

Beyond the Basics

Customized Wealth Strategies



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\$14,903

Average U.S. private school tuition in 2025, though costs differ significantly by area and school type. Annual tuition averages \$13,932 for elementary school and \$17,807 for high school.

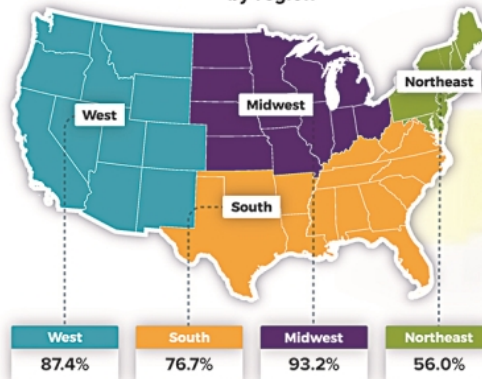
Source: Private School Review, 2025

Location, Location, Location: The Premium Parents Pay for Top Schools

In much of the United States, the public school that a child is allowed to attend is determined by the location of the family's residence. As a result, the inventory of homes for sale near the best schools is often limited and properties tend to sell at a premium.

According to research conducted in 2024 by Realtor.com, homes in neighborhoods with a highly regarded public elementary school — rated 9 or 10 on the review platform GreatSchools.org — cost an average of 78.6% more than a typical home in a surrounding county. However, this premium varies greatly from place to place.

Home price premium for access to highly rated schools, by region



Source: Realtor.com, 2024

What Happens to Your Time Horizon at Retirement?

In investing, "time horizon" refers to the amount of time you have to pursue a financial goal. Along with that goal and your tolerance for risk, your time horizon is one of three key factors that typically help determine the mix of investments in your portfolio.

In your early retirement saving years, your time horizon could be a strong advantage. The younger you are, the more time you may have to withstand market volatility and pursue an aggressive growth investment strategy.

As you enter retirement, however, your time horizon begins to take on new meaning. Your investment strategy is no longer crafted to pursue a specific savings goal, but to balance different objectives. Understanding these objectives can help you shift your perspective from a single, goal-based, fixed time horizon to a multilayered, interrelated series of time periods.

Short-term objective: liquidity

The first objective is generally the need for liquidity; that is, how much cash you may need to keep in easily accessible, lower-risk vehicles.

You can start this assessment by determining the amount of income you'll need to meet life's basic necessities on a monthly or annual basis. After accounting for Social Security, Medicare and other health insurance, any pension income or work-related earnings, and possible income from real estate and other sources, is there a gap? If so, how much and how often will you need to withdraw from your retirement savings to cover that gap?

Next, consider the bigger picture: What are your plans over the next one to three years? Will you have any large expenses, such as buying a new car, repairing a roof, or undergoing a major health procedure? Will you take any vacations or attend big events such as a wedding? Finally, how much do you want to set aside for unexpected emergencies? General guidance suggests having at least three to six months of expenses in an easy-to-access savings vehicle, but the appropriate amount will depend on your unique situation. Considering all of these factors can help you determine how much to invest in short-term, lower-risk vehicles and set up a cash-flow schedule designed to meet your shorter-term needs.

Ongoing objective: managing market risk

The second objective is typically managing the risk associated with ongoing market volatility. Pre-retirees and retirees, in particular, face what's known as "sequence of returns" risk. This refers to the risk that the financial markets could experience a large loss just before or in the early years of retirement, leaving you with a diminished nest egg to support your income needs. Moreover, throughout your retirement, your

