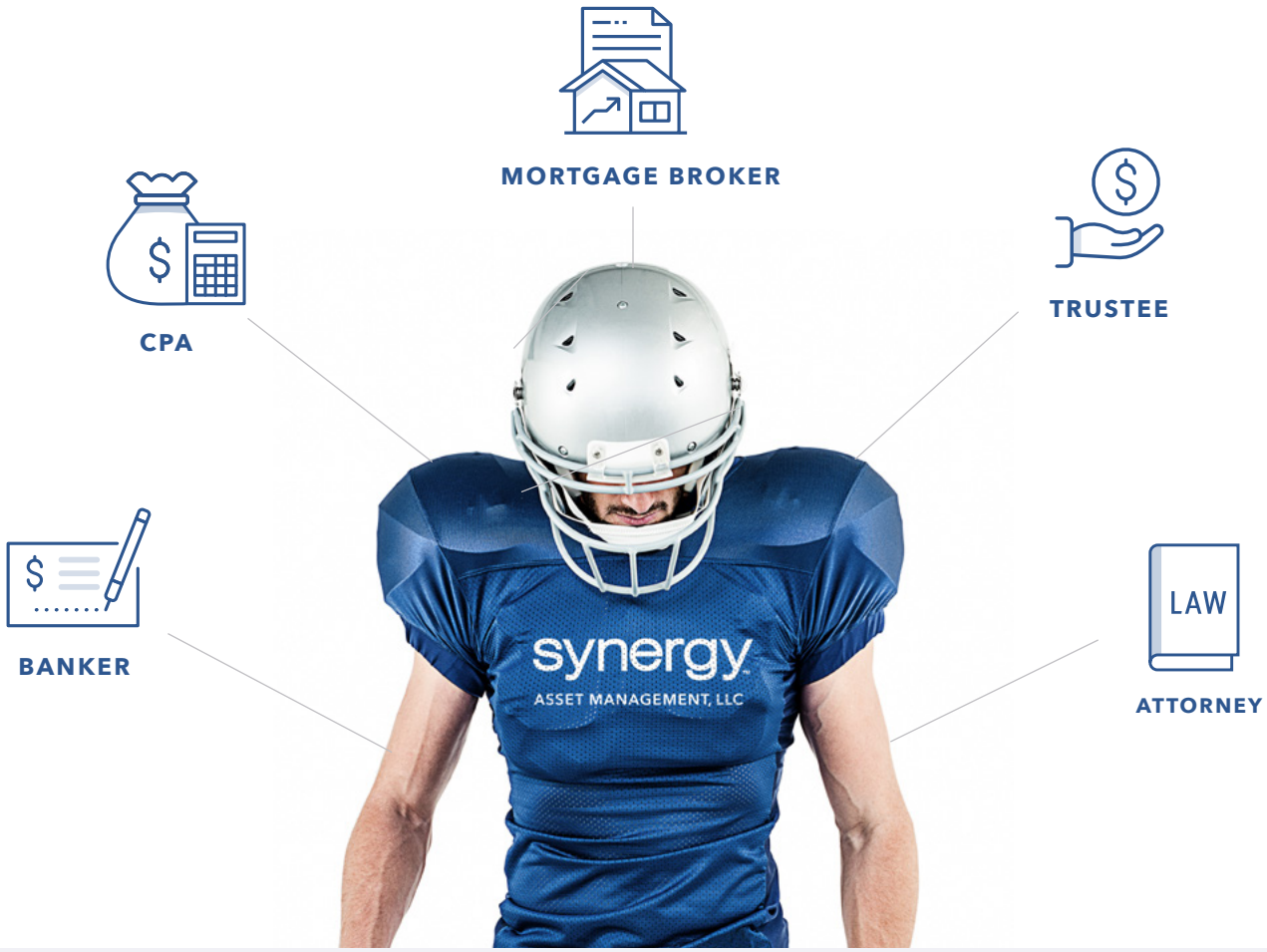
Synergy Asset Management, LLC's commitment to providing independent, fiduciary, institutional, asset management services starts with our team members. Our most valuable assets are the skills, experience, and personal dedication of every Synergy team member to each client. Our team comes from various educational backgrounds and professional experiences, which we utilize to accomplish our clients' Wealth Vision.

