



Azura
WEALTH ADVISERS LLC

Beyond Growth

*Affluent Wealth Strategies
for a Complex Market*

About Azura

Azura Wealth Advisers is an independent financial firm that builds highly personalized strategies for clients with complex financial lives—helping them grow, preserve, and ultimately transition their wealth across all stages of life.

Many of our clients are highly educated, driven professionals who have spent decades focused on earning. But at a certain point, income alone isn't enough. They need their wealth to start doing the heavy lifting. That requires a shift from accumulation to optimization: designing a plan where their money works for them, not the other way around.

Azura's open-architecture model allows us to deliver unbiased advice across a wide range of financial solutions. Because we are not bound to sell only proprietary products, we're able to tailor strategies with your best interest at the forefront, an advantage that matters deeply to our affluent clients, who value flexibility, customization and trust.

Our team brings deep experience across wealth management, retirement planning, tax strategies, estate planning and risk mitigation. We work closely with each client to create bespoke income plans grounded in their real-world goals so they can move forward with clarity, intention and confidence.



Table of Contents

Introduction	I
--------------	---

Direct vs. Managed Accounts: Choosing the Right Balance	2
--	---

Succession and Legacy Planning: Protecting More Than Assets	4
--	---

Asset Retention: Guarding Against Silent Erosion	6
---	---

Conclusion	9
------------	---

Introduction

Financial success can open doors, but it also raises the stakes. The strategies that built wealth aren't always the same ones that preserve it, transfer it or take it to the next level. Our clients' complexity grows as their portfolios expand.

This white paper explores three areas where affluent investors often need sharper tools:



Direct vs. Managed Accounts: Choosing the Right Balance — Understanding when to evolve beyond index funds into direct investments or private opportunities, and when professional management provides the discipline and oversight to sustain growth.



Succession and Legacy Planning: Protecting More Than Assets — Building estate strategies that work in practice, not just on paper, by pairing structures with clear governance and family communication.



Asset Retention: Guarding Against Silent Erosion — Understanding how taxes, fees, and poorly structured withdrawals quietly drain wealth, and how strategies like smart borrowing, asset placement, and estate planning can preserve compounding power across generations.

Each section is designed to provide perspective and practical insight into how high-net-worth investors can adapt their strategies. The goal is not simply to hold wealth, but to structure it in ways that protect, sustain and expand the impact of what you've built.

Direct vs. Managed Accounts: Choosing the Right Balance

For investors building meaningful wealth, there comes a point when traditional, diversified portfolios, often anchored by index funds, may not be enough. At that stage, the question becomes: What's next?

Many of Azura Wealth Advisers' affluent clients have already mastered foundational strategies: maxing out retirement accounts, building a tax-efficient allocation and maintaining long-term discipline in a volatile market. But as wealth grows, so does the opportunity (and responsibility) to be more intentional. This is when the question of direct investing versus managed accounts often surfaces.

"As wealth grows, so does the opportunity (and responsibility) to be more intentional."

Not everyone needs or benefits from direct investment strategies. But for those with the right asset base, goals and risk tolerance, it may be time to look beyond managed market portfolios with broad market exposure and ask whether your money could be doing something more, or different.

Understanding the Two Paths

Managed accounts are professionally overseen portfolios, often composed of mutual funds, ETFs, individual equities and fixed income positions. Investors benefit from institutional-grade portfolio management, tax-loss harvesting, rebalancing and ongoing oversight.

Direct investing, by contrast, puts you closer to the source: equity ownership in a specific company, or private equity fund, for example. You're not riding the wave of a market index; but you're allocating capital to a specific business model or thesis.

Both approaches have a place; the key is knowing when each makes sense.

