Lee & Hyder Associates Wealth Management, LLC

ADVICE MATTERS.

Every financial decision is a personal decision. Make yours count, with precision investment guidance.

VALUE OF AN ADVISOR

About Our Company

LEE & Associates HYDER
Wealth Management, LLC

Lee Hyder & Associates Wealth Management, LLC is registered as an investment advisor with the state of Ohio and only transacts business in states where it is properly registered, or notice filed or excluded or exempted from registration requirements.

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Lee Hyder And Associates Wealth Management LLC. First and foremost is a Fiduciary.
The definition of a fiduciary is an individual or organization that acts in the best interest of a particular individual. Fiduciaries have a bond of trust with clients and must avoid conflicts of interest. Financial fiduciary advisors must only offer investments that are the best fit for their client's particular circumstances.
Working with a fiduciary financial advisor means that they have your best financial interests at heart but be careful – **not all advisors are fiduciaries.** If your financial advisor doesn't have a fiduciary duty to you, they may be able to recommend investments or products that pay them a bigger commission or fees over ones that would be the best fit for you, which could cost you more.
We take out fiduciary responsibility very seriously.

Lee Hyder and Associates has been helping families make more informed decisions concerning but not limited to

IRA/ 401k/ 403b Planning
We will work closely with you to educate you on the important ever changing rules regarding tax deferred IRA's/ 403b's/ 401k's accounts. When it comes to planning for the distribution of assets currently held in these accounts, there are several potential hazards that can cost you thousands in penalties and unnecessary taxation. We will help you navigate these hazards and ensure your tax deferred accounts remain intact for you and your beneficiaries.

Estate Planning
I am not an attorney, and we are not a law firm but we will work with you and your attorney if necessary to aid in the establishment of wills, trusts, and other legal documents to help you control your affairs during your lifetime and be sure that they are properly structured to pass most efficiently after your death.

Tax Reduction
We work with many CPA'S that can aid you in various areas of tax reduction including but limited to: reducing taxes on Social Security Income tax, capital gains, taxes on interest earning accounts, and the reduction of taxes owed by your beneficiaries upon your death

Wealth Management and Retirement Planning
Today more than ever the over used phrase of "Wealth Management and Retirement Planning" means so many different things to so many people. To us at Lee Hyder and Associates it means you're not alone to make critical decisions about your financial future at critical times in your life. It means our relationship is not based simply on just "trust me" or" my advice", or "do what I say" but it's more about giving us an opportunity to help educate you in the world of 'Free Markets" and all your investment options so you can be a better-informed partner in all your future investment decisions along the way we will make togther. Today there's an abundance of information and resources out there for any investor to review. A lot of this information is self-serving or just wrong at best and certainly doesn't speak to your personal situation.
Our goal is simple and easy to reach: We want to help you make well informed decisions that will help you achieve all your retirement dreams. In our opinion both legal and tax issues are areas that should also be addressed as part of your overall retirement plan. Although our firm does not engage in the practice of law or accounting, we have a network of both CPA'S and attorneys who are able to sit with you as well.

When we make big decisions in life, most of us look for a source of expertise and guidance to help us make thoughtful choices. That's what professional financial advice is all about. Several pillars of advisor created value can be quantified. The following are 4 areas where a professional financial advisor can add value and help improve investment returns.

1 BEHAVIORAL COACHING

Most people act like humans, not investors. But when it comes to investing, acting like a human may actually cost you money.

Today's modern advisor is now also a behavioral scientist and coach. Someone who helps their clients avoid bad decision making, weather market volatility, and stay on track with their financial plan. A strong behavioral coach understands an investors goals and fears and is able to help steer their financial behavior.

It's common for investors to become overly optimistic when markets are rising, or overly pessimistic when markets are declining. Left to their own devices, many investors buy high and sell low. An advisor can help an investor remain objective and disciplined through the cycle of market emotions. Avoiding behavioral mistakes is a significant contributor to the overall value of a financial advisor.

