

THE POWER OF INVESTMENT-LED WEALTH PLANNING

At Crawford, we have long believed the strongest wealth plans start with a well-built investment portfolio grounded in high-quality, income-producing investments. We are an objectives-based investment manager, focused on producing portfolios that can do just that: meet client objectives. For decades, our investment philosophy has centered on quality and consistency, with a focus on generating income, preserving capital, and growing assets over time. These objectives, income, capital preservation, and growth, can often seem at odds with one another. But we believe that with a sound investment strategy, you shouldn't have to choose between them. Our approach is designed to achieve all three objectives, forming the foundation of a durable and successful wealth plan.

As an objectives-based manager, we have found that when investments are aligned with your goals, many core planning needs are naturally supported. That said, thoughtful and ongoing planning can further enhance results and help solve for more complex financial needs. However, much of the planning industry minimizes the important role of investments. We have found that some plans are focused on decumulation, projecting how long assets will last and designing complex withdrawal strategies to support spending needs. These models often assume the need to sell assets in retirement to generate income. We take a different approach, one focused on accumulation where the investments are the engine powering your retirement plan. This allows your investments to stay dynamic and continue to grow, as opposed to being in "wind-down" mode.

By emphasizing investments in high-quality, dividend-paying companies, we create portfolios that generate sustainable income, limit downside risk, and provide opportunities for long-term growth. We use the dividend not only as a source of income, but also as an indicator of quality. We seek companies that raise their dividends consistently, creating a steady and reliable income stream that is not dependent on market timing. By investing only in dividend payers, the companies that make up our portfolios help meet cash flow needs in retirement, without relying on asset sales. They also provide protection, and a component of return that is always positive, in volatile environments.

These are businesses with strong balance sheets, consistent cash flows, and the ability to weather various economic environments. Through our bottom-up research process, we select only the companies in which we have the highest conviction. And we look for companies trading at attractive valuations with the potential for fundamental improvement. We like to call this a "quality at a reasonable price" approach, and we believe it creates a favorable balance of risk and reward. As a result, clients benefit from reduced volatility, a narrower range of potential outcomes, and greater confidence to stay invested through market cycles.

Importantly, this lower-risk approach allows investors to maintain equity exposure, which is essential for long-term growth, without needing to over-diversify into lower-return asset classes in an effort to reduce portfolio risk. It is also worth noting that, behaviorally, our strategy helps smooth out the ride and reduce

the likelihood of emotional decision-making during market drawdowns. When a portfolio generates reliable income and avoids excessive downside, investors are less likely to abandon their programs at precisely the wrong time. Staying invested and committed to a long-term program improves the odds of compounding wealth over time.

Our approach also brings meaningful tax advantages. Individual holdings, long-term holding periods, and thoughtful portfolio construction can enhance tax efficiency through strategies like tax loss harvesting, managing the timing of capital gains, and preferred tax treatment that comes with qualified dividends. Holding individual securities also creates opportunities for tax-efficient philanthropy, such as donating appreciated stock, enabling clients to support causes they care about without disrupting their long-term financial plans.

A well-constructed portfolio is the foundation, but there are still critical questions to answer: Am I being tax-efficient with my retirement income? How should I pass wealth on to future generations? What's the best way to exit my business? How can I support charitable causes in a tax-advantaged way? What am I not thinking about? We bring the same rigor and discipline to planning that we bring to investing. Our team works collaboratively across planning functions and alongside your trusted advisors. At Crawford, we don't think wealth planning is separate from investing. We believe a successful wealth plan starts with investments. In sum, by focusing on investing, we believe we give our investors the opportunity to grow and preserve assets across generations, not just through retirement.

Disclosure

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