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Michael or Howard:

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Michael:

Good morning, everyone, and welcome to the very first episode of *Financial Edge*! I'm Michael Bass, a financial advisor at the Silver Edge Financial Group, and here with Howard Silver, also a financial advisor and founder of our company. This is a really special day for us as we launch this weekly show. We're excited to share insights on the financial topics that matter most to you, from market trends to innovative investment strategies and more. Howard, it's great to have you here to kick things off.

Howard:

Thanks, Michael! I couldn't be more thrilled to start this show with you. This has been in the works for a while now, and I think it's the perfect way for us to connect with our existing clients, future clients and the broader community. At Silver Edge, we're all about bringing clarity and expertise to financial planning, and I think *Financial Edge* is a great platform to do just that. Every Saturday morning, from 7 to 7:30 a.m., we'll be here discussing a new topic, so we hope our listeners will make us part of their weekend routine! We're going to try and make this informative and exciting!

Michael:

Exactly, Howard. This is more than just a chance to talk about the markets or share advice—it's an opportunity to provide real insight on specific areas of finance. Each week, we'll focus on different subjects. We'll dive into the financial planning process, unique investment strategies, and the little-known aspects of wealth management that aren't often discussed. We want this to be a fresh perspective for our listeners, not just your average financial talk.

And to kick things off today, we thought it'd be best to introduce ourselves. Let's give you all a sense of who we are at Silver Edge Financial Group, our philosophy, and how we help clients achieve their financial goals.

Howard:

That's exactly it. We wanted to start off by explaining what Silver Edge stands for and how we approach investment management. Our mission, in essence, is all about creating tailored strategies that fit each client's unique needs. And at the heart of everything we do is our role as fiduciary advisors. That's really the guiding principle behind our work.

Michael:

It's such a critical point. Not everyone is familiar with the term "fiduciary," so let's break it down. As

fiduciary advisors, we're legally and ethically bound to act in our clients' best interests. That's not something every firm can say, and it's not just a commitment we make—it's the foundation of every recommendation we give and every strategy we design.

When clients come to us, they're looking for more than just financial advice. They're looking for a partner who genuinely cares about their success and is fully invested in helping them reach their goals.

Howard:

Absolutely, Michael. Being fiduciary advisors means we don't have any competing interests. We don't have quotas to meet or products to push. Our entire focus is on what's best for each client. Whether they're preparing for retirement, looking to grow their wealth, or planning a legacy, we're here to build strategies that align with their specific circumstances.

Michael:

And I think that really makes a difference, especially in an industry where not every firm is bound by those same fiduciary principles. So, to give our listeners an idea of how we approach client relationships, let's start by talking about our process—specifically, what we call Comprehensive Information Gathering. This is the very first step, and it's truly foundational to everything we do here at Silver Edge.

Howard:

That's right, Michael. Comprehensive Information Gathering is absolutely essential because it's about getting a full, 360-degree view of each client's financial life. This isn't just a quick questionnaire or a basic overview of their income and assets. We dive deeply into every aspect of their financial situation, gathering all the relevant data but also gaining a full understanding of the client's unique goals, values, and even their challenges.

We start by looking at what we call the "hard data" first—things like income, expenses, assets, liabilities. This includes any sources of income they may have, major expenses, existing savings and investments, as well as liabilities like loans or mortgages. But even within this hard data, we go deeper to understand things like cash flow patterns, debt structure, and any financial commitments they might have in the short term or long term.

Michael:

Exactly, Howard. This first layer is about getting the quantitative foundation right. But then we move into what we call the "soft data" side of things. This is where we really start understanding the client on a personal level. We're talking about life goals, dreams, and any concerns or fears they may have when it comes to their finances.

For example, some clients might prioritize planning for a comfortable retirement, while others might be more focused on supporting their children's education or leaving a legacy for future generations. Every person has a different set of values and objectives, and we need to understand these in order to build a plan that's truly tailored to their unique vision of success.