We believe our strong ethical and compliant 20+ year track record of commitment to our clients' Wealth Visions, coupled with our dedication to professionalism, makes Synergy Asset Management, LLC a source of success to both our clients and the investment industry.

Conducting our clients' affairs as though they were our own enriches our clients lives.

Our team has built and refined a process to be more than just another money manager. **Synergy Asset Management will act as your investment quarterback.**

As your lead fiduciary, we will coordinate a team of attorneys, CPAs, trustees and other professionals, as necessary.



Integrating your personal plan into your business plan.

Every time the stock market jolts up or down, it relays information about expected risk and return. For many, this sends a shiver down their spine. Business owners who rely on the sale of their business to provide the majority of their retirement assets experience an additional shiver when the business cycle threatens their revenues, profits, and cash flows.

When you feel this market turbulence threatening your success, you may find Synergy Asset Management's Lifestyle Protection Planning Process (LPPP) a welcome solution. The LPPP integrates business financial planning and analysis (FP&A) with personal financial planning and analysis, attempting to provide you with a coordinated and comprehensive strategy for financial security.

The core of FP&A is a business valuation, which **includes a process for increasing your business's market value and sale price**. The core of personal financial planning is investment management, which includes asset protection planning that safeguards your wealth.

What is your business worth?

You won't *really* know until you have **your business valued** according to standard valuation practices, not according to your subjective analysis and guesswork. Most business owners are surprised to learn their business is not worth as much as they thought.

BUSINESS CONTINUITY PLANNING

- ✓ Valuation
- ✓ Recruit, reward, & retain employees
- ✓ Business planning
- ✓ Growth strategies
- ✓ Succession
- ✓ Business strategies

PERSONAL WEALTH VISION

- ✓ Estate planning
- ✓ Insurance planning
- ✓ Tax planning
- ✓ Investment management
- ✓ Asset protection planning

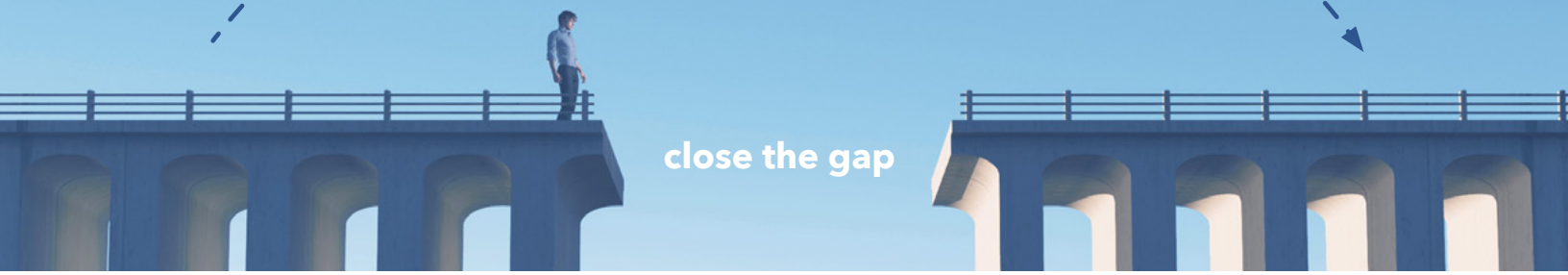
"Most owners seriously over-estimate their business' value"

NATIONAL ASSOCIATION OF SMALL BUSINESS

Wealth Vision

3 GOALS: Maximize value, minimize taxes, and maintain control

WHERE YOU ARE NOW	THE GAP	WHERE YOU NEED TO BE
Business and personal wealth	Maximize wealth	Wealth target
2,000,000	**3,500,000**	**5,500,000**



Is your business worth enough to secure your retirement?

Our process helps you answer the questions that bridge your gap to retirement and help **augment your business' value** for eventual sale. We also help with your personal portfolio management, so you achieve a balance between investments with return characteristics and investments with risk management characteristics. Think of these two financial planning components as you're on one side of a bridge, working to get to the other. The side you're on is the current value of your business and personal wealth, and the side you want to attain is your well-funded retirement. The middle of the bridge is the gap between what you have now and what you need to have.

Finding the **right combination of business and personal financial planning** while continually monitoring and adjusting your plans as conditions change is more likely to lead to the successful transition of your business—the essential key to crossing this bridge.

