



ROCKWOOD WEALTH MANAGEMENT



Navigating Your Insmed Equity Compensation

5 STEPS FOR INSMED EXECUTIVES TO BUILD
LASTING FINANCIAL SUCCESS





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01 The Hidden Complexity Behind Your Insmed Equity

For many Insmed executives, compensation extends far beyond salary. Stock options, restricted stock units (RSUs), performance stock units (PSUs), and employee stock purchase plans (ESPPs) can represent a life-changing portion of total wealth. Yet what feels like an incredible opportunity often comes wrapped in uncertainty. Each equity award introduces questions about timing, taxes, liquidity, and compliance—questions that can have a lasting effect on your financial future.

This complexity isn't a reflection of your ability or success—it's a natural byproduct of progress. The more you've achieved in your career, the more intertwined your wealth has likely become with your employer's performance. For Insmed executives, this can mean that your financial well-being is linked not only to your personal decisions but also to corporate milestones, market conditions, and regulatory timing.



The challenge isn't just understanding what you have; it's knowing what to do with it. Should you exercise or hold? Diversify or stay invested? Wait for the next vesting cycle or take advantage of a trading window? These decisions are rarely clear-cut. They intersect with insider-trading restrictions, company performance, market volatility, and your evolving goals.

Without a coordinated strategy, it's easy to second-guess every move. Many executives delay action out of caution, only to miss opportunities or take on unnecessary risk. Others act too quickly, triggering taxes or compliance issues that could have been avoided with a more deliberate plan.

Your equity compensation has the potential to fund your next life chapter, but realizing that potential requires coordination. When viewed through a broader wealth-planning lens, each vesting schedule, sale, and grant can become part of an integrated roadmap toward long-term financial success.

This ebook was created to help you create that roadmap. It provides five practical steps to help turn complexity into clarity and uncertainty into action:

- 1 Confirm Insider Status**
- 2 Integrate Cash Flow**
- 3 Define Concentration Risk**
- 4 Plan for Taxes & Estate**
- 5 Set a 12-Month Strategy**

Together, these steps create a roadmap to help turn your Insmed equity into lasting financial success.

02 What's at Stake When You Wait

Equity compensation can be one of the most powerful levers of wealth creation available to Insmed executives—but without a coordinated plan, it can also become one of the biggest sources of risk. The decisions you delay today can shape your financial trajectory for years to come.

When trading windows open, opportunities can pass in an instant. A missed window might mean waiting months to access funds you need—or watching the market move against you while your options sit unexercised. Concentrating too heavily in company stock can expose you to the volatility of a single business, no matter how confident you are about its long-term success. Companies can and do experience downturns, and an unexpected dip may erode the wealth you've spent years building.

Then there are taxes and compliance. A poorly timed exercise can trigger unnecessary taxes or raise flags under insider-trading or disclosure rules. These are not just financial consequences—they're professional and emotional ones, too. Every decision carries a mix of uncertainty, risk, and responsibility. Without a cohesive framework, it's easy to feel reactive instead of strategic.

The cost of inaction isn't limited to lost money—it's also about lost control. Without structure, you're left navigating complex equity decisions in isolation, disconnected from your broader financial goals.

The complexity of equity compensation doesn't have to be a barrier. It can be a catalyst. With the right structure and perspective, you can more easily transform uncertainty into clarity and opportunity into long-term financial freedom.

03 The Experience Behind This Guidance

The information in this guide is drawn from years of firsthand experience helping Insmmed executives navigate the complexities of their equity compensation. Rockwood Wealth Management has long partnered with Insmmed professionals at every level—from early leadership to today’s C-suite—providing insight shaped by an understanding of the company’s history, people, and culture.

This familiarity gives us a practical perspective on how equity decisions fit within the realities of Insmmed’s compensation structure, trading policies, and career paths. The strategies and frameworks shared here come directly from that real-world experience.

Rockwood Private Client Advisor Mark Arcidiacono Jr., CFP®, AIF®, leads the team that helps integrate Insmmed equity, tax, and estate considerations into cohesive, compliant financial strategies. Our fiduciary foundation means that every recommendation begins with one goal: helping you make well-informed, confident decisions about your Insmmed equity, grounded in Rockwood’s experience and integrity.

Our Perspective Comes from Experience

- ✓ Deep familiarity with Insmmed’s compensation programs
- ✓ Firsthand understanding of insider trading and compliance requirements
- ✓ Decades of fiduciary planning expertise

04 Step 1—Clarify Your Insider Status

Before making any decisions about your Insmed equity, it's essential to understand your insider role and responsibilities. The rules governing equity transactions are designed to maintain fairness and transparency in the market, but they also determine when and how you can act.

If you are a Rule 144 affiliate, you may be subject to open trading windows and blackout periods that limit when you can buy or sell company stock. Section 16 insiders—typically officers, directors, or large shareholders—face additional disclosure requirements with the U.S. Securities and Exchange Commission (SEC), meaning every sale must be properly reported. Even if you are not formally classified as an insider, access to material nonpublic information (MNPI) can restrict your ability to trade.

