*Presentation:*Generating Tax Alpha With Effective Asset Location

*Presenter:*

Michael E. Kitces, MSFS, MTAX, CFP®, CLU, ChFC, RHU, REBC, CASL is the Chief Financial Planning Nerd at Kitces.com, dedicated to advancing knowledge in financial planning and helping to make financial advisors better and more successful.

In addition, he is the Head of Planning Strategy at Focus Wealth Partners, the co-founder of the XY Planning Network, AdvicePay, New Planner Recruiting, fpPathfinder, and FA BeanCounters, the former Practitioner Editor of the Journal of Financial Planning, the host of the Financial Advisor Success podcast, and the publisher of the popular financial planning industry blog Nerd’s Eye View.

In 2010, Michael was recognized with one of the FPA’s “Heart of Financial Planning” awards for his dedication and work in advancing the profession.

*Session Description:*

While it is ‘standard’ for advisors to diversify into an asset allocated portfolio, the question of where to locate those asset classes is more challenging. In this session, we will explore the various ways to handle asset location, taking into consideration tax efficiency, expected returns, and time horizons. We also take a look at how to build, use, and implement an asset location priority list based on the expected return and the tax efficiency of various assets. Finally, we review the caveats and concerns of asset location and approximate the value of utilizing an asset location strategy with your clients.

*Learning Objectives:*

- LO #1: Identify the ways to “asset locate” and the impact of each.

- LO #2: Describe the impact that turnover has on the final portfolio value and how it changes the optimal location of stocks in a portfolio.

- LO #3: Be able to explain where various types of assets fall within the asset location priority list.

- LO #4: Identify the factors in building an asset location priority list

- LO #5: Illustrate how a financial planner can implement an asset location strategy.

*Level of Complexity:*

- Advanced

*Topic Area(s):*

- Investment Planning / Income Tax Planning

*Hour(s) of CE:*

- 1 hour

*Outline:*

* Overview of Asset Location Challenge 3 minutes
* Ways to “Asset locate” 5 minutes
* Impact of Tax Efficiency & Turnover 6 minutes
* The Intersection of Tax Efficiency & Expected Return 3 minutes
* The Asset Location Priority List :
  + Building it 4 minutes
  + Using it 4 minutes
  + Identifying the Factors in it 4 minutes
* Expanding the Types of Accounts for Asset Location 4 minutes
* Implementing Asset Location 6 minutes
* Asset Location & Client Psychology 4 minutes
* Caveats & Concerns 4 minutes
* Value of Asset Location 3 minutes
* Summary & Q&A 10 minutes

***Total: 60 minutes***