INSIGHTS NEWSLETTER

ISSUE 2 | 2026

Your life doesn't pause so you can focus on your financial plan. Families change. Markets move up and down. Tax regulations shift. Opportunities and questions come up. Our job is to help you understand what matters, what can wait, and how the pieces of your financial life work together.

That is why this newsletter is shaped by real conversations with clients, the planning questions we are hearing most often, and the work our Investment Committee does behind the scenes to review market conditions and evaluate our portfolio strategy.

Our hope is that these articles help you think more clearly about your own plan, feel confident that the right questions are being asked, and know you have a team helping you connect today's decisions to the life you want to Dream, Build, and Lead.

If you feel a friend or family member would find this information helpful, please share it with them! Or let us know who you would like us to send a newsletter to.

IN THIS ISSUE

SAVE THE DATE FOR AUGUST EDUCATION EVENTS

We host education events twice a year to share information about financial topics that could affect your plan.

SIOUX FALLS:
August 25 • 6:30 p.m.
The Catlin (formerly Hilton Garden Inn Downtown)
Four Winds Ballroom
Also available live via zoom!

HURON:
August 27 • 6:30 p.m.
Huron Event Center

Our offices and the markets will be closed Monday, Sept. 7 in observance of Labor Day.

Is This for You?

This is worth reading if you've ever funded a major expense from a retirement account and wondered afterward whether that was the right move.

Or, if you have a significant goal on the horizon and aren't entirely sure the best way to pay for it without disrupting your long-term plan.

THE RIGHT MONEY FOR THE RIGHT EXPENSE

Why some major expenses deserve a plan outside your retirement accounts.

Andrew Ulvestad
CFP®, AAMS®, CKA®
Wealth Manager

Most people aren't sitting around thinking about account types.

They are thinking about real life.

Can we remodel the house so it works better for the next season? Should we help a child or grandchild with a major expense? Could we buy that piece of land? Should we take the trip while everyone is healthy enough to go?

And often, the question underneath the question is this:

We have the money. But are we using the *right* money?

That distinction matters more than most people realize. And it's one that rarely gets enough attention until after a decision has already been made.

What Is a Mid-Term Goal?

A mid-term goal is something you expect to fund in the next five to fifteen years.

It's not tomorrow's emergency fund. It's also not a goal so far out that it belongs entirely inside a retirement account.

Mid-term goals often include things like:
- a significant home improvement
- a vehicle or recreational purchase
- a meaningful family trip
- a land purchase
- helping a child or grandchild
- preparing for a future move or lifestyle change

These expenses can be easy to underestimate because they don't always feel urgent. Until suddenly, they are. And when that moment arrives without a plan in place, people tend to reach for the most accessible money, which is often not the most thoughtful choice.

Why the Account Type Matters

Here's the issue most people don't see until it shows up on their tax return.

Traditional retirement accounts, such as IRAs and 401(k)s, are built for one thing: funding retirement income over many years. When you withdraw from them for a large, one-time expense, the IRS treats that withdrawal as ordinary income. Depending on the amount and your tax situation, that can push you into a higher bracket, trigger a surcharge on Medicare premiums, or create a tax bill that feels disproportionate to what you spent.

That's not necessarily a reason to avoid those accounts. But it's a reason to think before you default to them.

A taxable brokerage account is built differently. You can invest the money, let it grow, and access it anytime without penalty. When you do withdraw, you generally pay capital gains rates rather than ordinary income. For many people in retirement, those rates are meaningfully lower. You also have some control over timing: you can decide which year to realize gains, and in down years, losses may be available to offset gains elsewhere.

That does not mean a taxable brokerage account is *always* the answer. It means it is one more tool that may give your plan more room to adapt.

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A SIMPLE COMPARISON

Account Type	Best For	Tax Treatment	Access
Traditional IRA / 401(k)	Long-term retirement	Tax-deferred, withdrawals taxed as ordinary income	Restricted before age 59½
Taxable brokerage	Mid-term goals (5–15 yrs)	Capital gains rates apply	Anytime, no penalty
Roth IRA	Long-term + flexible backup	Tax-free growth	Contributions accessible anytime
High-yield savings	Short-term (1–3 yrs)	Interest taxed as income	Immediate

Flexibility Is Easier to Build Before You Need It

The real value of having different account types isn't complexity. It's choice.

Tax-deferred accounts, Roth accounts, taxable accounts, and savings accounts each play a different role. When your plan includes a thoughtful mix, you have more options for how to fund a major expense, manage taxes, and keep your retirement income strategy intact.

That matters because life rarely follows a perfect timeline. A child may need help sooner than you expected. A home project may become more important because of a fall. A health issue may change travel plans. A family opportunity may come up that you don't want to miss.