Howard:

Absolutely. It's critical for us to understand what really matters to each client. We ask questions to uncover the deeper motivations behind their financial goals. For example, if a client says they want to retire comfortably, we'll dig deeper to understand what that means to them specifically. Does it mean they want to maintain their current lifestyle? Do they want to travel extensively? Or perhaps they want

to give back to the community in retirement?

Each of these scenarios would require a different financial strategy, and that's why this information-gathering phase is so important. We're not just building a portfolio; we're building a roadmap that reflects what the client envisions for their life.

Michael:

And part of what makes this so impactful is that it allows us to be proactive rather than reactive. By taking the time upfront to understand a client's full picture, we're better able to anticipate their needs and potential concerns before they even come up. For example, if we know a client is concerned about market volatility but still wants some growth, we can craft a strategy that balances those needs right from the start. It's all about making sure we're aligned with the client's priorities.

Howard:

That's exactly it, Michael. And it's also about identifying any potential blind spots or areas they might not have thought of yet. Many people have financial goals, but they may not always be aware of how different factors could impact those goals over time. For example, they might not realize how healthcare costs could affect their retirement plan or how inflation might impact their future purchasing power. By gathering comprehensive information, we can address these considerations early and build a more resilient plan.

Michael:

Another key component is assessing each client's level of financial knowledge and experience. Some clients come to us with a strong understanding of investment strategies and financial planning, while others are newer to the process. Understanding where each client is in terms of knowledge allows us to communicate more effectively, ensuring they feel comfortable and informed every step of the way. It also helps us decide how much guidance or education they may need on specific topics.

Howard:

And we find that this process often helps clients gain a clearer picture of their own financial lives. Many clients tell us that this information-gathering process gives them new insights into their own spending patterns, their financial behaviors, and even some of their priorities that they hadn't considered before. It's truly a collaborative exercise, and by the end, we've built a strong foundation of understanding between us and the client.

Michael:

And that's so essential because it allows us to build trust from day one. Clients know that we're taking the time to listen, to understand, and to tailor a plan that's really based on who they are and what they want to achieve. And from there, we can move confidently into the next phase of our process, knowing we have a solid understanding of the client's full financial picture.

Howard:

Absolutely. This is more than just an administrative step—it's the cornerstone of our entire approach. It's about building a relationship that's rooted in trust, transparency, and a deep understanding of each client's unique financial journey.

Michael:

Exactly. And I think what makes this so powerful is that it helps us tailor everything from day one. We're

not just plugging in numbers or generating a cookie-cutter plan. We're looking at each client as an individual with unique needs and goals. I think this is something that really sets us apart from other firms that tend to offer one-size-fits-all solutions. Our approach is not about checking boxes—it's about crafting a strategy that reflects each client's unique situation.

Howard:

That's absolutely right, Michael. Customization is at the heart of what we do. We're building strategies to fit our clients, not forcing clients to fit into predetermined strategies.

Michael:

Once we've completed the Comprehensive Information Gathering phase, we move into what we call Tailored Planning. This is where we take everything we've learned about the client—their goals, values, financial picture, and risk tolerance—and use it to create a financial strategy that's entirely customized. Howard, do you want to share more about how this process works and why it's so critical?

Howard:

Absolutely, Michael. Tailored Planning is where we really start putting the pieces together. We take all the insights from the information-gathering phase and start crafting a strategy that isn't just based on a client's assets or income, but also on the life they envision and the values they hold dear. This isn't a quick step or a pre-built plan—we're building something unique for each client.

A huge part of this phase is collaboration. We're not here to just give clients a set plan and tell them to follow it. We actively involve them in the process, listening to their feedback and interpreting their goals with precision. It's a true partnership, where we continuously check in to ensure that our plans reflect not only the financial objectives but the personal values and priorities they want to uphold.

Michael:

And that's such a valuable approach because we're not just creating a financial plan—we're crafting a roadmap that aligns with each client's unique life journey. We might have two clients who both want to retire comfortably, for example, but their visions of what retirement looks like could be completely different. One might want a simple life close to family, while the other dreams of traveling the world. Tailored Planning takes those nuances into account.