"I had no idea how important my business value was to my financial plan. It was quick and I'm very happy."

ANONYMOUS CLIENT

3-STEP PLAN

How It Works

Synergy built and refined a process so you maximize value, minimize taxes, and maintain control.

1.

Perform the Wealth Vision Assessment

2.

Perform the Business Valuation and Establish Lifestyle Return Benchmark™

3.

Build Your Personally Tailored Portfolio and Build Up Your Business

STEP 1

Wealth Vision Assessment

The first step is to identify and understand your aspirations.

Who are you investing for?

Yourself, children, grandchildren, parents, charity

What are you investing for?

Accumulation, income, distribution,

Where should your assets be?

Taxable accounts, qualified accounts, asset protection entities, asset location

Why are you investing?

Retirement, peace of mind, leave an estate, legacy

When do you need your money?

Short-term goals, mid-term goals, long-term goals, investment horizon

THE 5Ws

STEP 2

Perform Business Valuation and Establish Lifestyle Return Benchmark

Our next step is to perform **your business valuation** and integrate it with your **Lifestyle Return Benchmark.** Your average financial planner does not know how to value one of your greatest assets–your business.

You can't complete a realistic financial plan without an accurate value of your business.

Having a reasonable estimate of what your business is worth long before you retire is essential. If it is too low, you have a critical shortfall–you must improve your business now (so it can be worth more later). Of course, increasing the value of your business is in our DNA. Remember, we aim to increase value, minimize taxes, and help you maintain control.

Next, we use the information we've learned to establish your Lifestyle Return Benchmark™ (LRB). Your LRB is the rate of return your portfolio **needs to earn to achieve your lifestyle aspirations**. Our process incorporates **the value of your business into your LRB** along with all your assets and liabilities.

The LRB process converts your lifestyle goals and aspirations into your personalized rate of return objective. Additionally, it establishes your customized rate of return benchmark, which is far more meaningful to you than a random benchmark, like the S&P 500, which is unrelated to your situation and has little bearing on your financial circumstances.

We establish your LRB through our **proprietary required rate of return (RRR)** process. Each year we compare your LRB with your portfolio's actual return to ensure you are progressing in the right direction. If your portfolio is not on

PART ONE

The market value of your business,

established through a business valuation.

PART TWO

Your Lifestyle Return Benchmark™ (LRB).

80%

OF BUSINESS OWNERS

plan to fund their retirement with the proceeds

track, we reevaluate your plan and make the necessary economically possible adjustments. Moreover, we educate you on the other available options you have to stay on course. Periodically we will update your business valuation report so your LRB stays accurate.

Investment success depends on the integration of our clients' unique circumstances with prudently designed long-term strategies increasing the probability of achieving our client's financial goals.

UNIQUE LRB
7.3

The RRR process

Desired Spending →

You specify a minimum desired and sustainable level of spending

Risk Willingness →

You specify a willingness to take risk

Risk Ability →

Synergy helps you determine your ability to take risk

Return Requirement

Synergy translates this into a minimum absolute return requirement

CURRENT VALUE
Portfolio value
Business value

+

LIFESTYLE
Cash flows (ins and outs)

+

LIFE EXPECTANCY
Estate value

GOAL

Build a portfolio that aims to achieve your LRB with as little risk as possible.

Now that your business's true market value and the financial baseline of your lifestyle have been defined and calculated as a number (LRB), it's time to use your LRB to build your portfolio.

We accomplish this in tandem with your business's risk and return profile. If, for example, you have a more unpredictable business, we accommodate this by being more conservative when building your investment portfolio. On the other hand, if your business is more predictable, there is more leeway for risk in your investment portfolio.

UNIQUE LRB
8.1

STEP 3

Build Your Wealth Vision Portfolio

Our portfolio construction process integrates with your financial plan to form a customized mix of risk-on and risk-off assets. We begin by creating your IPS, the Investment Policy Statement, which outlines the goals, objectives and strategies your portfolio manager will follow.

Building your portfolio

Our objective is true wealth accumulation, preservation, and distribution through sensible and thoroughly tested portfolio construction practices which aim for market-like returns with reasonable risk. If your lifestyle planning calls for a more conservative approach, we can achieve that for you, too. This tactic may result in a slightly lower rate of expected return, but it provides better protection in the event of a severe bear market.