The goal isn't to predict every future expense. It's to build a structure that gives you more options when those decisions arrive.

KEY TAKEAWAYS

1. **Retirement accounts are not the right tool for every goal or expense.** Mid-term spending from these accounts can create unexpected tax consequences and reduce the long-term flexibility you've been building.

2. **A taxable brokerage account is built for the in-between.** It gives you access to invested money without the restrictions tied to retirement accounts. For goals in the five-to-fifteen-year window, it is often a better fit.

3. **A mix of account types gives you more options.** Tax-deferred, tax-free, and taxable accounts each play a different role. Having all three creates flexibility that no single account type can provide on its own.

4. **Flexibility is easier to build before you need it.** The structure that helps you adapt to what comes next is worth putting in place while you still have time to build it.

Tax strategies depend on individual circumstances. Consult with your advisor and tax professional regarding your specific situation.

Know Someone Who Could Use a Second Opinion?

Many new people we meet with were introduced to our team by someone who already works with us. If you have a friend, sibling, or colleague who is approaching retirement and hasn't worked with a wealth management team they truly trust, we'd be glad to have a conversation with them.

It's not a sales pitch. It's a meeting to see if we're a good fit. No pressure in either direction.

Let us know who to reach out to:

CALL:
605-357-8553 in Sioux Falls
605-352-9490 in Huron

EMAIL:
cfsteam@mycfsgroup.com

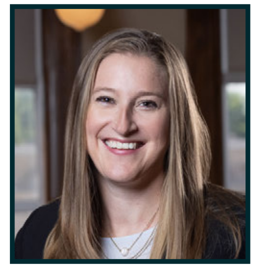
Read this if:

You have a will or estate plan documents you haven't looked at in the last few years and you've been meaning to get back to it.

Your Wealth Manager reviews estate planning with you regularly. Here's why it matters.

IS YOUR ESTATE PLAN STILL DOING ITS JOB?

A thoughtful plan should keep up with the life it was designed to support.



Jill Mollner
MBA, CFP®, ChFEBC®
Branch Operations Manager
Wealth Manager, RJFS

Most estate plans aren't wrong. They're just outdated.

They were put together carefully - the right attorney, the right documents, the right people named. And then life kept moving. Accounts changed. Relationships changed. The plan didn't.

The result isn't usually a crisis. But the people left to sort it out aren't you, they're the people you were trying to take care of.

That's the real risk of an estate plan that hasn't kept up with your life. The people you care about are left to sort out the decisions you thought you'd already made.

A SCENARIO WORTH SITTING WITH

> **Your oldest daughter is named as executor. She's organized, trustworthy, the obvious choice when you signed the documents. After you pass, she starts gathering information to carry out your wishes. One account has a beneficiary you named decades ago. Another doesn't have a TOD designation. A trust exists, but it's not clear which assets were ever titled into it. The will says one thing; an account form points somewhere else.**
>
> **No one did anything wrong. But now, at an already difficult time, your daughter is left trying to piece together what you meant.**
>
> **This isn't rare. It's what happens when a plan isn't maintained.**

Four things worth reviewing now

1. **Your beneficiary designations**

This is the most important item on this list, and the one most often overlooked between annual reviews. (It's also why your Wealth Manager builds beneficiary reviews into your planning conversations.)

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Beneficiary designations on retirement accounts, life insurance, and annuities typically override your will. An outdated designation, like an ex-spouse, a deceased parent, or a trust that no longer exists, can redirect assets in ways that have nothing to do with your current intentions.

2. **TOD designations on non-retirement accounts**

Transfer-on-death designations allow certain taxable accounts to pass directly to named beneficiaries rather than going through probate. For many families, this simplifies an already difficult process.

These designations are easy to set and easy to forget. If your accounts or family structure have changed, they're worth confirming.

3. **Your power of attorney**

Who would step in to manage your financial life if you were unable to? And do they know what that would actually involve?

The person you named may have moved or experienced their own health changes. They may simply no longer be the right fit for the responsibility. But even if they're still the right choice, it's worth making sure they know where things stand and what you'd want. A conversation now is far easier than the alternative.

4. **Your trust**

A trust is only effective if it's maintained and coordinated with the rest of your financial life. Accounts opened outside the trust, assets never properly titled, or beneficiary designations that conflict with the plan can undermine what the trust was designed to accomplish.

Your estate attorney owns the legal structure. Your Wealth Manager works alongside you, and sometimes directly with your attorney, to make sure your accounts, titling, and beneficiaries stay aligned with the plan you've built.