Howard:

Exactly. This is why we avoid pre-built, generic models. Each plan needs to fit the client perfectly. And beyond just understanding their goals, we also take into account other factors like risk tolerance, time horizon, and lifestyle considerations. Let's say a client has a high tolerance for risk but a shorter time horizon due to an upcoming major life event, like selling a business or buying a second home. In that case, we'd develop an investment strategy that balances those factors, ensuring it's both aligned with their risk tolerance and realistic for their timeline.

Michael:

Absolutely. And I think another important part of this phase is goal-setting. Once we've identified a client's objectives, we work with them to set clear, achievable goals within their plan. These goals aren't just financial—they're often deeply personal. For instance, a client might want to create an education fund for their grandchildren or establish a legacy fund to support a charity. We integrate these personal aspirations into their financial strategy so that their wealth serves a purpose that's meaningful to them.

Howard:

And by setting these defined goals, we're able to break down larger, sometimes overwhelming objectives into more manageable steps. Instead of just focusing on one long-term outcome, we help clients set milestones along the way, allowing them to see their progress and feel a sense of accomplishment. This approach also provides flexibility. As clients achieve certain milestones or if their circumstances change, we can adjust their plan to reflect their evolving needs.

Michael:

That's right, Howard. And flexibility is such an important aspect of Tailored Planning. Life rarely goes exactly as planned, and financial strategies need to be adaptable to accommodate those inevitable changes. Whether it's a career change, an unexpected inheritance, or a shift in family priorities, we're always ready to pivot and make adjustments. This isn't a static plan—it's a dynamic strategy that grows and evolves with the client's life.

Howard:

Exactly. This adaptability is one of the things our clients appreciate most. It means that their plan remains relevant, no matter what life throws their way. And it's not just about making changes when life changes—it's also about anticipating future needs. For example, if we know a client is planning to retire in ten years, we start considering how their income, tax strategy, and investments will need to shift over time to accommodate that goal. We're constantly thinking a few steps ahead so that clients are well-prepared for every stage.

Michael:

That's a great point, Howard. Another element that sets Tailored Planning apart is our approach to investment selection. Unlike a standard portfolio allocation, we carefully select investments that reflect each client's priorities. For example, a client focused on income might benefit from dividend-paying stocks, while someone focused on growth may be better suited to equity-heavy allocations. Our clients can trust that the investments we recommend aren't arbitrary—they're chosen to meet specific goals, align with risk tolerance, and reflect time horizons.

Howard:

And it goes even further than that, Michael. Tailored Planning also means that we consider the client's personal preferences around certain types of investments. Some clients are deeply committed to sustainable and ethical investing, and they want to avoid certain industries or sectors. Others may want to support specific types of innovation or technology. We take these personal preferences into account to build portfolios that not only meet their financial goals but also align with their values.

Michael:

Exactly, Howard. I think the Tailored Planning phase is also a powerful opportunity for education. We make sure clients understand every part of their plan, from the reasoning behind asset allocation to the impact of each specific investment. We want our clients to feel informed and empowered, so they're not just passively following advice—they're engaged and understand how their plan supports their life goals.

Howard:

That's absolutely right. Education is key to building a lasting relationship. When clients understand the why behind our recommendations, it builds trust and confidence. They see that their plan isn't just based on generic rules—it's rooted in their own goals and values. This transparency also helps clients

feel secure during volatile times. When they know the underlying strategy, they're less likely to react emotionally to market swings.

Michael:

And to maintain that transparency, we don't just set up the plan and leave it. Tailored Planning is an ongoing, interactive process. We regularly check in with clients, hold review sessions, and assess progress toward their goals. These reviews allow us to make adjustments as needed and keep the client's plan aligned with both the market and their evolving personal circumstances.

Howard:

Right, Michael. By keeping the lines of communication open, we ensure that the plan remains dynamic and relevant. We're not just checking in once a year—we're meeting quarterly or as often as the client needs. This approach reinforces our role as a trusted partner and gives clients the peace of mind that their plan is always being monitored, adjusted, and optimized.

Michael:

And I think this brings us full circle on the value of Tailored Planning. It's about more than just creating a strategy—it's about creating a strategy that's built to adapt, that resonates with each client's personal goals, and that is supported by consistent guidance and collaboration. It's really what sets us apart at Silver Edge, and I think it's a big part of why our clients feel confident in their financial journey.