THE VALUE

According to Vanguard's Advisor's Alpha®, behavioral coaching alone can add 1.5% to net returns.[1]

THE BASICS OF BEHAVIORAL FINANCE

OVERCONFIDENCE

We tend to overestimate the accuracy of our predictions. For an investor this could mean believing their knowledge of an investment is greater than it actually is.

FAMILIARITY BIAS

We prefer outcomes and patterns we have observed previously. Investors in the midst of a long bull market run may not feel a need to rebalance, as they have become familiar with the direction of the market and forget about corrections and consequences.

HERDING

The concept of herding refers to individual investors finding comfort in following the crowd, or "herd". This behavioral phenomenon can easily cause an investor to abandon their personal financial goals for fear of missing out on opportunity or making mistakes.

INFORMATION OVERLOAD

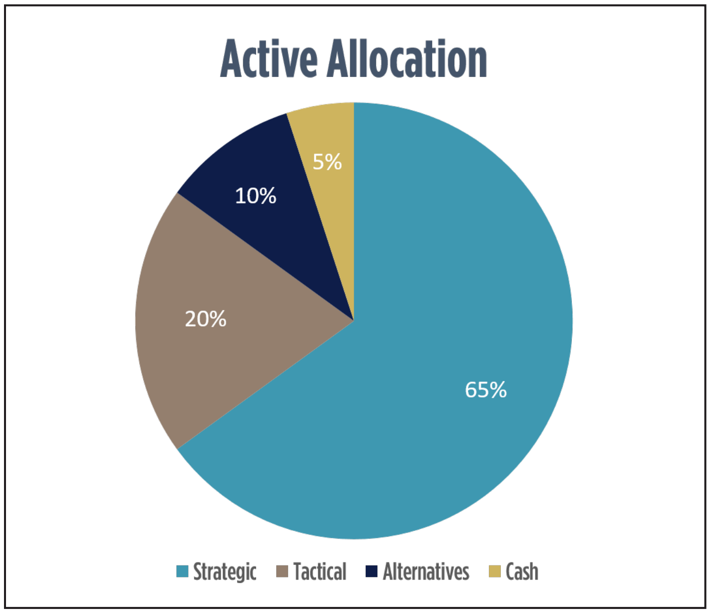
Well-rounded financial plans require an advisor's process and decision making, not cognitive "short cuts". Too many choices or too much information can actually cause an investor to withdraw, delay decision making, or take no necessary action at all towards achieving their goals.

[1] According to Vanguard's study based on their Alpha framework. Putting a value on your value: Quantifying Vanguard Advisor's Alpha, Vanguard Research, 2016.

2 ASSET ALLOCATION

Advisors are trained and licensed to do what is in their client's best interest. A big part of this obligation is to really "know the investor". Knowing an investor includes revealing the investor's willingness and ability to tolerate risk. Advisors have a fiduciary responsibility to make sure their clients understand investment risks. This understanding allows advisors to use specific mandates and strategies to allocate client portfolios properly. Allocation models are managed professionally with close attention to many possible market variables. For example, asset allocations are no longer just a simple 60/40 split of fixed income and equities.

The modern advisor may now include asset allocation models with strategic and tactical styles holding underlying active and passive securities with several non-correlating asset classes for a truly diversified allocation.



For illustrative purposes only. Allocation will vary in each of our models.