The goal: build a portfolio that aims to achieve your LRB with minimal risk.

We have found most investors prefer a plan ensuring their standard of living against severe short-term loss while aimed at providing a chance to possibly maintain and improve their lifestyle over time. The goal is not to beat the S&P 500 but, most importantly, to **earn your lifestyle return benchmark™ (LRB).**

To accomplish your objectives, we use a proprietary mix of prudent investment strategies; conservative, moderate or aggressive based on your unique circumstances, along with along with the **value of your real estate and business assets**. Annuities and insurance can also play an important role in a broadly diversified portfolio to buffer sudden shocks and unexpected perils.

23
core portfolios

stock

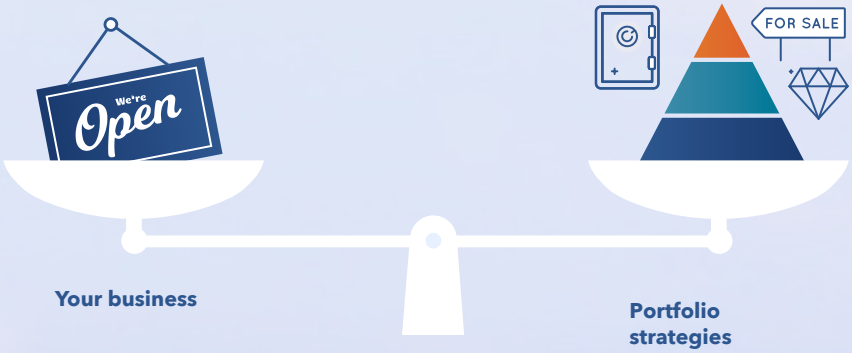
asset allocation

bond

6
satellite portfolios

LEARN MORE

We include your business when building your portfolio.



Business Continuity Planning

Whether you're starting a business, considering a new business opportunity, or focused on growing your current business, it is important that you plan. Strategic planning helps businesses visualize their purpose and goals to maximize their success. From our perspective, our goal is to integrate the value of your business into your liquid portfolio and to enhance the value of the total portfolio.

To increase the value of your company, we will work with you to:

BUSINESS VALUE INCREASE METHODS

- **Increase Cash Flow**
- **Decrease Risks**
- **Enhance Growth**
- **Combination of all three**

Using your business valuation as the baseline, we extract the good, the bad, and the ugly and use our findings to enhance the value of the business through your strategic planning process.

Typically, a strategic plan allows you to identify potential challenges in meeting goals and provide methods to overcome them.

Businesses use strategic plans at the start or any stage of operations to drive success.

STRATEGIC ANALYSIS & REVIEW

- ✓ Competition
- ✓ Financial Strength
- ✓ Management strength
- ✓ Profitability
- ✓ Entity structure

We continually monitor and adjust as market conditions change.

You Are the Boss

Like a corporation, there is a board of directors and executive officers. Your role is the boss–the Chairman of the Board. Synergy is your executive team acting as your Chief Wealth Officer, Chief Investment Officer, and Chief of Special Projects.

VISION WEALTH SERVICES

Chief Wealth Officer

Responsible for the overall coordination of the financial plan.

Strategic Goals

- ✓ Wealth Vision verification
- ✓ Foundational goals
- ✓ Personal goals
- ✓ Family goals
- ✓ Legacy goals
- ✓ Qualitative
- ✓ Quantitative

Asset Protection

- ✓ Wills and trusts
- ✓ Powers of attorney
- ✓ Health directives
- ✓ Charitable giving
- ✓ Family limited partnerships
- ✓ Limited liability companies
- ✓ Gifting strategies

Tax

- ✓ Income taxes
- ✓ Estate taxes
- ✓ Gift taxes
- ✓ Generation skipping taxes
- ✓ Excise taxes
- ✓ Social Security
- ✓ Medicare

Risk Management

- ✓ Life
- ✓ Health
- ✓ Disability
- ✓ Longterm care
- ✓ Property and casualty
- ✓ Assessment

Cash Flow

- ✓ Budgeting
- ✓ Credit needs
- ✓ Pre-retirement
- ✓ Post-retirement
- ✓ Large capital expenditures

VISION WEALTH SERVICES

Chief Investment Officer

Responsible for the implementation and execution often investment strategies.