Howard:

Absolutely. Tailored Planning is what transforms financial advice into a meaningful partnership. Our clients know they have a plan that's uniquely theirs, a plan that grows and evolves with them, and one that's designed not only to meet their financial goals but to help them live a fulfilling and intentional life.

Michael:

And that partnership is so important. It's not just us advising clients; it's a true, ongoing conversation. Life changes—priorities shift, unexpected events happen, and our plans should adapt accordingly. And once we have that solid foundation, we move into an area that's absolutely critical for any successful financial plan—**Risk Management**. Howard, do you want to share a bit about the tools we use to manage risk?

Howard:

Absolutely, Michael. Risk management is one of the pillars of what we do at Silver Edge. It's about understanding, controlling, and balancing the level of risk in each client's portfolio to make sure they're not exposed to more risk than they're comfortable with. In today's markets, volatility is a given. We know that markets will fluctuate, and economic conditions will change. So, instead of trying to eliminate risk—which is impossible—we focus on managing it in a way that allows clients to pursue their goals confidently, even when the markets are turbulent.

Michael:

That's right. And one thing we always emphasize is that risk management isn't about avoiding all risk; it's about taking on the *right* amount of risk in a way that's aligned with each client's goals and tolerance. There's a fine balance between pursuing growth and protecting assets, and that balance looks different for every client. Howard, maybe you could dive into some of the tools we use to assess and quantify risk.

Howard:

Certainly, Michael. At Silver Edge, we use advanced tools like Riskalyze and Y-Charts to get a precise, quantifiable picture of each client's risk tolerance. These tools allow us to measure risk in terms that are easy to understand, such as standard deviation and value at risk. For instance, Riskalyze gives us a "risk score" for each client based on their comfort level with market fluctuations. This risk score is then used as a benchmark to help us select the most suitable investment models.

For example, if a client is comfortable with a high-risk, high-return portfolio, their risk score might reflect that, and we'll build a portfolio designed to capture growth while accepting a certain degree of volatility. Conversely, if a client has a low tolerance for risk, we'll construct a portfolio that prioritizes stability and principal protection, even if it means sacrificing some potential gains.

Michael:

And what's great about tools like Riskalyze is that they help clients understand risk in practical, relatable terms. Rather than talking about risk as an abstract concept, clients can see exactly what a certain level of risk means for their portfolio. For example, a client might see that with a particular investment mix, they could expect to experience fluctuations of a certain percentage up or down over a year. It takes the guesswork out of risk assessment.

Howard:

Exactly. This transparency is critical because it builds confidence. Clients can see the numbers, understand their risk level, and know that their portfolio is aligned with their personal comfort zone. But it doesn't stop there. We also use stress testing and scenario analysis to evaluate how a client's portfolio would perform in different market environments. For example, we can simulate the impact of a market downturn, rising interest rates, or even specific economic events to see how a portfolio would likely respond. This allows us to make any necessary adjustments to keep the portfolio resilient under various scenarios.

Michael:

And that's a big advantage for clients. By stress-testing portfolios, we can be proactive rather than reactive. If we see that a client's portfolio could be overly impacted by a certain type of market movement, we can make adjustments to mitigate that risk before it becomes an issue. It's all about anticipating potential challenges and creating a portfolio that can weather those storms.

Howard:

Exactly, Michael. And once we've assessed the client's risk tolerance and tested their portfolio, we apply a range of diversification strategies. Diversification is one of the most effective ways to manage risk because it spreads investments across different asset classes, sectors, and geographic regions. By including a mix of non-correlated assets—meaning assets that don't move in the same direction at the same time—we can reduce the overall volatility of the portfolio.

For instance, we might combine stocks with bonds, alternative assets, or even commodities, so that if one asset class underperforms, the others can help balance it out. This way, clients aren't overly exposed to a single area, which helps stabilize returns over time.

Michael:

And we take diversification even further with what we call Hyper-Diversification and Tactical Flexibility.

