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Fairfield County, CT | **Leading Wealth Advisor**

**LLBH Private Wealth Management LLC**

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# “How do I create a **goals-based financial plan** and get my current investments to follow it?”

By Bill Lomas

**Unbelievably many wealthy families have never taken the time to develop a financial plan.** Yet it is a critical first step toward achieving peace of mind and developing an asset allocation strategy designed specifically to meet personal and family goals.

To help visualize a family's current asset base, we break out investments into three separate risk pools: personal protection, market exposure and aspirational. This structure, developed by Ashvin Chhabra, stresses putting a client's lifestyle goals and risks ahead of traditional modern portfolio theory allocation models. Goals-based planning takes into account a client's "sleep factor," which is largely ignored in common planning strategies. Many wealthy families want a customized, purpose-driven plan they can embrace, and they appreciate a portfolio constructed specifically around a true understanding of their personal goals.

**The personal risk pool** includes assets that focus on safety and

preservation of lifestyle, principal protection and cash flow. This account pays the bills, and some clients have multiple years of living expenses in their safety pool.

**The market-exposure pool** is designed to maintain a client's lifestyle by providing a hedge against inflation through a broadly diversified portfolio balanced between risk and return.

**The aspirational risk pool** holds assets meant to outperform the markets by taking measured risk. These can be more long term and illiquid by nature and can include concentrated equity positions, illiquid or privately held assets. It is designed to provide significant growth but often can have significant risk. These assets often represent the intellectual and emotional capital of a family, such as a family business.

After assets have been delineated into these intuitive risk pools, a quantitative and qualitative review follows in which client goals and cash-flow requirements are aligned.

A customized portfolio is then designed and stress tested with probability analysis software to provide a solution that is designed to meet family goals at a comfortable risk level. This customized plan acts as a touchstone in volatile markets to help investors avoid common mistakes made when emotion often rules.

The plan is dynamic and can shift as the client's needs and circumstances change. Goals-based planning has assisted many investors in recognizing what risks they are taking, and what risk they need to take to realize their different goals. Whether it is to build a family legacy, provide a certain lifestyle, or fund a charitable foundation, goals-based planning is a useful starting point. A plan to accomplish any task is critical.

There is an old saying, "If you do not know where you are going any road will get you there."

Do you have that road map for you and your family's financial and life goals? 🗺

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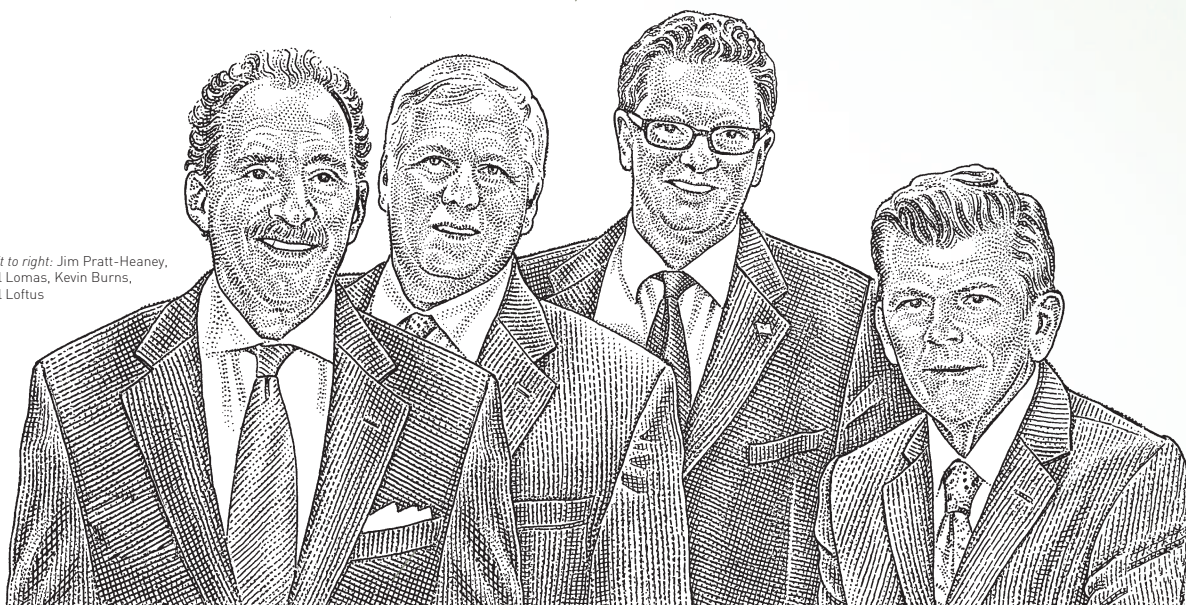
**“This structure...stresses putting a client’s lifestyle goals and risks ahead of traditional modern portfolio theory allocation models.”**

– Bill Lomas

### How to reach Bill Lomas

*I look forward to discussing how I can help you reach your financial goals. I can be reached directly at 800.700.5524.*

Left to right: Jim Pratt-Heaney, Bill Lomas, Kevin Burns, Bill Loftus



### About LLBH Private Wealth Management

After 15 years teaching, Jim Pratt-Heaney joined EF Hutton in 1986. He became a vice president at Smith Barney before moving to Merrill Lynch in 1998. He is a Certified Investment Manager Analyst and leads LLBH’s asset management. Bill Lomas started with Paine Webber in 1981, spent 18 years as a senior vice president at Prudential Securities and Smith Barney and joined Merrill Lynch in 1998. Mr. Lomas, a Certified Financial Planner™ and Chartered Retirement Planning Counselor<sup>SM</sup>, leads LLBH’s holistic investment planning process. Kevin Burns, whose career began at PaineWebber in 1981, became a senior vice president at Oppenheimer & Co. and Smith Barney before joining Merrill Lynch in 2000. He leads LLBH’s new client asset acquisition and client service and contact operation. In 1986, Bill Loftus joined Merrill Lynch and then spent 10 years as a senior vice president at Smith Barney before returning to Merrill Lynch in 1998. He leads LLBH’s corporate executive advanced wealth planning, lending and alternative investments.

Assets Under Management  
**\$600 million (team)**

Minimum Fee for Initial Meeting  
**None required**

Minimum Net Worth Requirement  
**\$10 million (for investment services)**

Largest Client Net Worth  
**\$100 million**

Financial Services Experience  
**120 years (combined)**

Compensation Method  
**Asset-based**

Primary Custodian for Investor Assets **Pershing**

Professional Services Provided  
**Planning, investment advisory, money management, advanced wealth transfer planning and corporate services**

Association Memberships  
**Investment Management Consultants Association**

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