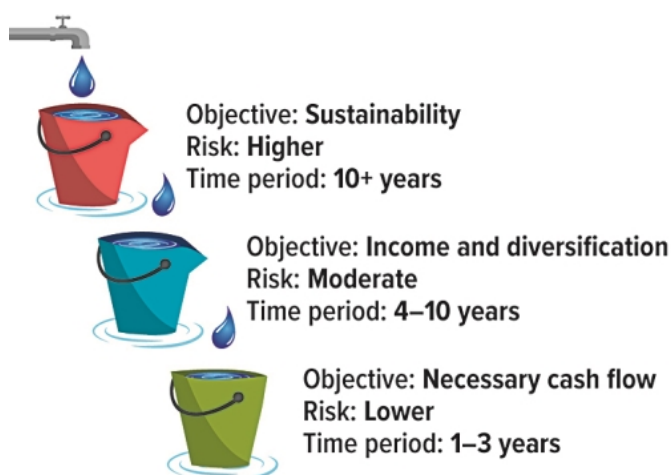
portfolio will likely continue to experience ups and downs. The objective is to manage investments in a way that strives to provide income while helping to smooth out any bumps over time.

Long-term objective: sustainability

While market risk is one concern, longevity risk, or the chance that your savings won't last as long as you do, is yet another. The need to build a portfolio with lasting potential — at a minimum, to sustain your lifelong income needs, but also to leave a legacy if that is your goal — is perhaps the most important objective in a retirement portfolio. Consider designing an investment mix to pursue enough growth to help keep it sustainable as long as needed.

Retirement Portfolio: A Multilayered Approach

As each layer is depleted, it may be replenished by the next layer up.



All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful. Diversification is a method used to help manage investment risk; it does not guarantee a profit or protect against investment loss. Rates of return will vary over time, particularly for long-term investments. Investments offering the potential for higher rates of return involve higher risk.

A layered approach

One way to think about your retirement portfolio is as a series of layers that could work together to pursue all three objectives. The bottom layer would be comprised of short-term, liquid vehicles designed to provide the cash flow needed for, say, one to three years. The middle layer would contain additional amounts needed within a decade or so and be made up of moderate-risk vehicles that aim to provide a stream of income and help balance inevitable volatility. The top layer, which would include the balance of your portfolio, would be designed to outpace inflation and pursue longer-term growth, striving for that necessary sustainability. Over time, as one layer is depleted, it can be replenished by the next layer up.

Market Strategies: Three Ways to Play Defense in Your Stock Portfolio

Defensive investment strategies have a goal in common — to help a portfolio better weather an economic downturn and/or bouts of market volatility. But there are some key differences in the details, including the specific criteria by which particular stocks are selected. If you are nearing retirement or just have a more conservative risk tolerance, one of these defensive strategies may help you manage risk without giving up exposure to the growth potential of stocks as an asset class.

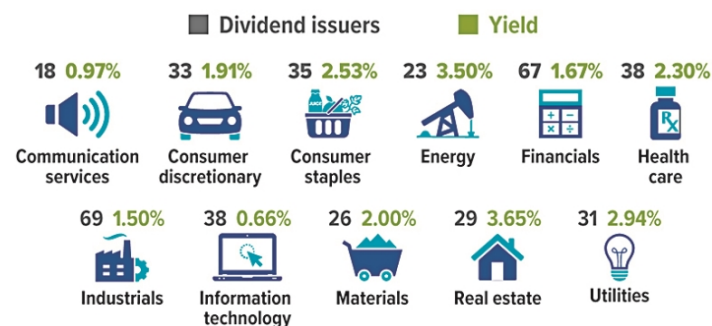
1. Tilt toward value

Growth and value are opposite investment styles that tend to perform differently under different market conditions. Value stocks are associated with companies that appear to be undervalued by the market or are in an industry that is currently out of favor. These stocks may be priced lower than might be expected in relation to their earnings, assets, or growth potential, but the broader market is expected to eventually recognize the company's full potential.

Established companies are more likely than younger companies to be considered value stocks. These firms might be more conservative with spending and may emphasize paying dividends over reinvesting profits. Unlike value stocks, growth stocks may be priced higher in relation to current earnings or assets, so investors are essentially paying a premium for growth potential. This is one reason why growth stocks are typically considered higher risk than value stocks.