Estate planning isn't a one-time project. As part of The Cornerstone Experience®, it's a regular part of how we review your full financial picture and help make sure the decisions you've already made continue to reflect what you intend.

LISTEN NEXT: **Preparing Today for the People You Love Tomorrow**

Estate planning is only one part of preparing your family for the future. In our latest episode of *My Life Is Built*, Andrew Ulvestad and Shannon Naser talk through the family conversations most people avoid until something forces them — aging, changing roles, powers of attorney, and helping loved ones know where to turn.

Listen at **mycfsgroup.com/podcast.**

SAVE THE DATE

Insights in Arizona

Wednesday, February 3, 2027
11:00 a.m.

Musical Instrument Museum
4725 E. Mayo Blvd.
Phoenix, AZ 85050

Join your Cornerstone team for an afternoon of clarity on where things stand — and time to reconnect with the people guiding your plan.

Market Update · Lunch Buffet · Self-Guided Museum Tours

One-on-one Wealth Manager reviews available Thursday, February 4.

Guests are welcome. Space is limited.
877-352-9490 | shelli@mycfsgroup.com

This article may be for you if:

- You created a revocable living trust but have not reviewed how your accounts are titled.
- You are not sure how cash would move from a trust account to your personal bank account.
- You assume your trust will automatically work the way you intended.
- You have investments inside a trust and are not sure how taxes may apply when assets are sold.

YOUR TRUST IS SET UP. BUT IS IT READY TO USE?

Gordon Wollman
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Founder & CEO, CFS
Wealth Manager, RJFS

A trust can be an important part of your estate plan. But signing the document is not the same as understanding how it works in real life. A trust can also affect how you access money, sell investments, manage taxes, and make decisions during your lifetime.

Accessing Assets in Your Trust

If you're the trustee, or one of the trustees, of your own revocable living trust, you generally have full access to the assets held inside. But practical steps to access those assets can vary depending on the financial institution, the type of account, and the transaction you need to complete.

For example, cash held in a trust account may be transferable to a linked personal bank account. Some transfers may happen with minimal friction, while others may take more time or require additional instructions. Wire transfers may be available for same-day needs, but they may carry fees. Standard transfers may be a better option for routine movement of money.

That's why it is helpful to understand the process before you need it.

A moment of urgency isn't the best time to discover that bank instructions need to be updated, a form is missing, or a larger transaction requires extra processing time.

A trust only helps your family if it works the way you think it does.

Why You Still Need to be Tax-Aware

A trust doesn't make taxes disappear.

When investments held inside a trust are sold at a gain, those gains are generally subject to capital gains tax, similar to assets sold in a personal taxable account. The key is being intentional about when trades happen and the potential tax impact.

This is especially important for larger positions or accounts with significant appreciation. And can be especially meaningful near year-end, when timing may affect the tax year in which the gain is recognized.

Trust planning and investment management shouldn't be treated as separate conversations. We help you ensure the ownership structure, tax impact, and broader financial plan all work together.

Does Your Trust Still Match Your Life?

- ☐ Are the right assets titled to the trust?
- ☐ Are transfer instructions current?
- ☐ Have taxable gains been reviewed before selling?
- ☐ Do beneficiaries and successor trustees understand the plan?

The Step-Up in Basis

One important feature of many revocable living trusts is how assets may be treated at death.

Assets held in a revocable living trust at the time of the grantor's death typically receive a stepped-up cost basis. In simple terms, the value of the asset on the date of death becomes the new cost basis for the beneficiary.

That can significantly reduce, or in some cases eliminate, capital gains tax on inherited assets if they are sold soon after they are received.

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But not every asset works the same way. Certain products, such as variable annuities, may not receive the same tax treatment as other appreciated assets. In some cases, holding the wrong type of asset inside a trust may work against one of the advantages you expected the trust to provide.

You should periodically review not only whether assets are held in the trust, but which assets are there and how they may be treated.

Check Before You Need It

Your trust can only support your wishes if it still matches your life: the assets you own, the accounts you use, the people you have named, and the family goals you want it to support.

That's one reason your Wealth Manager reviews your estate planning documents during your regularly-scheduled review meeting. Your trust, account titling, beneficiary designations, investments, taxes, and family goals are all interconnected, and a change in one area can affect the others.

ACCESSING TRUST CASH: WHAT TO KNOW

*Understand the process before you need it

*Confirm linked bank account instructions are on file

STANDARD TRANSFERS:
Typically 1 business day

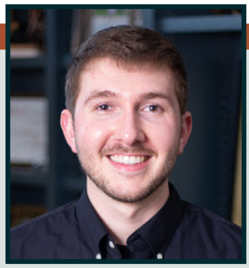
WIRE TRANSFERS:
Same-day, but may carry fees

LARGER TRANSACTIONS:
Allow additional processing time

Our team can walk you through the specific process for your accounts. Contact us if you have questions.

