



BY DAVID GARGARO

Thinking outside the box: Fixed Income Planning

Managing risk to create diversified portfolios

Risk can be a scary word for some investors, especially when it comes to their retirement portfolios.

People don't mind risk when the market is going up, because higher risk typically means higher returns on their investments. However, some people get nervous when they hear that the market is going down, especially when a particular investment strategy is described as "higher risk."

Matt Heller, RFC, co-founder and partner at Willner Heller LLC, believes that controlling risk is the key to building wealth for his clients. He works with partner and co-founder Kenneth L. Willner to create and manage customized portfolios that use global diversification strategies and risk management techniques. Rather than using strictly fixed income strategies, which do not provide enough return to protect against inflation, he works with clients to choose the appropriate mix of stocks, bonds, mutual funds and ETFs to help them achieve their investment goals.

"You cannot build sufficient retirement income by focusing on fixed income products alone, as they will not generate enough return to sustain the client's lifestyle due to lower interest rates," said Heller. "We create customized, client-specific portfolios that we individually manage, rather than using separate account managers, model portfolios or proprietary

financial products. We believe customized retirement planning is critical, as most people do not save enough for retirement, so we strive to help people achieve their financial goals."

One reason that people fear risk is that they don't understand what risk actually means, or how investments work. There is so much information online, and people are barraged with so much content, that even educated individuals can be overwhelmed by the very concept of investing. This can create anxiety and fear of the unknown, which can lead people to be overly conservative in their investment philosophy.

Education is key to helping clients overcome their fears and reach their financial goals. When clients understand the "what" and "why" of their investment portfolios, they are more likely to stick to the plan laid out by their advisor. Heller talks to his clients about their particular portfolios and explains what is in it, what different investment products do, and how they will help clients get where they want to go. In addition to helping to develop a better understanding of investments, it's essential for building trust in the relationship.

"Clients are looking for someone to trust, and as a financial advisor, it's my duty to ensure that they trust me to help them make the right decisions," said Heller. "Trust is the common denominator in the investment relationship, and

Willner Heller chooses the strongest financial products and provides intelligent investment solutions for each client.





clients have to trust the person who is helping them to build their wealth. It is essential for developing our long-term partnership.”

Managing risk is critical in retirement planning, especially since people are living longer than they have in the past. Longevity is a double-edged financial sword, as you can earn longer, but you can also outlive your savings. That’s why traditional savings strategies utilizing strictly fixed income securities do not work, as the lower interest rates are not enough to build long-term wealth and sustain someone throughout retirement.

Heller believes that proper retirement planning for the long-term requires researching and selecting the right stocks and investments that will outpace inflation. He draws from various research sources to consider a wide spectrum of data to make informed investment decisions in creating customized portfolios that will outpace inflation and properly prepare clients for retirement. He also discusses long-term care issues with clients so that they can protect their portfolios against unexpected illnesses or accidents.

“People are seven to eight times more likely to become ill during their retirement than they are to die early,” said Heller. “Being unprepared for long-term care situations can cause people to deplete their savings in the first year of retirement. That’s

why we work with clients, and bring in professionals to explain different options to help them find the right solutions to handle their specific needs during retirement.”

One of the ways to make the best use of risk is to work with a financial advisor who is concerned about the client’s best interests. Many large financial planning firms create and sell their own proprietary investment and retirement products. They do their own research and analysis and only show this information to clients.

However, a fiduciary is legally required to act in their client’s best interest, which includes using all research and investment tools to maximize portfolio returns, manage market risk and maintain tax efficiency. As a Registered Investment Advisor, Heller has a fiduciary responsibility – this enables the firm to offer unbiased and objective private wealth management services.

“I take my role as a fiduciary very seriously, as it is my legal duty to act in my client’s best interests at all times,” said Heller. “We are fully independent and do not receive commissions on trades. We are bound to act by the rules set out for fiduciaries, which ensures that our clients have peace of mind with respect to the advice and services we provide.”

For more information on Willner Heller LLC, visit: whria.com

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