It's not just about spreading investments across a few different areas—it's about creating a truly diversified portfolio with multiple asset classes and sectors that complement each other. This approach allows us to be more responsive to market changes and take advantage of emerging opportunities without exposing the client to unnecessary risk.

Howard:

That's right. Hyper-diversification is about combining traditional assets, like stocks and bonds, with non-traditional or alternative investments. This could include things like real estate, private equity, or commodities. By adding these different types of investments, we're able to create a more balanced portfolio that can handle market fluctuations in a way that more traditional portfolios might not.

And with tactical flexibility, we're not tied to a specific style box or allocation model. If we see opportunities in certain sectors, like technology or healthcare, we can adjust allocations to capture those opportunities, while always keeping an eye on the client's risk parameters.

Michael:

Exactly. And another important aspect of our risk management approach is regular monitoring and rebalancing. Risk management isn't a one-time thing—it's a continuous process. Markets change, client goals evolve, and so should their portfolios. Through regular reviews and rebalancing, we ensure that each portfolio stays aligned with the client's risk tolerance and long-term objectives.

Howard:

Yes, rebalancing is essential. Over time, some assets may perform better than others, which can cause the portfolio's risk level to drift from its original allocation. For instance, if stocks outperform bonds significantly, a client's portfolio may become too stock-heavy, exposing them to more risk than they initially intended. Rebalancing helps bring the portfolio back in line with the target allocation, ensuring that we're not taking on excess risk as the markets fluctuate.

Michael:

Another tool we use in our risk management process is liquidity management. We make sure that clients have enough liquidity in their portfolios to meet their immediate and short-term needs. This prevents situations where a client might have to sell off assets at an inopportune time, like during a market downturn. By maintaining a strategic cash reserve, we provide clients with a buffer that allows them to ride out market volatility without having to adjust their long-term investments.

Howard:

That's a great point, Michael. Liquidity management is especially important for clients approaching retirement or those with large upcoming expenses. We always consider each client's specific cash flow needs and create a plan to ensure they have the necessary funds on hand without compromising their investment strategy. It's another layer of protection that adds resilience to their overall financial plan.

Michael:

And on the topic of protection, we also use downside protection strategies for clients who may be more risk-averse. For example, we might incorporate products like Registered Indexed Linked Annuities (RILAs). RILAs allow clients to participate in market gains while protecting a substantial portion of their principal in downturns. This way, clients get growth potential without exposing too much of their capital to market risk.

Howard:

RILAs are a great example of how we use specific products to manage risk effectively. For clients who want market exposure but are wary of significant losses, RILAs provide a structured solution that balances growth and protection. But it's all about finding the right fit for each client. In most cases we opt for Advisory Share Class annuities that are non-commissionable (yep – NO COMMISSIONS) meaning our interests are aligned with client interests, have no surrender periods, no surrender charges, are fully liquid from day 1, have reduced fees or ZERO extrinsic fees, offer transparency and can easily be held in traditional advisory brokerage accounts. Our favorite RILAs are truly synthetic proxies for hedged equity and serve as tail risk hedges in a diversified portfolio. Many of our clients may own hedge funds, interval funds, stocks, bonds, mutual funds & ETFs – all in the same account. This is a relatively new class of annuities and they help us provide the closest approximation to a defined outcome as one can have. Very exciting stuff! Every client has different risk preferences and financial goals, so our job is to create a risk management strategy that's uniquely tailored to them.

Michael:

And what ties this all together is our commitment to client education. We make sure clients understand the risks associated with each part of their portfolio, the tools we're using to manage those risks, and the potential outcomes in different market environments. This transparency is key to helping clients feel confident and secure in their financial journey.

Howard:

Education is absolutely critical. We don't just present clients with a risk management strategy; we take the time to explain how it works and why it's in place. We want our clients to feel empowered and knowledgeable about their investments, understanding the strategy behind their portfolio and focused on their long-term goals.

Michael:

Absolutely, Howard. That communication is key to making clients feel informed and empowered. We want our clients to understand where they are, where they're headed, and how their portfolio aligns with their goals and risk tolerance. Now, let's talk about **Portfolio Management**. This is an area where I think Silver Edge really stands out. Howard, could you explain why our approach to portfolio management is both innovative and flexible?