OUR GUARANTEE:
Because of our commitment to excellence, upon receiving your verbal feedback, if we don't meet your expectations we will provide a no-cost transition to your next wealth manager.

PLANNING CHECK-IN



Jory Flanery
AAMS®
Wealth Advisor

Some of the most important planning conversations we have with clients start with "I wasn't sure this was worth mentioning."

It usually is.

A new grandchild. A retirement date. Selling company stock. An inherited IRA. A second home. A trust that needs updating.

Together, they can touch taxes, estate planning, investments, insurance, and retirement income — sometimes in ways that aren't obvious until later.

That's the point of this check-in: not to add to your list, but to make sure nothing on your list is quietly affecting something else.

What's Changed Since January?

- ☐ Has your income been higher or lower than expected this year?
- ☐ Have you bought, sold, refinanced, or inherited property or other assets?
- ☐ Have you received stock compensation, a gift, or an inheritance?
- ☐ Is a major purchase or project on the horizon in the next one to three years?

Worth a Few Minutes of Honest Thought

- ☐ If something happened to you tomorrow, does the person handling your affairs know where your accounts are, who to call, and what your documents say?
- ☐ When did you last confirm your beneficiary designations are still accurate — not just on file, but actually reflecting what you intend?
- ☐ Has anything changed in your family that affects who you want making decisions for you?

One Last Question

Is there anything in your financial life that feels more complicated than it used to?

A CHANGE IN ONE AREA CAN AFFECT MORE THAN YOU'D EXPECT.

If you checked anything above, or if something came to mind that isn't on this list, bring it up at your next review or reach out anytime. The more we know, the better equipped we are to help.

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2026 Forbes Best-in-State Wealth Management Teams: The 2026 Forbes ranking of America's Best-In-State Wealth Management Teams, developed by SHOOK Research, is based on an algorithm of qualitative criteria, mostly gained through telephone and in-person due diligence interviews, and quantitative data. This ranking is based upon the period from 3/31/2024 to 3/31/2025 and was released on 01/07/2026. Advisor teams that are considered must have one advisor with a minimum of seven years of experience, have been in existence as a team for at least one year, have at least 5 team members, and have been nominated by their firm. The algorithm weights factors like revenue trends, assets under management, compliance records, industry experience and those that encompass best practices in their practices and approach to working with clients. Portfolio performance is not a criteria due to varying client objectives and lack of audited data. Out of approximately 12,787 team nominations, 6,149 advisor teams received the award based on thresholds. This ranking is not indicative of an advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. Compensation provided for using the rating. Raymond James is not affiliated with Forbes or Shook Research, LLC. Please see https://www.forbes.com/lists/wealth-management-teams-best-in-state for more info.

The Forbes Best-in-State Wealth Advisors 2026 ranking, developed by SHOOK Research, is based on an algorithm of qualitative criteria, mostly gained through telephone and in-person due diligence interviews, and quantitative data. This ranking is based upon the period from 6/30/2024 to 6/30/2025 and was released on 4/7/2026. Those advisors that are considered have a minimum of seven years of experience, and the algorithm weighs factors like revenue trends, assets under management, compliance records, industry experience and those that encompass best practices in their practices and approach to working with clients. Portfolio performance is not a criteria due to varying client objectives and lack of audited data. Out of approximately 52,043 nominations, roughly 11,302 advisors received the award. This ranking is not indicative of an advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. Compensation provided for using the rating. Raymond James is not affiliated with Forbes or Shook Research, LLC. Please visit https://www.forbes.com/best-in-state-wealth-advisors/ for more info.

The 2024 AdvisorHub 250 Advosprs to Watch under $1b ranking is based on an algorithm of criteria, focused on three key areas: Quality of Practice, Year-Over-Year Growth, and Professionalism & Character. The rankings weigh the scores in Quality and Growth more heavily than other areas. Time period upon which the rating is based is from 12/31/2022 – 12/31/2023, and was released on 6/20/2024. Advisors considered have a minimum of seven years' experience, a clean regulatory record with 2 or fewer complaints and no significant judgements, must have been with their current firm for at least two years and in good standing, and have at least $100 million in assets under management. Out of 1,816 total nominations received, 250 Advisors received the award. This ranking is not based in any way on the individual's abilities in regards to providing investment advice or management. This ranking is not indicative of Advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Managers or RIA firms pay a fee in exchange for this award/rating. Raymond James is not affiliated with ManagerHub.
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