Investment

- ✓ Portfolio investment
- ✓ Retirement income
- ✓ Asset allocation
- ✓ Wealth accumulation
- ✓ Wealth preservation
- ✓ Wealth distribution
- ✓ Longevity planning
- ✓ Stocks, bonds, ETFs, mutual funds, etc.
- ✓ Performance reporting and communication

IPS

- ✓ Risk objectives
- ✓ Return objectives
- ✓ Time horizon
- ✓ Liquidity needs
- ✓ Tax awareness
- ✓ Legal issues
- ✓ Unique circumstances

Market Cycles

- ✓ Interest rates
- ✓ Inflation
- ✓ Corporate earnings
- ✓ Capital market assumptions
- ✓ Fundamental analysis
- ✓ Technical analysis
- ✓ World markets
- ✓ Geopolitical events
- ✓ Bull Markets
- ✓ Bear Markets
- ✓ Flat Markets

Economics

- ✓ Monetary policy
- ✓ Fiscal policy
- ✓ The Fed
- ✓ Supply & demand
- ✓ Population
- ✓ Demographics
- ✓ Trends
- ✓ International trade

VISION WEALTH SERVICES

Chief of Special Projects

We try to differentiate ourselves from other advisors by employing in-house expertise in many areas of your financial puzzle.

Real estate

- ✓ Commercial buying and selling
- ✓ DSTs
- ✓ 1031 Exchange
- ✓ Residential buying and selling
- ✓ Private REITs

Business Planning

- ✓ Valuation
- ✓ Buying
- ✓ Selling
- ✓ 401k's
- ✓ Pension plan
- ✓ Employee benefits
- ✓ Succession planning
- ✓ Advance planning

How We Can Serve You

Strategic Planning

- ✓ Quantify your financial goals
- ✓ Quantify your personal goals
- ✓ Illustrate the effects of savings and spending
- ✓ Model effects of changing goals

Asset Protection

- ✓ Coordinate the preparation of legal documents with your attorney and CPA
- ✓ Evaluate asset protection options
- ✓ Devote the necessary time to clarify your objectives and discuss alternatives

Tax Support

- ✓ Minimize taxes by structuring the timing of financial decisions
- ✓ Review your tax organizer
- ✓ Review tax returns
- ✓ Establish withholding and estimated tax payments
- ✓ Review ROTH IRA Conversions
- ✓ Review Social Security & Medicare tax strategies

Risk Management

- ✓ Analyze insurance needs and desires
- ✓ Evaluate employer provided insurance
- ✓ Request insurance proposals from brokers
- ✓ Recommend alternatives
- ✓ Arrange purchase of appropriate insurances

Cash Flow Planning

- ✓ Schedule future cash flow needs
- ✓ Advise on the long-term effect of current spending
- ✓ Coordinate Social Security and Medicare to maximize cash flow

Investments

- ✓ Goals into investment objectives
- ✓ Prepare written portfolio guidelines as necessary (IPS)
- ✓ Establish asset allocation strategy
- ✓ Manage the portfolio
- ✓ Evaluate and establish cash, risk-on, and risk-off bucket

Real Estate

- ✓ Real Estate Investment Policy
- ✓ Evaluate the use of real estate in your portfolio and your estate
- ✓ Screen and negotiate professional services
- ✓ Act as your broker or consultant