Howard:

Certainly, Michael. Our portfolio management is built around creating **custom strategies** for each client's needs. Unlike firms that rely heavily on third-party model portfolios, we develop proprietary strategies in-house. This hands-on approach gives us more control over performance, allowing us to avoid the limitations of generic models.

And we don't just focus on raw returns; we're looking at **risk-adjusted returns**. This means we're not only aiming for strong performance but doing so with a careful balance of risk. By looking at how much risk is involved in achieving returns, we can consistently outperform third-party models and deliver results that are more stable and resilient.

Michael:

And that's so crucial because clients get more than just a high return—they get a return that's optimized for the level of risk they're comfortable with. Our goal is to provide consistent performance without

subjecting clients to unnecessary volatility. And we're constantly refining our strategies through regular evaluations against industry benchmarks to make sure we're always on the leading edge.

Howard:

That's right. And our adaptability goes hand in hand with, again, what we call **Hyper-Diversification and Tactical Flexibility**. This approach allows us to create portfolios that are well-diversified, including a mix of non-correlated assets, which helps reduce overall risk. And with tactical flexibility, we can adjust portfolios as market conditions change and take advantage of new opportunities without being limited by traditional style boxes or investment theories.

Michael:

Exactly, and that flexibility is essential in today's fast-paced world. It allows us to make quick decisions when markets change and capitalize on emerging opportunities. Another unique aspect of our process is our **Collaborative Environment**. Howard, could you talk about how our team's open-source mentality supports our investment strategy?

Howard:

Of course. We believe that collaboration is key to creating the best possible strategies for our clients. At Silver Edge, we foster an open-source culture where every member of our team is encouraged to share ideas, perspectives, and insights. This diversity of thought leads to more balanced decision-making, reduces biases, and results in more robust strategies. It also keeps us innovative and adaptable, as our team brings a wide range of expertise to the table.

Michael:

And that makes a real difference. Clients benefit from having a team that's always pushing boundaries, challenging assumptions, and working together to create the best possible strategies. For those of you listening who are interested in exploring what Silver Edge can offer, the first step is easy. Howard, could you explain how people can get started?

Howard:

Of course, Michael. We invite anyone who's interested to schedule an initial consultation with us. This meeting is a no-obligation opportunity to talk about your financial goals, ask questions, and get a feel for how we work. It's a great way to explore whether our approach aligns with what you're looking for and to start building a relationship.

Michael:

That's right, and this initial meeting is a great way for us to understand your goals, and for you to get a feel for what we do. We're here to make a difference in our clients' lives, and we look forward to helping more people build a secure financial future.

Howard:

Exactly, Michael. We're committed to guiding clients every step of the way, providing peace of mind, and helping them feel empowered about their financial journey.

Michael:

Howard, thank you for sharing all of this today. I think our listeners now have a much better understanding of what makes Silver Edge Financial Group unique. We're not just here to manage money—we're here to truly make a difference in our clients' lives.

Howard:

Thank you, Michael. It's been a pleasure to be here, and I'm looking forward to continuing this journey with you and our listeners. I'm excited for what's to come as we help clients achieve their financial goals.

Michael:

That's it for today's episode of *Financial Edge*. Thank you all for tuning in! Remember, securing your financial future starts with informed decisions. Join us next Saturday morning from 7 to 7:30 for more insights from the team here at Silver Edge Financial Group. Until then, take care, and happy investing!

Howard: Wait! Stop the presses! Silver Edge Financial Group recently moved into a new office location on Indiantown Road in Jupiter, Florida, and we're excited to invite everyone to come visit us. We'll be hosting rolling open house events throughout January and February, starting at 5:30 pm. Our first event of the new year is on January 8th, and we have over 10 dates lined up! Folks can visit www.silveredgefg.com to get the full list of dates. It's a great opportunity to meet the team, enjoy complimentary food and beverages, and learn more about the strategies we offer to help people secure their financial futures. We'd love to see you there!