The Thresholds That Matter

There's a natural evolution to how most sophisticated investors grow their portfolios:

- Start with diversified funds. Broad-market index funds or ETFs provide inexpensive, reliable and diversified access to the market. They're a strong foundation because they help reduce exposure to any one company or sector, helping manage risk while still participating in market growth.
- Add active strategies or individual equities. Once your base is in place, you can layer in more targeted investments based on your views, values or goals. This can mean investing in active mutual funds with a manager's insight, or hand-picking stocks in sectors you believe may outperform (e.g., tech or healthcare). This step lets you express conviction while still building on a stable foundation.
- Then consider direct deals. After you've built a core portfolio that's liquid and diversified,

direct investing (like private equity, venture capital or private credit) offers exposure to more unique assets not correlated with public markets. These deals may provide greater upside and more control, but also come with higher risk, less liquidity and more complexity—so they make more sense when your portfolio can already support longer time horizons. In addition, it should be noted that to invest with these types of products, there may be higher financial qualifications and minimum purchase amounts.

In other words, while no two situations are the same, we usually don't advise that clients jump to direct investing until they've covered their bases. But once financial foundation is strong, direct investments can become a powerful complement to your portfolio.

“When approached with discipline, direct investing can complement, not compete with, the rest of your strategy—one part of a larger plan to grow, protect and sustain wealth over time.”

When Managed Accounts Still Make Sense

Direct investing sounds appealing, especially with the explosion of private equity and alternative platforms. But the benefits of a managed account that you will forgo should not be understated:

- Time and expertise. You're delegating oversight to professionals with deep experience in asset selection, risk mitigation and tax optimization. This isn't just a time savings; it helps ensure you are tapping into knowledge and consistency that many individual investors can't replicate. Professionals monitor markets, adjust to tax law changes and navigate risk in real-time, which can have the potential to materially improve outcomes over time.
- Liquidity and flexibility. Managed accounts typically allow for easier access to funds and more nimble rebalancing. That's critical when you need to free up cash for a large purchase or shift allocations due to a change in goals. In contrast, you can't always sell direct investments quickly.
- Ongoing monitoring. In volatile markets, staying invested and making sound decisions is hard. Professional managers offer discipline and perspective, helping clients avoid common pitfalls like panic-selling or chasing trends. Having someone continuously evaluating performance, reallocating as needed and reinforcing the long view is often what keeps clients aligned with their financial goals.

At Azura, we view managed accounts as the foundation of most clients' portfolios. From there, and as a client's financial picture grows even further, we help build upon that bedrock with more nuanced opportunities.

The Opportunity, and Complexity, of Going Direct

Direct investing can be compelling for the right investor, but it introduces new responsibilities:

- Due diligence. Instead of understanding an asset class, investors need to evaluate specific opportunities and teams. This means understanding not only the investment thesis, but also the track record, alignment of interests, operational setup and decision-making framework of the people managing your investment. A good idea with the wrong team or weak execution can fail. In direct investing, who you back can matter as much as what you back.

- Liquidity risk. Many private investments come with lock-up periods or long holding timelines, meaning your money may be tied up for years. Unlike public markets where you can sell shares at will, direct deals may require you to wait for a capital event—e.g., a sale or recapitalization—before seeing a potential return. You need to plan around this illiquidity and ensure it aligns with your broader financial needs.
- Tax complexity. Direct investments often involve K-1s, capital calls, and state-level tax implications that can be significantly more complex than what you'd see in a traditional portfolio. You might face passive activity rules, unrelated business taxable income (UBTI) or multi-state filings. These complications aren't a reason to avoid the space, but they do require coordination with a tax advisor and advanced planning to help you manage effectively.

Bottom Line

Direct investing is about knowing when to layer in new opportunities once your foundation is strong. For affluent investors, the challenge isn't whether direct deals exist, but whether they fit into a plan that still relies on diversified portfolios to provide stability and growth. When approached with discipline, direct investing can complement, not compete with, the rest of your strategy—one part of a larger plan to grow, protect and sustain wealth over time.

Succession and Legacy Planning: Protecting More Than Assets

Many of Azura's clients are intimately familiar with the backbone of wealth management – growing assets, investing with discipline and protecting what matters today. But as wealth grows, the next step becomes clear: planning for what happens next.

