ASSET LOCATION

THE BRIDGE


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Building a stronger financial future through asset location

Making smart financial decisions involves more than choosing investments

For high-net-worth individuals, successful professionals and people of means, it also involves deciding where to place those investments so your money can work as efficiently as possible.

Asset location is a strategy designed to help you manage taxes and give you greater flexibility as life changes.

In a recent conversation, **David Kahal,** Head of Life Distribution at Equitable Distributors, LLC, and **Randy O'Brien**, founder of Equitable's Corporate Endowment Solutions (CES) and head of Life Strategy and Solutions at Equitable, explored how asset location can support individuals and families who want to grow and protect their wealth in a thoughtful way. The goal is simple: help you keep more of what you earn in retirement and give you options when you need them most.

What is asset location and why does it matter?

Many people are familiar with asset allocation, which is the idea of spreading investments across different types of assets to manage risk. Asset location is different. It focuses on placing investable assets across varying tax buckets, each treated differently under tax law.

Since tax rules can change over time, spreading assets across these buckets can help reduce taxation risk. Most high-earning households naturally save into tax-deferred and taxable accounts, but often have much less in their tax-free account. That imbalance can create challenges later when taxes become a meaningful expense in retirement.

Strengthening the tax-free portion of an individual's retirement is one way to improve long-term efficiency and create stability no matter what happens with tax laws in the future.

A different view of institutional life insurance in financial planning

Institutional life insurance, often associated only with providing a benefit after a person passes away, can also play a role in long-term financial strategy when structured appropriately because of its tax advantages and ability to provide access to funds.

O'Brien explained that this often requires a shift in thinking. The value is not just in what a product is, but in what it can do. When designed for accumulation, institutional life insurance may act as a liquid, tax-advantaged asset. It can support long-term goals, offer potential access to funds along the way, and in many states, may even offer creditor protection.

For households seeking both growth potential and flexibility, this type of tax-advantaged asset can serve as a meaningful planning tool.

Creating flexibility for life events

Life rarely moves in a straight line. Opportunities arise. Businesses evolve. Families need support. Major purchases come into view. Many successful individuals want ways to access funds in retirement without creating unnecessary tax burdens.

This is where asset location becomes valuable. When part of a financial strategy is designed with tax-advantaged liquidity in mind, greater control becomes possible. Borrowing can occur at lower internal costs, rather than at typical bank lending rates. Opportunities or challenges can be addressed without disrupting an entire financial picture. This type of flexibility can make a meaningful difference over time.

Clear conversations lead to stronger planning

Kahal and O'Brien emphasized that asset location does not need to be complicated. Many individuals simply want a clear understanding of how a strategy benefits their long-term goals, how the pieces work together and how the structure supports financial stability.

A well-structured plan can help you:

- Reduce future tax burdens
- Improve long-term growth potential
- Build a source of flexible, accessible funds
- Create balance across tax-deferred, taxable and tax-free savings
- Strengthen confidence in the path ahead

When these elements come together in a cohesive way, the result is a more stable and resilient long-term financial outlook.

Key takeaways

- Asset location helps manage taxes over a lifetime, not just in a single year. Diversifying across tax-deferred, taxable and tax-free areas can improve long-term efficiency.
- Most successful families are underfunded in the tax-free category. Strengthening this area can help reduce future tax exposure and improve overall flexibility.
- Institutional life insurance, when structured for accumulation, can be a valuable tax-advantaged asset. It can provide liquidity, growth potential and long-term planning benefits.
- Flexibility matters as life evolves. Having access to funds at low internal costs can support opportunities or unexpected needs.
- A balanced approach can help create a more stable financial future. Asset location supports both growth and protection by putting every part of your portfolio to work efficiently.

To learn more about how asset location can help maximize your withdrawals in retirement, **visit assetlocation.com.**

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