This isn't just a compliance exercise—it's the foundation for every decision that follows. Understanding your status helps prevent unintentional violations and ensure that your financial strategy aligns with both corporate policy and federal



law. It also positions you to take advantage of open windows effectively, rather than reacting to them with uncertainty or delay.

At Rockwood, we often see executives underestimate how easily a misstep can occur. One inadvertent trade during a restricted period or a delay in SEC filing can result in reputational damage, forced trade reversals, or unnecessary scrutiny. Confirming your status early helps eliminate that risk, and it gives you the clarity to focus on what truly matters—optimizing your equity strategy.

If you are uncertain about your restrictions, Insmmed's Corporate Advisory Services Team can provide clarity at (888) 658-2319. Taking that step now can help create the confidence and structure that your long-term plan depends on.



Insider Essentials

- ✓ Knowing your insider status is the foundation of every equity decision.
- ✓ Compliance helps protect both your personal wealth and professional reputation.
- ✓ A clear understanding today can help prevent stress and missed opportunities tomorrow.

05 Step 2—Integrate Equity into Your Cash Flow Plan

Once you've clarified your insider status, the next step is understanding how your Insmed equity fits into your overall financial picture. Your RSUs, PSUs, and stock options are not just compensation—they're a dynamic part of your wealth plan. Integrating them into your cash flow strategy can give every decision context, purpose, and direction.

Begin by mapping out your short- and long-term financial goals: retirement, education funding, major purchases, or debt reduction. Then, determine which of those priorities can be supported by future equity vests or option exercises. When your plan reflects both liquidity needs and lifestyle goals, you can make proactive decisions rather than reactive ones that are driven by stock price or tax deadlines.



At Rockwood, we often see executives make one of two mistakes: treating equity as “extra” and separate from their plan, or tying every future goal to company performance. True financial flexibility comes from balance—using some of your equity to meet near-term needs while allowing other shares to fuel long-term growth.

Integrating equity into your broader financial framework also helps identify the right timing for diversification, and it aligns future vesting events with your larger savings, investment, and tax strategies. By forecasting where equity-based cash flow will occur, you can more confidently plan major life events—such as home purchases or tuition payments—without jeopardizing liquidity.

Once you understand how and when each equity grant will be used, you can more accurately assess your personal risk tolerance and investment horizon. This clarity helps provide a solid foundation for the next step: defining an appropriate level of concentration risk.

Your Insmed equity is more than an isolated asset; it’s a key piece of your financial architecture. When your equity strategy and cash flow plan work in harmony, each vesting event can become an opportunity to strengthen your long-term financial success.

Planning Perspective

- ✓ Integrate equity into your overall plan, not alongside it.
- ✓ Map each grant to specific goals and time horizons.
- ✓ Coordination creates flexibility, and flexibility fuels financial freedom.

06 Step 3—Define an Appropriate Level of Concentration Risk

Once your cash flow plan is in place, the next step is to decide how much of your Insmed stock to continue holding. For many executives, company equity represents both pride and potential—an emotional connection that can cloud objective decision-making. It's important to remember that even the most promising company stock carries risk when it becomes too large a portion of your net worth.

At Rockwood, we define concentration risk as the exposure that occurs when a single stock—no matter how strong—dominates your portfolio. When too much of your financial future depends on one company's performance, you increase your vulnerability to market volatility, regulatory shifts, and industry headwinds beyond your control.

The key is balance. Once your cash flow needs are mapped out, identify which equity grants you'll need to fund near-term goals and which can support longer-term ones. For any grant tied directly to future spending—such as tuition, real estate, or retirement distributions—consider selling upon vesting and reinvesting in a diversified portfolio that aligns with the time horizon of your goal. Grants not



required for upcoming liquidity needs can represent your “tolerable” level of concentration risk.

At Rockwood, we often help Insmmed executives visualize this balance by modeling multiple scenarios that show how different combinations of sales, holdings, and diversification can affect long-term outcomes. Seeing how risk and reward interact over time can help shift decisions from emotional to strategic.

This approach allows you to remain invested in the company’s future while protecting your long-term financial stability. It’s not about disloyalty—it’s about discipline. Diversification is a proactive choice that can help transform uncertainty into stability and opportunity into sustainable wealth.



Risk Reality Check

- ✓ Concentration creates opportunity—but also vulnerability.
- ✓ Diversification doesn’t dilute loyalty; it protects financial stability.
- ✓ Align your equity exposure with your timeline, not emotion.

07 Step 4—Plan for Taxes and Estate Considerations

Taxes are often the silent force shaping every equity decision. Each grant type—stock options, restricted stock units, performance stock units, and employee stock purchase plans—is taxed differently. Knowing how those differences play out can mean the distinction between an efficient wealth strategy and an expensive oversight.