THE VALUE

A thoughtfully developed asset allocation that is both diversified and consistent with the client's risk profile and investment objectives can add 52 basis points of value annually.[3]

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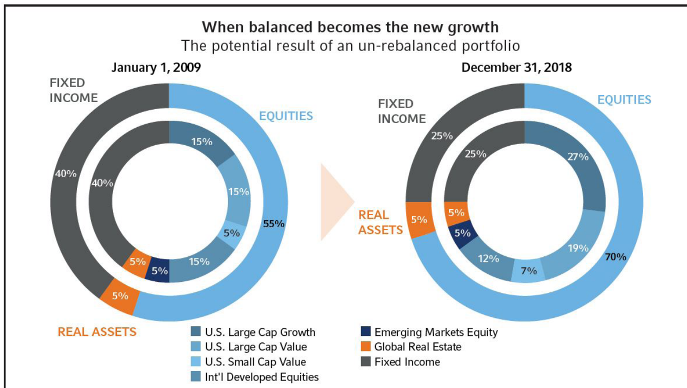
3 ACTIVE REBALANCING

Often when advisors recommend changes to client portfolios, the number one reason is rebalancing. Rebalancing a portfolio regularly can help an investor stay within a risk tolerance zone and prevent an overreaction to market movements, benefits that outweigh rebalancing costs.

Regular systematic rebalancing has the potential to generate higher returns when taking market momentum into account. Vanguard research estimates that annual systematic rebalancing can increase the expected portfolio return by up to 0.35% annually[1], while Russell[2] and Envestnet[3] estimate this annual return improvement to be 0.30% and 0.44%, respectively.



Hypothetical analysis provided above for illustrative purposes. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Source: U.S. Large Cap Growth: Russell 1000 Growth; U.S. Large Cap Value: Russell 1000 Value; U.S. Small Cap: Russell 2000; International Developed: MSCI World ex USA; Emerging Markets Equity: MSCI EM; Global Real Estate: FTSE EPRA NAREIT Developed: Fixed Income: Bloomberg Barclays U.S. Aggregate Bond.

[2]According to Russell Investments annual study. Why Advisors Have Never Been So Valuable, 2017 Value of an Advisor Study.

THE VALUE

Envestnet reports the process of systematically rebalancing a diversified portfolio annually can add 30 basis points of value each year, compared with a naïve strategy of rebalancing once every three years.[3]

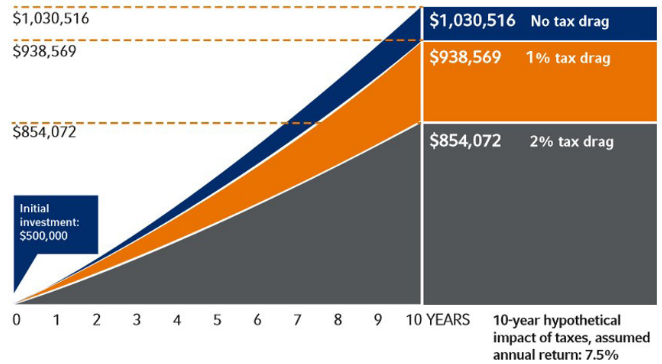
[1]According to Vanguard's study based on their Alpha framework. Putting a value on your value: Quantifying Vanguard Advisor's Alpha, Vanguard Research, 2016.
[2]According to Russell Investments annual study. Why Advisors Have Never Been So Valuable, 2017 Value of an Advisor Study.
[3]According to the Envestnet/PMC research brief, Capital Sigma: the Sources of Advisor-Created Value, 2019.

4 TAX MANAGEMENT

When it comes to investing, it's not what you make that counts. It's what you get to keep. Advisors, working with accountants and attorneys, implement strategies for tax shelters, and smart withdrawal strategies.

Advisors know it's not just asset allocation that is important, but asset location is just as important. A good advisor will holistically manage all of your assets, placing less tax efficient investments into sheltered, or qualified accounts, and more tax efficient securities into taxable, or nonqualified accounts.

Helping investors keep more of what they earn
Hypothetical growth of $500,000 over 10 years at 7.5% per year



This is a hypothetical illustration and not meant to represent an actual investment strategy. Taxes may be due at some point in the future and tax rates may be different when they are. Investing involves risk and you may incur a profit or loss regardless of strategy selected.