Sector Snapshot

At the end of Q2 2025, there were 407 dividend-paying companies in the S&P 500 Index, with yields averaging 1.51%. However, the number of dividend issuers and yields varied significantly by sector.



The S&P 500 Index is an unmanaged group of securities that is considered to be representative of the U.S. stock market in general. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index. Past performance is not a guarantee of future results. Actual results will vary.

Source: Dow Jones Indices, 2025

2. Temper volatility

All stocks are volatile to some degree, but some have been less volatile historically than others. Certain mutual funds and exchange-traded funds (ETFs) labeled "minimum volatility" or "low volatility" are constructed with an eye toward managing risk.

One commonly used measure of a stock or stock fund's volatility is its beta, which is typically published with other information about an investment. The stock market as a whole (represented by the S&P 500 Index) is generally considered to have a beta of 1.0. In theory, an investment with a beta of 0.8 might experience only 80% of market gains during an upswing and only 80% of losses during a downswing — and thus would have less ground to regain when the market turns upward again.

3. Seek out dividends

Whereas stock prices are often unpredictable and may be influenced by factors that do not reflect a company's fiscal strength (or weakness), dividend payments tend to be steadier and more directly reflect a company's financial position. Comparing current dividend yields, and whether companies have a history of dividend increases, can be helpful in deciding whether to invest in a stock or a stock fund.

Dividend stocks tend to be sensitive to interest rate changes, so there are times when they can either drag down or help boost portfolio performance. For example, when rates fall, the lower yields on fixed-income investments could make the yield on dividend stocks seem more attractive. The flip side is that dividend-paying stocks may not have as much growth potential as non-dividend payers.

The return and principal value of all investments fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. Investing in dividends is a long-term commitment. The amount of a company's dividend can fluctuate with earnings, which are influenced by economic, market, and political events. Dividends are typically not guaranteed and could be changed or eliminated. Low-volatility funds vary widely in their objectives and strategies. There is no guarantee that they will maintain a more conservative level of risk, especially during extreme market conditions.

Mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Navigating Medicare Open Enrollment

If you have Medicare coverage, the Medicare Open Enrollment period is a good time to review your options, compare costs, and make sure that your current Medicare coverage meets your needs.

When is Medicare Open Enrollment? Open Enrollment runs from October 15 through December 7 of each year. During this window, anyone with Medicare can make changes to their Medicare coverage that will be effective for the following calendar year.

What can you do during Open Enrollment? During Open Enrollment, you can:

- Switch from Original Medicare (Parts A and B) to a Medicare Advantage Plan (Part C), or vice versa
- Change from one Medicare Advantage Plan to another Medicare Advantage Plan
- Enroll in, drop, or switch from one stand-alone Medicare prescription drug plan to another

If you're happy with Original Medicare or your current plan, should you still review your coverage? Each year, Medicare plans make changes to their costs, coverage, and network of providers. Prescription drug coverage can also change. Even if you are satisfied with your current coverage, Open Enrollment is your chance to see if you can make changes that could help save you money or enhance your benefits.

You can review your plan's Annual Notice of Change that lists changes to your plan's coverage, costs, or service area to find out if your current doctors and prescriptions are still covered and affordable. Any changes to your plan will take effect on January 1, 2026.

Are there other times you can make changes? In addition to the Open Enrollment period, there are Special Enrollment periods for certain life events, such as moving to a new address or losing another form of coverage.

There is also a Medicare Advantage Open Enrollment period which allows you to switch to another Medicare Advantage Plan (with or without drug coverage) or drop your Medicare Advantage Plan and go back to Original Medicare. If you're already enrolled in a Medicare Advantage Plan, this period runs from January 1 through March 31. If you are new to Medicare and enroll in a Medicare Advantage Plan, this period runs from the first month you're eligible for both Parts A and B, until the last day of the third month you're first eligible.

If you have questions about Medicare, call 1-800-MEDICARE or visit the Medicare website at [medicare.gov](https://www.medicare.gov). Your State Health Insurance Assistance Program can also help you sort through your options.

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