

Do-It-Yourself Investors & Customized Portfolio Management

Executives and CEOs are accustomed to making difficult decisions. It comes part and parcel with their day to day life on the job, and it's often no different when it comes to their wealth. They sometimes manage all or part of their own investments with the mindset that if they have the data and the time, they can create a portfolio that achieves their goals.

When time runs short or, even more dramatically, when retirement reduces that cycle of continuous data gathering and decision making, some recognize that the right investment manager can provide a higher level of effectiveness.

Opportunity: relieve pressure of self-managing a complex portfolio

Challenge: capital gains exposure that threatens earnings

W&F goal: help provide thoughtful, quality investment solutions

Such was the case of one investor who had spent his life managing important responsibilities. A senior executive of a large public company, he built his career on decisive action.

On the doorstep of retirement, he had accumulated significant amounts of stock in his company, which were further bolstered through his compensation as a Board member. His position was highly concentrated and highly appreciated, putting his overall portfolio in a high-risk category and inviting a sizable capital gains burden.

The situation prompted him to seek assistance, and to recognize that he would benefit from investment professionals who could help diversify and manage his portfolio with the precision he expected. Welch & Forbes suggested ways to address his situation including the use of an Exchange Fund that could redistribute his concentrated asset and spread the capital gains impact over a number of decades.

Our solutions captured the investor's attention and led to an ongoing investment management relationship. He still watches performance closely and reviews Welch & Forbes' reporting regularly. He's come to rely on our ability to convey investment data in a clear precise fashion including the underlying thesis supporting the holdings in his portfolio.

While every client is unique, that nuance is often embraced by those with experience handling their own investments. They want to know that Welch & Forbes Portfolio Managers:

- **...are directly connected to the research.**
At Welch & Forbes, our teams work hand-in-hand to help ensure quality ideas and data inform every investment decision.
- **...know the holdings they own.**
We are regularly questioned by clients who want to know details of specific holdings.

We enjoy the conversation and are very comfortable with the expectation that we are deeply knowledgeable about each investment.

- **...can deliver concise answers that demonstrate real insight.**

Clients with a heavy investment background of their own expect that Welch & Forbes Portfolio Managers can thoroughly explain investment decisions. Clients value our knowledge and our ability to understand their goals and provide detailed information on their portfolio.

Performance is important to our clients. Trust is on the same footing. We earn that trust with investors by displaying skillful personalized portfolio management on their behalf – and communicating it clearly and effectively.

In managing a portfolio, we do much of what executives do in running a business or managing a division. We have accumulated and collective experience dealing with many different situations. We analyze which businesses have the opportunity to create value for you similar to you creating value for your shareholders. We seek to use our knowledge of companies in a highly efficient and reliable manner to help you achieve your investment goals. In working with you we organize your investment, tax, real estate and other planning in a way that you can understand and control. Clients want a Portfolio Manager who:

- **...can provide counsel on creating the best strategy to live off their assets.**

Assets can be spent quickly. We can give you peace of mind with a sound plan which starts with a list of various assets and help turn them into a future income stream to live off of, even if allocated to a highly concentrated position. In turn, this allows you to focus on your personal goals while improving upon your income stream, perhaps growing your asset base for the next generation, or possibly to fulfill charitable intentions.

In the case of our retired executive, Welch & Forbes provides solutions that include:

- Customized investment management
- Tax-efficient portfolio construction
- Clear reporting
- Direct access to a dedicated Portfolio Manager
- Trust management and administration

For more information on how executives and CEOs can maximize their financial success, contact Ed Sullivan, Vice President, at 617-557-9800.