Tax-drag is the difference between pre-tax and after-tax return. The smaller the tax drag number, the less you'll likely pay in taxes. The difference of a few percentage points may not seem important, but over time, reducing tax drag can make a real difference in your portfolio's ending wealth projection.

[2] According to Russell Investments annual study. Why Advisors Have Never Been So Valuable, 2017 Value of an Advisor Study.

THE VALUE

Envestnet concludes that managing an all equity portfolio for tax optimization can add approximately 100 basis points of annual value when compared with an investment strategy that is not actively tax managed.[3]

TOTAL VALUE QUANTIFIED

What is a relationship with a financial advisor worth to an investor? A 2019 Vanguard study estimates that an advisor adds about 3% of "advisor alpha" annually. A 2019 popular study estimates that an advisor can add about 3% in net returns over time if utilizing wealth management best practices. [1] The biggest opportunity to add value was found to be in behavioral coaching, which was estimated to be worth about 1.5% in additional return.

SOURCE	Annual Value-add
FINANCIAL PLANNING	**> 50 bps**
Asset Selection and Allocation	**52 bps**
INVESTMENT SELECTION	
Active Management	**67 bps**
Passive Management	**61 bps**
SYSTEMATIC REBALANCING	**30 bps**
TAX MANAGEMENT	**100 bps**
TOTAL	**Around 3%**

Source: Envestnet[3]; Morningstar; Vanguard

AROUND 3%[1]

[1] According to Vanguard's study based on their Alpha framework. Putting a value on your value: Quantifying Vanguard Advisor's Alpha, Vanguard Research, 2016.
[2] According to Russell Investments annual study. Why Advisors Have Never Been So Valuable, 2017 Value of an Advisor Study.
[3] According to the Envestnet/PMC research brief, Capital Sigma: the Sources of Advisor-Created Value, 2019.

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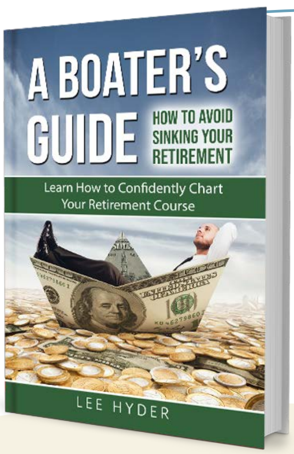
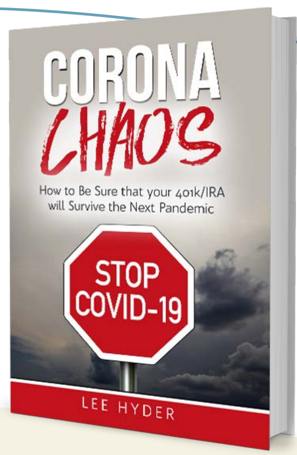
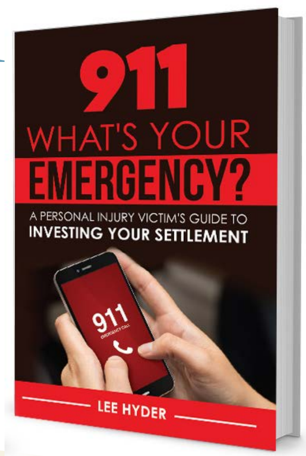
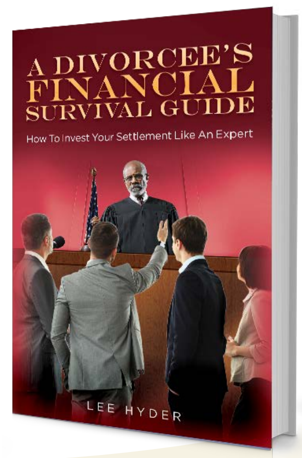
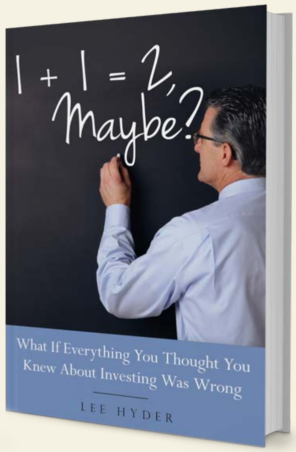