Proper succession planning helps to meaningfully align your wealth transfer strategy with your core values. It is designed to help protect future generations, prevent conflict and ensures your intentions are seamlessly fulfilled.

“Proper succession planning helps to meaningfully align your wealth transfer strategy with your core values.”

At Azura, we guide clients through that process and coordinate with experienced estate planning and tax advisors to help make sure all the pieces fit together. Our goal is to make sure that what you've built continues to work the way you expected over time and across generations, even with increasing complexity.

Common Pitfalls That Even Sophisticated Investors Make

Even the most financially experienced individuals can make critical missteps when it comes to legacy planning. Here are a few pitfalls we often see:

- Assuming intentions will be clear without formal planning. Without clear documentation, asset transfers can become delayed, contested or misaligned with your true wishes.
- Underestimating the impact of taxes. While most investors are aware of federal exclusion

thresholds, state tax implications are equally important (and in some states, can start at the first dollar) and can significantly shrink an estate without proper planning.

- Delaying critical conversations. Avoiding discussions about wealth transfer can lead to confusion or disagreement later. Communicating your plans directly can help prevent misunderstandings.
- Missing opportunities for meaningful impact. Philanthropic goals, if not intentionally incorporated, can be overlooked, costing both personal fulfillment and potential tax advantages.
- Outdated beneficiaries. Too many investors have a “set it and forget it” mentality, but your intended beneficiaries can change over time (e.g., divorce, marriage, grandchildren, or other life events). Without a designated beneficiary, or a contested one, your estate can be held up in probate, which may take years to resolve.

“When it comes to transferring wealth, structure matters.”

Key Components of a Legacy Plan

At Azura Wealth Advisers, we focus on the elements that help make a legacy plan work off paper and under real-world pressures.

- Up-to-Date Estate Documents: Foundational documents (wills, revocable trusts, powers of attorney and healthcare directives, for example) need to be reviewed regularly in coordination with your attorney. Changes in family dynamics, asset holdings or tax laws can quietly make even a well-drafted plan outdated. Regular check-ins keep your plan aligned with your current goals.
- Asset Titling and Beneficiary Coordination: Proper titling of assets and up-to-date beneficiary designations help ensure that your estate plan actually controls what you intend. We often uncover disconnects—for example, outdated IRA beneficiaries or assets not properly retitled into trusts—that can create unnecessary complexity or conflict.
- Liquidity and Tax Planning Strategies: Estate taxes, liquidity needs and settlement costs can catch families off guard. We help clients think ahead about liquidity sources, potential tax exposures and efficient transfer strategies so their heirs aren’t forced into rushed sales or difficult financial decisions.
- Intentional Wealth Transfer Strategies: Beyond basic inheritance, we work with clients and their attorney to structure gifts, trusts and philanthropic vehicles that reflect their broader goals. Whether it’s providing for family, supporting causes or setting up incentive structures for future generations, intentional planning helps ensure your money is making the impact you intended.
- Clear Communication Framework: A strong plan isn’t just legally sound; it’s understandable. We encourage clients to think about how and when they communicate their intentions to heirs, trustees and advisors. Transparency helps reduce confusion, minimizes conflict and helps the next generation steward wealth more effectively.

At Azura, we go far beyond managing assets to help clients build the infrastructure needed to

protect, direct, and sustain their wealth long after they've moved on. (Estate Planning services are provided working in conjunction with your Estate Planning Attorney, Tax Attorney and/or CPA; consult them for specific advice on legal and tax matters.)

