



LifeYield Asset Location

“ The impetus behind LifeYield is to have advisors and clients talking about tax benefits on portfolios much earlier than is the norm. Getting the client thinking about tax efficiency earlier in their investment journey can save them a substantial amount of money when they go to sell down the road and can avoid unpleasant conversations further down the line. A win-win. ”

- Orion Advisor Technology

What is asset location?



Asset location is the process of optimally placing holdings to minimize tax exposure on investments across a portfolio of multiple accounts. Different account types have different tax treatments. And there's an optimal account for every asset. The LifeYield Asset Location engine is available via API and reduces tax drag across an entire household portfolio, resulting in improved after-tax returns for clients, and increased retention, consolidation, and revenue for advisors and firms.



The Challenge

Taxes represent the biggest drain on investment returns. Most families have 5-6 accounts spread across multiple financial advisors as they move closer to retirement. These assets are typically held in different account types, at different custodians, and are subject to a variety of tax treatments.

This lack of account coordination results in clients paying unnecessary taxes. Without taking a household approach to wealth management, creating a coordinated and optimal investment strategy for an asset-dispersed family is impossible.

Some firms struggle to implement asset location because their trading systems require location preferences be set and maintained. In the best case, this is a time-consuming and very detailed task with elusive value. In the worst case, the firm sets global location preferences that are not optimal for all clients. A complete asset location solution solves for all these challenges and more.



The Solution

The LifeYield Asset Location engine (available via API) analyzes all the accounts in a household portfolio and measures the tax-efficient location of all assets. Using our Asset Location Score, the entire portfolio is scored from 0-100 based on its overall tax efficiency.

After benchmarking the portfolio with this scoring system, the engine prioritizes the **next-best-actions** to improve the score, ultimately increasing a client's after-tax returns. The result is a series of optimal, tax-smart asset location recommendations for the entire household portfolio.

Overall, the amount of tax drag on a portfolio can vary considerably based on the holdings in each account type. Assets are often spread across taxable, tax-deferred and tax-free accounts with little attention paid to location. Even the simple job of implementing a client's asset *allocation* becomes far more challenging when multiple accounts are at play. Managing asset *allocation* and asset *location* together over time is extremely resource intensive without LifeYield.

Key Benefits

Functions as an overlay to coordinate accounts run on different systems, in different ways – eliminating the need to rip and replace current technology.

Avoid unnecessary taxes to keep more assets invested, improving clients' after-tax returns and increasing revenue from each client over time.

Simplify the investor conversation about taxes by boiling it down to a single number.

Quantify the dollar benefit of tax optimization to the client, advisor and firm.

Prioritize the next-best-actions to improve financial outcomes for investors.

Increase asset retention, consolidation and AUM by helping clients keep more of what they earn.

The LifeYield engine has been battle-tested by the largest financial institutions in the world to coordinate all accounts within a household and offer asset location optimization at scale.

Helping investors, advisors and firms improve household tax efficiency.

www.lifeyield.com