

YOUR RETIREMENT, MAPPED OUT

WITH SELF-DIRECTED BROKERAGE
ACCOUNT MANAGEMENT





MORE CHOICE, MORE FLEXIBILITY WITH MORE AVAILABLE ADVICE

Get the most out of your retirement benefits.

The Help You Need

One-third of 401(k) plan participants don't know how long their savings are likely to last, and 26% said cited financial stress has event impacted their ability to do their jobs.¹

The Advice You Want

Fewer than one in four plan participants (38%) are confident in their ability to make the right 401(k) decision. But 55% said they would be confident with professional help.¹

The Confidence You Deserve

If your plan has been recently enhanced with a brokerage window, you now have greater flexibility and access to a large number of high-quality investment options in addition to those in the "Core" account. More importantly, the brokerage window often enables participants to finally retain the direct personal advisory support needed to prudently govern their account.

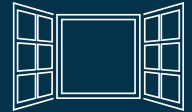
How it works: With the help of Capital Wealth Advisors participants activate their brokerage window account either online or by requesting an enrollment kit from their plan provider. When completed, an additional account number is issued, and participants may transfer funds back and forth from their standard account to their new brokerage window account. Those funds now in the brokerage account are still in the 401(k) program but now may be invested among thousands of mutual funds and individual securities available on the brokerage platform. Both the core investments and brokerage window account positions are displayed online and in a consolidated statement. Your money stays in your 401(k) at all times.

Working with your trusted advisor: Participants may retain the professional services of Capital Wealth Advisors to help govern their retirement account and create a custom portfolio that is both risk-appropriate and coordinated with the other assets in your financial plan. As a fiduciary, Capital Wealth Advisors provides comprehensive and continuous support, and is required to put the investor's interests first and must avoid conflicts of interest.

Advisory services offered through Capital Wealth Advisors, LLC, a State of Utah Registered Investment Advisor. Insurance offered through CWA Insurance Services, LLC. The information is for informational purposes only and should not be relied on or deemed the provision of tax, legal, accounting or investment advice. Past performance is not a guarantee of future results. All investments contain risks to include the total loss of invested principal. Diversification does not protect against the risk of loss. Investors should review all offering documents and disclosures and should consult their tax, legal or financial professional before investing.

¹ 2022 401(k) Participant Survey conducted by Logica Research for Schwab Retirement Plan Services, Inc. Respondents participated in the study April 4-19, 2022. www.aboutschwab.com/schwab-401k-participant-survey-2022. Accessed June 23, 2023.

FREEDOM OF CHOICE



What is a Brokerage Window?

Many employers have enhanced their retirement plans to include a brokerage window opportunity that offers participants more choice and flexibility with their retirement investments. This option, known as the Self-Directed Brokerage Account (SDBA), exists in 401(k), 403(b) and 457 plans where participants will have access to professional management, stocks, bonds, mutual funds and ETFs.



SDBA FOR YOUR RETIREMENT PLAN

Self-Directed Brokerage Accounts offer greater diversification and the ability for a trusted financial advisor to manage your account.

How it Works

Employees' retirement plans exist in the core 401(k) account that offers limited, pre-selected investment choices. Plans that offer the SDBA option provide the opportunity for employees to take full control of a portion of their current retirement account by linking it to the existing core 401(k) account. That expands the range of investment choices beyond the core 401(k) investments and provides access to the same management style as high-net-worth investors, institutions and foundations.



Managing Expectations

Creating healthy habits and a disciplined approach with your trusted advisor at Capital Wealth Advisors helps with managing investor expectations and behavior. Using risk-analysis tools to help determine how much downside risk is reasonable to achieve your goals, we can now establish a reasonable expectation of participating in a fair share of the upside.

BENEFITS OF WORKING WITH AN ADVISOR

Build a Plan. Put it to Action.

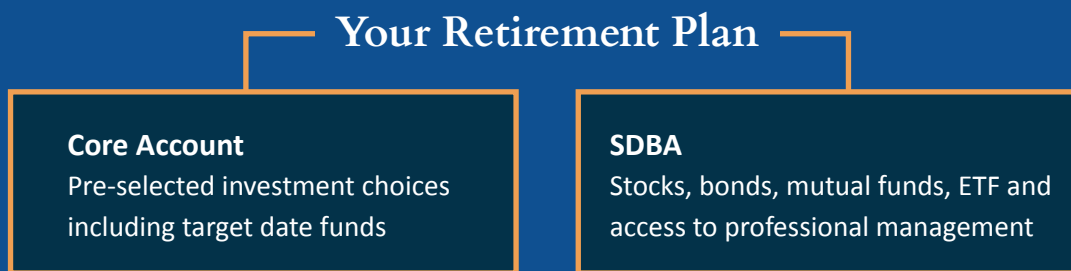
The process of investing allows you to grow, rather than maintain, your savings for greater financial rewards in the future. Investment planning requires the continual assessment of goals and risks, alongside a professional financial advisor.