For example, nonqualified stock options are taxed as ordinary income at exercise, while incentive stock options may receive more favorable treatment if holding periods are met. RSUs and PSUs typically create taxable income at vesting, while ESPPs may generate either ordinary income or capital gains depending on how long shares are held. Each decision point—when to exercise, sell, or hold—affects your tax exposure.

Coordinating your equity transactions with your broader income and cash flow plan allows you to anticipate these tax events rather than react to them. A deliberate strategy, designed in collaboration with your CPA and financial advisor, helps you capture opportunities



for tax efficiency across multiple years. It also helps give you the flexibility to manage your annual income levels, avoid unnecessary tax spikes, and plan around future vesting schedules with intention.

Estate planning adds another layer of importance. If your Insmed equity represents a large portion of your net worth, you will want to ensure that account titling and beneficiary designations align with your broader legacy goals. Equity assets can be powerful tools for wealth transfer, charitable giving, and family security, but they need to be structured correctly.

At Rockwood, we see this step as connecting the back end of your plan to its long-term purpose. The right coordination between your tax, estate, and equity strategies doesn't just reduce liabilities—it enhances control, flexibility, and peace of mind. Over time, this integration can turn complexity into clarity and help ensure that every decision—financial, legal, or personal—supports your vision of lasting success.

Strategic Alignment

- ✓ Understand how each equity type is taxed before acting.
- ✓ Coordinate transactions with your CPA and estate plan.
- ✓ A unified strategy can transform taxes from a burden to an advantage.

08 Step 5—Establish Your 12-Month Equity Strategy

With compliance confirmed, your cash flow plan integrated, concentration risk defined, and tax and estate considerations addressed, you're ready to design an actionable strategy for the year ahead. A 12-month equity strategy can give structure to your decisions so that every trade, sale, or hold serves a defined purpose.

Begin by reviewing your vested and soon-to-vest grants over the next year. Identify when each grant becomes eligible for sale under Insmed's trading windows, then align those opportunities with your financial goals and cash flow requirements. This exercise can turn abstract vesting schedules into a financial calendar that connects opportunity with intention.

Next, decide whether each position will be held, sold, or diversified based on the priorities you established earlier. Executing this plan manually is possible, but many Insmed executives find efficiency in a 10b5-1 trading plan—a preset



schedule that automates trades within regulatory parameters. This approach allows you to act proactively and eliminate emotional bias while remaining compliant with insider-trading rules.

A well-designed 12-month plan also helps you coordinate equity decisions with your tax strategy and investment allocation. By anticipating vesting events and liquidity opportunities, you can avoid rushed decisions and make sure each action supports your broader goals. Over time, this rhythm builds discipline, the kind that can turn unpredictable market moments into deliberate steps toward lasting financial success.

At Rockwood, we think of the 12-month strategy as your financial operating manual. It can provide structure during open trading windows, confidence during market fluctuations, and peace of mind during blackout periods. Once established, it can be reviewed annually and adjusted as compensation, goals, or market conditions evolve.

A disciplined equity plan doesn't restrict flexibility—it creates it. When every decision is intentional, you shift from reacting to opportunities to engineering them. The result is a framework that helps support your long-term success while keeping your financial strategy aligned with your life.

Action Framework

- ✓ Map out your next 12 months of vesting and sales.
- ✓ Align each trade with your goals and time horizon.
- ✓ Structure enables flexibility, and flexibility drives success.

09 Turn Insight into Action with Rockwood

You've now explored the five steps to align your Insmmed equity with your broader financial life, moving from compliance and clarity to coordination and control. The next step is putting this framework into motion with guidance tailored to you.

At Rockwood Wealth Management, we've spent years working side by side with Insmmed executives to help them navigate the company's compensation programs, equity awards, and insider requirements. That history gives us a unique perspective—not just on Insmmed's culture and structure, but on the decisions its executives face every year.

Your dedicated advisor, Mark Arcidiacono Jr., a CERTIFIED FINANCIAL PLANNER® and Accredited Investment Fiduciary® professional, leads the Rockwood team serving Insmmed's professionals. Mark combines his fiduciary role with an understanding of how Insmmed's equity can fit into your life, career, and long-term goals. His approach begins with your goals. He then reverse-engineers a strategy to help achieve your vision through every decision you make.

Our goal is to partner with you to:

- **Align Your Equity with Life Goals:** Turn vesting events into long-term opportunities that serve what matters most to you.
- **Manage Taxes, Risk, and Compliance:** Integrate tax strategy, trading windows, and diversification into one cohesive plan.
- **Build for Lasting Financial Success:** Use your vision for the future as the starting point for a financial plan that helps support family, legacy, and flexibility.

This is how clarity can become confidence, and how opportunity can support lasting success.



Take the First Step

SCHEDULE A CALL

Are you seeking to turn your complex insured equity decisions into lasting financial success? Schedule an introductory call today to start aligning your equity, taxes, and goals.

Schedule an introductory call: <https://calendly.com/mark-arcidiacono-rockwoodwealth/introductory-chat-via-phone>



Schedule a Call



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