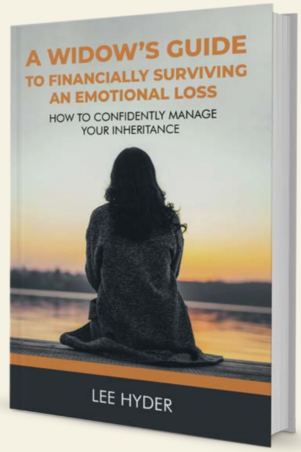






To download any of my complementary books or sign up for my newsletter go to leehyder.com





Contact me: lee@leehyder.com

DIVORCEE PROGRAM

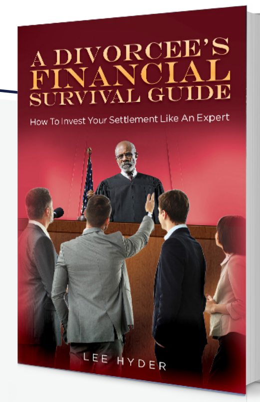
Your divorce may be an emotional disaster but your financial settlement doesn't have to be!

Now What?

No one ever gets married thinking one day they will be standing in front of a Judge and lawyers getting a divorce but here you are.

Getting the divorce finalized may prove to be the easiest part of your new journey. After the dust settles and the divorce is final, for many this is when the real fear and anxiety sets in.

You not only find yourself single and having to make all day to day decisions alone but now you have to figure out how to invest your Divorce Settlement so it will last your entire life. That may prove to be much harder than it sounds. Investing as you will learn is more than just buying "good investments or just doing what some of your other divorced friends may have done". Making the right and deliberate decisions on how to invest your settlement will assure that you and your family are on track to rebuild your lives and help deliver to them everything you as a mother had once hoped for. Make the wrong decisions and let's just say it may not end well.



To download your complimentary copy of A Divorcee's Financialsurvival Guide at www.leehyder.com

401 (k) Programs

There have been 2 new critical components that may have been added to your 401k that you may not be aware of that we address in my latest book.

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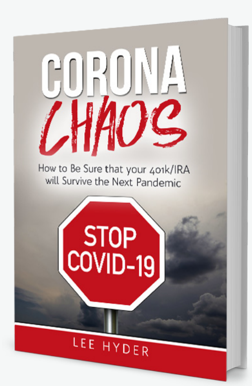
1.In-service transfer: This allows you while you are still working if you are 59 ½ years old or older to transfer your 401K from your company plan to IRA of your choice. This gives you more access to your funds and gives you the ability to create a more custom designed portfolio. This will not close your current 401k plan and your current 401k will continue to be funded by your current payroll deductions unless you make any changes to the plan.

2.401K Broker Link/ SDBA (Self Directed Broker Account): Is a window inside your 401k which gives you the ability to invest in everything your current custodian offers VS. the current limited investment choices or target funds your plan may offer. In addition, if you are lucky and do have a broker link / SDBA you want to ask if the plan permits 3ard party management. Now that your investment choices go from the limited ones your 401k plan offers to literally the same thousands of investment choices your custodian offers the public, 3rd party management allows you to hire a financial advisor to help you.

3.Why would you want to hire a financial advisor to help you manage your 401k?
Studies show that professionally managed accounts outperform unmanaged accounts by 3.32%, net of fees. For a 45-year-old participant, this could translate to...



75% more wealth at age 65.[1]

To determine if you have either of these options available you need to reach out to your custodian **(That's whoever sends you your 401k statements)** and simply ask if your 401k plan has an In-service transfer and or a Self-Directed Broker Account and 3rd party management

Don't forget to download your complimentary of Corona Chaos at **www.leehyder.com**

Notes

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