



# Tax diversification: Reduce your taxes and increase your income

## Take a tax-efficiency inventory

Besides spreading out your investments, you may also want to consider diversifying your assets according to their tax basis. Why? Because taxation can make a big impact.

## Tax diversification

Tax diversification can help you reduce taxes and increase your total spendable income. Grouping assets by three tax categories helps illustrate how those assets are affected by taxes.

With your financial professional's help, consider the value of these types of tools. Their tax characteristics can effectively raise or lower your average tax rate depending on how they are used.



### Capital assets:

**assets with a tax basis**

Examples include investments, real estate or a business



### Retirement assets:

**designed specifically for retirement income**

Examples include qualified retirement plans, IRAs and annuities



### Tax-advantaged assets:

**receive tax-advantaged treatment**

Examples include municipal bonds, Roth IRAs and life insurance policies

## A balanced approach

A comprehensive approach will consider all three asset categories and identify how you can best meet your goals. Income tax diversification may provide additional control and more flexibility for your future.

## Ready to start thinking about a more tax-efficient approach to your finances?

First, sort your assets according to their tax treatment by using the worksheet on the back.

Then provide us with your completed factfinder.

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## Using the inventory

Use the tax-efficiency inventory to identify investments with both growth potential and tax advantages. It can help uncover assets that may be better positioned to help you meet your financial goals. Your financial professional can help tax-diversify your assets, so you can keep more of what you've earned.

<b>Capital assets</b>		<b>Retirement income assets</b>		<b>Tax-advantaged assets</b>	
Savings	\$	IRAs	\$	Municipal bonds	\$
Checking	\$			Roth IRAs	\$
CDs	\$	401(k), 403(b) and other pension plan assets	\$	Life insurance cash value <sup>1</sup>	\$
Mutual funds	\$	Annuities	\$	Other	\$
Stocks	\$	Other	\$	Other	\$
Bonds	\$	Other	\$	Other	\$
Treasury securities	\$	Other	\$	Other	\$
Other	\$	Other	\$	Other	\$
<b>TOTAL</b>	<b>\$</b>	<b>TOTAL</b>	<b>\$</b>	<b>TOTAL</b>	<b>\$</b>



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