SELF-DIRECTED BROKERAGE ACCOUNT (SDBA)

More Flexibility, More Control

As pensions continue to become a thing of the past, more employers have begun to enhance their retirement plan options to include a self-directed brokerage account (SDBA). An SDBA is an investment account designed to give plan participants more control and flexibility over retirement savings. An SDBA works within your 401(k), 401(a), 403(b) and 457 retirement accounts.



There are several benefits for investing in an SDBA in your employer-provided retirement account, including:

More investment options

With the core account, investment options are specifically designed to cater to a wide range of investors, which means they're often limited and follow a passive, long-term hold pattern. Introducing an SDBA enables informed investors to build more diversified portfolios to help withstand every market scenario.

Risk alignment

Typically, as investors get closer to retirement, the less risk they're willing to take on. This makes sense because they have less time to recover from sudden market downturns. An SDBA allows investors to work with their advisor to adjust their portfolios to better suit their risk tolerance as life circumstances change. This flexibility could potentially mean higher returns in the long run.

Advisory services

Few people know exactly how much money they will need in retirement, often over or underestimating. Capital Wealth Advisors can help clients calculate projected income needs and align their investments to help ensure they don't fall short. **Seeking help from a qualified professional as early as possible can help ensure investors retire on time and with enough money.**

EMOTIONS CAN INFLUENCE YOUR BEHAVIOR

Work with your emotions — and an dedicated, personal advisor — as you invest¹

Contrary to popular belief, we shouldn't discount our emotions when it comes to investing. They play an important role and are often what drive us to invest in the first place: love for our family and hopes for their future. Understanding our emotional drivers can help motivate us to save and help us realize when we're making decisions primarily based on emotion rather than balanced with logic and reason.

Forty percent of the value an advisor provides clients is emotional — increased confidence in their portfolios and excitement about the future.¹

Dalbar Study Annualized Returns 1/1/1985 – 12/31/2022²

For over 20 years, the average investor has underperformed the S&P 500. Failing to understand — and balance — the emotions driving your decisions can lead to potential loss in returns.

	Avg. Equity Fund Investor (%)	Avg. Fixed Income Fund Investor (%)	Avg. Asset Allocation Fund Investor (%)	S&P 500 (%)	Bloomberg-Barclays Aggregate Bond Index (%)	Inflation (%)
30 Year	6.81	-0.14	2.53	9.65	4.55	2.50
20 Year	9.00	-0.29	3.10	9.80	3.10	2.52
10 Year	9.33	-1.32	3.95	12.56	1.06	2.63
5 Year	5.17	-2.31	1.67	9.42	0.02	3.79
3 Year	4.05	-5.15	0.38	7.66	-2.71	4.93
12 Month	-21.17	-13.79	-14.79	-18.11	-13.01	6.47

¹ Chuck Riley, Vanguard. "The psychology of money and emotion." Dec. 1, 2023. <https://investor.vanguard.com/investor-resources-education/article/the-science-behind-money-and-emotion>. Accessed Feb. 12, 2024.

² Dalbar. "2023 Quantitative Analysis of Investor Behavior." https://static1.squarespace.com/static/6175db867234a57f74cceb4/t/65051d600d380e7b4bed1976/1694834017023/QAIB_2023.pdf. Accessed Feb. 12, 2024.

THE VALUE OF ADVICE

Experience and Knowledge Matters

As the retirement landscape changes, seeking help from a qualified financial advisor is more important than ever. Capital Wealth Advisors can provide invaluable insights and guidance, helping investors make better decisions to ensure they'll have enough to fully enjoy their retirement years.¹

Studies have shown that those who seek a financial advisor's help earn about 3% more per year.²

Your Capital Wealth Advisors team can help:

- Determine if the current investment strategy is aligned with and meeting the investor's goals — and how to improve if it isn't
- Provide recommendations on how to improve savings
- Navigate complex investments and retirement accounts
- Make informed decisions about savings, taxes and insurance when appropriate

¹ Andrew Rosen. *Forbes*. Jan. 5, 2023. "Is It Worth Paying A Financial Advisor To Prepare For Retirement?" <https://www.forbes.com/sites/andrewrosen/2023/01/05/is-it-worth-paying-a-financial-advisor-to-prepare-for-retirement/?sh=1aa30eac1943>. Accessed Feb. 12, 2024.

² Stephanie Horan. *SmartAsset*. July 27, 2023. "What Are the Benefits of Working With a Financial Advisor?" <https://smartasset.com/data-studies/benefits-of-working-with-a-financial-advisor-2021>. Accessed Feb. 12, 2024.



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