Structuring Assets for an Efficient Transfer

As noted above, when it comes to transferring wealth, structure matters. How your assets are titled, held and distributed will influence the financial, legal and emotional outcomes for your heirs. Strategic structuring can help protect your estate and simplify the process for your family. Some important asset vehicles we discuss with our clients include:

- **Tax Deferred Accounts:** Inherited Individual Retirement Accounts (IRAs) and 401(k)s come with tax obligations for beneficiaries. Planning for strategic withdrawals or Roth conversions can help manage future tax impacts.
- **Taxable Accounts:** Assets like brokerage accounts often receive a “step-up” in basis at death, which can eliminate significant capital gains taxes for heirs.
- **Permanent Life Insurance:** Properly structured life insurance policies, often held in an irrevocable trust, can provide liquidity for estate taxes and leave a tax-free inheritance.
- **Trusts and Gifting Strategies:** Revocable and irrevocable trusts, along with lifetime gifts, can help ensure a smoother and more tax-efficient transfer of assets.

Building wealth takes strategy, and so does transferring it. The way your assets are structured today will help determine how efficiently they move and where they go tomorrow. A strong plan not only helps to minimize taxes and administrative burdens—it may help reduce stress and keep wealth positioned to do exactly what you meant it to do.

Bottom Line

A strong legacy plan builds durable structures that carry out your wishes reliably across time, tax environments and family transitions. The most effective strategies balance technical precision with practical execution, so that what you've built continues to work the way you intended.

Asset Retention: Guarding Against Silent Erosion

In the quiet moments of reflection that come with financial success, a new question often emerges: How do I enjoy the life I've built without compromising the future I hope to leave behind?

For many of our clients, the traditional answers – sell, spend and scale back – don't align with the sophistication of their portfolios or the intentions they have for preserving wealth for future generations. Instead, they're looking for something more refined: a way to access liquidity during retirement without disrupting long-term growth or triggering avoidable tax exposure.

One such strategy, colloquially referred to as “Buy, Borrow and Die,” offers a surprisingly elegant solution. While the name may lack subtlety, the approach behind it is anything but crude; it's a sophisticated method of using leverage, tax rules and disciplined estate planning to help protect

and extend wealth across generations.

The Problem with Traditional Drawdown Strategies

The default retirement playbook is simple: sell assets to fund your lifestyle. Yet for many high-net-worth individuals, this approach can get expensive quickly.

Selling appreciated investments triggers capital gains taxes and reduces the power of compounding; liquidating assets inevitably slows growth, particularly when portfolios are structured for the long term. Over time, the combination of taxation and diminished performance can quietly erode the wealth you've spent a lifetime building. While that seems inevitable, there is indeed another option.

Step One: Buy – Build a High-Growth Portfolio

The first step in the strategy is to build and hold high-quality, appreciating assets. This means pulling away from timing markets or chasing trends to own durable investments that should compound steadily over time. By focusing on a thoughtful portfolio, typically concentrated in equities and other growth-oriented vehicles, you build the foundation for this plan to create material liquidity and legacy.

Step Two: Borrow – Access Liquidity Without Selling

Rather than sell assets to fund retirement, this strategy involves borrowing against the portfolio you've built, typically through a securities-backed line of credit. The assumption, and expectation, is that the portfolios generate average returns that are greater than the cost of borrowing. Of course, this is not guaranteed, and the value of the securities can fluctuate.

Imagine this: A \$4 million investment portfolio, with an average growth rate of 10%, is used to secure a \$1 million loan at a 5% interest rate. This is where the elegance of the approach shines. Because loans are not considered "income" by the IRS, loan proceeds are tax free. This enables you to fund your lifestyle while your portfolio remains invested.

Of course, securities-backed lending carries key risks: if your portfolio drops in value, you may face a margin call or forced asset sales. Interest rates can rise, and you might trigger taxes if assets are sold. It's flexible, but not without potential downsides. But by employing a disciplined approach that takes advantage of the historically positive value spread of equity over debt, these risks can be mitigated while allowing the positive arbitrage to continue growing your net worth, even while drawing income in retirement.

Step Three: Die – Transfer Wealth with Step-Up in Basis

The final step in this strategy is perhaps the most powerful from a generational perspective.

