

summaries



the official newsletter of sigma investment counselors

APRIL 2020

Our Continuing Commitment to Clients

In the fourteen years that I've been with Sigma, there has been a constant message internally from our CEO, Bob Bilkie that our sole reason for existing as a firm is to serve our clients. Quite simply, if we fail at that, nothing else matters.

The events related to COVID-19 have been life changing for our clients, for our team members, for the country, and for the world as a whole. At Sigma, the manner in which we've had to carry out our day-to-day business changed virtually overnight. Of course, none of this is unique to our firm, but COVID-19 has brought about a series of events that has tested the preparedness of our people, our infrastructure, and our processes. We believe that years of preparation have the firm in a solid position to continue being there for our clients during this difficult time.

Our People

The most important asset that we have when serving clients has been and always will be our people. An ongoing strategic initiative at the firm has been to maintain a culture that allows us to attract and retain highly qualified professionals who are able to build a career rather than come to work at a job. This is why we are proud to have all sixteen of our team members fully functional at present. Whether it is administrative and operations, research and trading, compliance, or our advisors, our intention is to continue having our entire staff fully functional, working remotely on behalf of clients until it is safe for us all to be back together again.

Our Infrastructure

One of the biggest investments of time and capital that the firm has made over the last decade is in technology. A full migration of our servers and data to the cloud has allowed us to operate securely and efficiently from virtually anywhere. At the same time, all of our tools for financial planning, client reporting, portfolio rebalancing, and trade execution are web-based, which allows us to be fully functional with nothing more than a secure internet connection. Clients are also able to access their data via Sigma's secure portal, while also being able to carry out many functions directly on their custodian (i.e. Schwab or Fidelity) website and/or smart phone app. And while we do miss the face-to-face interaction that we have with clients, web meeting capabilities have been the next best thing.

Our Processes

Having our people and infrastructure in place with the ability to operate remotely also allows us to execute on many of the internal processes that have become key aspects of servicing clients. A few examples of these processes that have become applicable in the current environment include, but are not limited to the following:

Tax Loss Harvesting: In taxable portfolios where we have holdings that are pricing significantly below where they were purchased, our trading software allows us to quickly identify those positions, sell

local independent personal accessible
interactive creative local independent personal
knowledgeable thoughtful ethical experienced

them, harvest the loss to be used against future income and capital gains, all while replacing that position with a similar holding so as to not miss out on a subsequent rebound in market prices. This was a process that used to take days or weeks to implement, but is now executed in a fraction of the time (which is critical as market prices can change dramatically within a matter of minutes).

Relaxed Required Minimum Distribution Rules for 2020: Under the CARES Act recently signed into law, all age-based required minimum distributions from retirement accounts and all required minimum distributions from inherited IRA's and inherited Roth IRA's have been relaxed. By forgoing previously required distributions, some clients can significantly reduce their taxable income in 2020 while allowing those account values to recover. We are presently evaluating all impacted clients to determine next steps.

Roth IRA Conversions: When the value of a retirement account is depressed, especially in a year when a client may have lower than average income, it can be advantageous to move assets from that pre-tax

account into a tax-free Roth IRA. The idea is to pay the tax at a lower rate now on a depressed market value, letting those assets recover in a tax-free environment, while avoiding potentially higher tax that may apply to distributions from a pre-tax account in the future. This tactic may be especially applicable for those who were going to have required minimum distributions from IRA's or inherited IRA's, which as stated earlier have been relaxed for 2020 due to the passage of the CARES Act. Again, we are presently evaluating all impacted clients to determine next steps.

While we are currently operating in truly unprecedented times, we do believe that many of the investments that Sigma has made in people, infrastructure, and processes over time – and, in conjunction with clear and methodical thinking in a frenzied environment - allows us to continue providing exceptional service and value to clients.

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Please remember to contact Sigma Investment Counselors if there are any changes in your financial situation or investment objectives

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