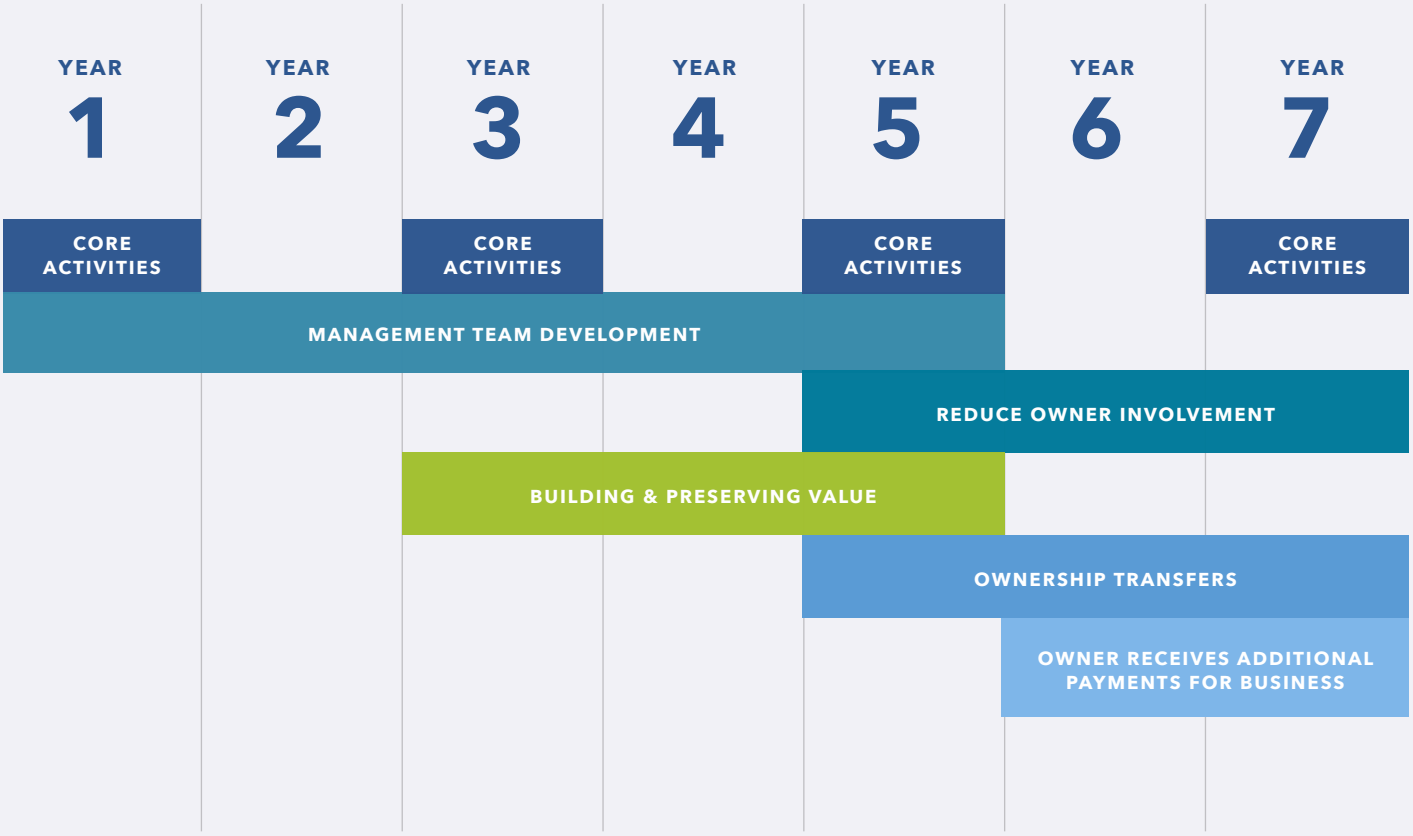
Business Planning

- ✓ Prepare business valuation
- ✓ Screen and negotiate professional services
- ✓ Assist with succession strategies
- ✓ Help to maximize value
- ✓ Help to minimize taxes
- ✓ Help to keep you in control

7-Year Succession Plan (SAMPLE)

Core Activities

- ✓ Establish owner objectives
- ✓ Business valuation
- ✓ Cash flow forecast
- ✓ Lifestyle protection planning



What Happens Next

1. Assessment
We assess your needs

2. Proposal
We put everything in writing

3. Sign
You're now our client

4. Transfer
Transfer existing assets and establish a basis

5. Wealth Vision & LRB
Wealth planning

6. IPS
We agree to an investment strategy and put the IPS in writing

7. Management
Monitor portfolio, quarterly reporting, review meetings

Start building your Wealth Vision today.

JOE MAAS

Chief Investment Officer

CFA, CFP®, ChFC, CLU®, MSFS, CCIM, CVA, ABAR, CM&AA

Investment and Financial Planning advice offered through Synergy Asset Management, LLC.

Joe@Synergy-am.com

206.386.5455

synergyassetmanagement.com

Disclosure:
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