When you pass away, the loan must be repaid. Historically, however, the average growth rate of investment assets are greater than the cost of debt, as noted above. Further, your heirs will typically receive what's known as a "step-up in cost basis" depending upon the asset. This means they inherit the assets at their then-current market value — meaning no one pays tax on the unrealized capital gains accumulated up to that point.

In simple terms: If you borrow against your portfolio instead of selling the assets themselves for retirement income, and pass the portfolio on to your heirs, they receive the full market value of the portfolio tax free. Further, the loan interest may be deductible against qualified dividend income. The “step-up in basis” rule is subject to ongoing debates and could be modified in the future. You should work with a qualified tax professional for your personal situation.

Enhancing the Strategy: The Role of Life Insurance

For some clients, the final layer of refinement comes from incorporating life insurance. A permanent life insurance policy can be used to pay off the outstanding portfolio loan upon death, preserving the full value of the non-taxable investment portfolio for heirs. This ensures that your family isn’t forced to sell assets to settle the debt, and the wealth transfer remains fully intact. For this strategy to be effective, it is important to clearly communicate your wishes to your beneficiaries about repaying the loan with the life insurance proceeds.

Who This Works For, and What to Consider

This strategy isn’t for everyone. It’s best suited for clients who have:

- A large, taxable investment portfolio,
- A long-term investment horizon,
- A strong credit profile, and,
- A desire for a thoughtful estate plan.

Other important considerations include:

- Net worth: this strategy is best suited for individuals with substantial assets who can benefit from long-term planning and withstand short-term fluctuations.
- Interest rate risk: as borrowing costs fluctuate, so does the strategy’s efficiency.
- Market volatility: maintaining sufficient margin in the portfolio is key. Investing involves risks including possible loss of principle.
- Strategic loan management: borrowing must be measured and disciplined.
- Estate planning alignment: every situation is unique, and you can’t analyze any strategy in isolation. It is important to work with your own estate planning and tax attorney for specific advice on your personal situation.

Bottom Line

Taxes, fees, and poorly sequenced withdrawals can undermine decades of compounding if left unaddressed. For investors who have already built significant portfolios, the challenge is ensuring that wealth is retained and transferred as efficiently as possible, so compounding continues across generations.

Conclusion

Affluence doesn't simplify financial decisions; it multiplies them. With greater wealth comes a wider set of choices about where to invest, how to structure ownership and how to prepare for transitions that extend far beyond your own lifetime.

The most successful investors typically aren't the ones who try to do it all themselves, nor the ones who leave their financial future on autopilot. They are the ones who build systems that balance opportunity with protection, and ambition with discipline.

At Azura, we work with clients to turn complexity into clarity — integrating investment oversight, legacy planning and tax-efficient structures into a cohesive strategy. We believe the point of wealth isn't accumulation for its own sake, but the freedom, stability and impact it can create across your lifetime and beyond.

Contact Information

Azura Wealth Advisers



420 Lexington Avenue, 25th Floor, Suite 2510
New York, NY 10170
Phone: (212) 578-0300
Website: www.azurawealth.com
Email: admin@azurawealth.com

This article is educational and is not advice or a recommendation for any specific investment product, strategy, or service. The views and opinions expressed are those of Michael Hanna only. Any examples used are generic, hypothetical and for illustration purposes only. Investing involves risks, and past performance is not indicative of future results. Neither MML Investors Services, LLC nor any of its subsidiaries, employees or representatives are authorized to give legal or tax advice. Consult your own personal attorney legal or tax counsel for advice on specific legal and tax matters.

SECURITIES AND INVESTMENT ADVISORY SERVICES ARE OFFERED THROUGH QUALIFIED REGISTERED REPRESENTATIVES OF MML INVESTORS SERVICES, LLC, MEMBER SIPC.

Azura Wealth Advisers is not a subsidiary or affiliate of MML Investors Services, LLC, or its affiliated companies.
420 Lexington Ave 25th Fl Suite 2510, New York, NY 10170 (212) 578-0300 | CRN2902901-103000089