



BNY MELLON
WEALTH MANAGEMENT

Active Wealth: Managing During Significant Volatility

As the COVID-19 pandemic continues to unfold, we understand that your primary concern will be for the safety of your family, friends and community. We share that concern. As a global corporate citizen with nearly 50,000 employees worldwide, we are taking proactive measures to ensure the well-being of our employees and deliver on our promise to be there for you, our clients – especially at times like this when you need us most.

We want you to know that no matter what lies ahead, BNY Mellon Wealth Management is committed to helping you navigate these difficult and uncertain times. We are part of a storied organization drawing from over 230 years' experience, with access to a global institution that has provided financial stability during times of significant change. We hope that our efforts give you the peace of mind to stay focused on what's important and not be distracted by the ongoing market volatility.

We are looking closely at our clients' Active Wealth strategies across five essential practices: investing, borrowing, spending, managing taxes and costs, and protecting your legacy. We'd like to share a few key opportunities to consider to strengthen your overall wealth plan and help it withstand what's to come.

INVEST

Are there ways to enhance the diversification of your investment portfolio? There may be underperforming or outsized positions that may now be worth reallocating given the potential of reduced tax consequences.

Do your current goals and wealth needs align with your asset allocation and investment solutions?

Consider the benefits of uniquely designed approaches, such as structured solutions that provide exposure to an underlying market index while buffering losses up to a certain point and, in some cases, offering a return greater than that of the index.

BORROW

What is your appetite for using leverage? Strategic borrowing could be an advantageous way to cover liquidity needs or invest opportunistically given the combination of low interest rates and depressed asset prices.

Are there opportunities to manage your current debt more effectively? Ensuring you have an investment credit line established to provide potential liquidity when needed may be a valuable alternative to liquidating portfolio positions.

SPEND

Have you considered a dynamic spending approach? Dynamic spending is designed to adjust your spending up or down based on movements in the markets. While your short-term spending is likely to decrease given the restrictions on travel, dining and other social pursuits, taking a long-term view will be critical to ensuring your portfolio is adequately prepared for the future. Spending resets are typically performed quarterly, but the frequency can be adjusted as circumstances dictate.

Do you need to adjust your spending rate? Your wealth manager can run a wealth sustainability forecast based on your anticipated spending rate to assess your ability to maintain spending over time.

MANAGE

Can you sell poor performing assets to improve your tax situation? Liquidating assets entirely in a down market is not optimal, but tax-loss harvesting can make an investment portfolio work even harder by generating tax savings in addition to investment returns.

Interested in reducing the tax burden on your heirs? Consider converting retirement savings from pre-tax to Roth accounts, as Roth conversions may be less expensive due to the recent stock market sell-off.

PROTECT

Is your health care documentation up to date? Review your important health care documents, such as your powers of attorney, living wills and health care proxies; these will be extremely important in an emergency.

Have you considered transferring wealth to the next generation? The combination of low interest rates, depressed asset prices and historically high tax exemptions make this an unusually opportune time to initiate wealth transfer strategies.

Can you lend support to your favorite non-profits and urgent community needs? The National Center for Family Philanthropy has developed [an interactive map](#) to help with COVID-19 funding.

Have you and your family increased your vigilance around digital security? Fraudsters often take advantage of times of uncertainty. It's important to guard against fraud and cybercams. Take a look at these [best practices for cybersecurity](#).

We take tremendous pride in being stewards for you, and will do everything in our power to deliver on that promise. We believe in the power of active wealth management across stable markets and times of volatility. Having a clear strategy across the five Active Wealth practices and leveraging opportunities within each can strengthen your overall wealth plan. We encourage you to contact your relationship managers, who are ready to help evolve your plan.

[SEE MORE ACTIVE WEALTH CONTENT](#)

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