



Initial Client Packet

Thank you for thinking of Prentice Financial Planning for your needs. We hope we can make your due diligence process in picking a financial planner as easy as possible. We have assembled this initial packet to be upfront and transparent to help you make an informed decision. If you have any questions prior to your initial meeting please don't hesitate to give us a call or email.



Company Info

Prentice Financial Planning is an independent fiduciary offering investment management and advanced financial planning to a select group of individuals and families in the greater Olympia area.



Our mission is to become our clients' "personal CFO" by partnering with them to identify what is most important in their financial lives while designing and implementing a tailored plan to achieve their goals. Prentice Financial Planning, LLC was founded on the basis that a financial advisor's value is derived from comprehensive planning and implementation and not from the sales of funds or products. We apply this philosophy through our Advanced Financial Planning service with recommendations and implementation in all aspects of our client's financial lives. We pride ourselves in providing personalized strategies, including portfolios built around our client's goals and beliefs.

Services

We offer two types of services to our clients:

INVESTMENT MANAGEMENT

Includes the identification of your personal risk tolerance, suitability and beliefs in investing. Prentice Financial Planning, as your financial advisor, will then build a portfolio to match this criteria and constantly monitor its progression. This service provides some tax efficient investing practices as you can see in the compare services diagram. We will check in at least annually to verify and update any life changes that may warrant a change to your underlying investments.

Who

This is for the client that wants someone to allocate and monitor their assets and typically would like their investments to align with their personal beliefs (i.e. our ESG [Environmental, Social, Governance] or USCCB [United States Conference of Catholic Bishops] portfolios). They usually have \$250,000 - \$500,000 to invest or are actively contributing to their portfolio.

ADVANCED FINANCIAL PLANNING

Includes recommendations on an ongoing basis in practically anything you can think of regarding an individual or family's financial lives. Our goal is to be our clients Chief Financial Officer "CFO" and help provide guidance in any financial matter. We provide all of the same services as Investment Management but also provide Tax Planning, Retirement Planning, Financial Planning, Social Security Planning, Estate Planning, Risk Mitigation Planning, Educational Planning and Business Owner Planning. Too often we see good recommendations go unimplemented – our value doesn't stop at recommendations. We also implement the plan for our clients where appropriate, or help our clients implement the plan by holding their hands through the process.



Who

This is for the client that wants their entire financial picture working in unison in order to keep costs down, pay less in tax, maximize income and protect their plan against negative events. They want someone to help implement these strategies for them and stay by their side through out the process.

Compare Services














Here is a diagram of our services side by side so you may compare, including corresponding research, if available, on the additional value that each can add to your plan. While all of our services bring value, security and simplicity to your financial life, some can also show a direct return on investment. A comprehensive financial planner can add about 3%¹ annual value over time, but like any approximation the value will vary per client. This is how we continually earn our fee and help you achieve your financial plan.

INVESTMENT MANAGEMENT








	Investment Management	Advanced Financial Planning	Potential Added Value
Calculated personal risk incorporating your risk tolerance			.45% ²
Investments aligned with your personal beliefs			
Cost effective implementation			.45% ¹
Behavioral coaching			1.50% ¹
Efficiently rebalanced portfolio within your specified risk tolerance			.35% ¹
Minimized trade costs			
Management fee payment efficiencies			
Required Minimum Distribution tracking			
Client Portal including document storage			

 Offered within that service structure






TAX PLANNING

	Investment Management	Advanced Financial Planning	Potential Added Value
Taxable vs. tax-free bonds			
Asset location			up to .75% ¹
Tax-loss harvesting			up to .30% ³
Tax efficient trading			
Appropriate contribution placement			
Roth conversion strategy			
Spending strategy (withdrawal order)			up to .70% ¹
Tax efficient charitable giving			
Estate Tax planning			

RETIREMENT PLANNING



	Investment Management	Advanced Financial Planning	Potential Added Value
Establish a retirement plan			
Continual monitoring and updating of retirement plan			
Savings required to meet your goals			
Dynamic withdrawal strategy			.70% ²
Analyze benefits of annuity allocation			.10% ²
Pension timing			
Pension survivor benefit selection			

FINANCIAL PLANNING

	Investment Management	Advanced Financial Planning	Potential Added Value
Debt payoff vs. savings vs. investing			
Debt analysis (consolidate/refinance)			
Property tax exemptions			
Continual search for unclaimed assets			
Collaborate with other advisors (Accountant, Attorney, Insurance agent)			

SOCIAL SECURITY PLANNING









up to 7.5 years of portfolio longevity⁴

	Investment Management	Advanced Financial Planning	Potential Added Value
Social Security benefits timing			
Coordinate with other assets in order to maximize payouts			

ESTATE PLANNING

	Investment Management	Advanced Financial Planning	Potential Added Value
Will reviewed			
Burial arrangements reviewed			
Gifting list reviewed			
Power of Attorney – Healthcare reviewed			
Power of Attorney – Financial reviewed			
Non-probate asset beneficiary reviewed			
Trust needs reviewed			
Coordinate the preparation of estate documents using Helios Integrated Partners			








RISK MITIGATION PLANNING

	Investment Management	Advanced Financial Planning	Potential Added Value
Life insurance needs reviewed			
Disability insurance needs reviewed			
Medical insurance reviewed			
Long-term care insurance needs reviewed			
Property insurance reviewed			
Personal security measures			
Document shredding			
Implement fee-only insurance product (life, annuity, etc.)			

EDUCATIONAL PLANNING

	Investment Management	Advanced Financial Planning	Potential Added Value
How much to save			
Where to save			
Withdrawal strategy			

BUSINESS OWNER PLANNING

	Investment Management	Advanced Financial Planning	Potential Added Value
Review tax structure			
Key Man insurance			
Review buy-sell agreement			
Review Cross-Purchase plan			
Retirement plan			
Review errors and omissions/malpractice insurance			
Review business insurance			

PRICING

Investment Management	Advanced Financial Planning
<i>Portfolio sizes of \$250,000 - \$500,000 or clients who are actively contributing</i>	<i>Portfolio sizes of \$500,000 +</i>

Charged quarterly at an annual rate of 1.5% on the first \$850,000, .9% on \$850,001 – \$1,500,000 and .1% on \$1,500,000 +

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- Kinniry, Francis M. Jr., CFA, Colleen M. Jaconetti, CPA, CFP®, Michael A. DiJoseph, CFA, and Yan Zilbering, 2014. Putting a value on your value: Quantifying Vanguard Advisors' Alpha. Valley Forge, PA: The Vanguard Group
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- + The value add of services for actual clients may vary significantly from these projections based on several factors.

What to Expect

This workflow is an example of the onboarding experience of a typical Advanced Financial Planning client. Everyone's experience is slightly different depending on the complexity of their plans but typically we can do the onboarding process within 4 to 5 meetings. Meetings generally last about an hour and a half and rarely go over 2 hours.

1 An initial meeting is scheduled and we collect your pertinent information. An initial client packet is e-mailed to you which includes basic information about Prentice Financial Planning, LLC, our services, and what to expect.

» **2** The 1st initial meeting will be a "kick our tires" complementary meeting where you learn about us and we get to learn about you. We will discuss what financial planning is, our fee structure and strategies we employ to meet your goals. We will also introduce the Wealth Plan, our signature document, used to track your advanced financial plan.

3 After the 1st initial meeting we decide if the relationship is a proper fit and mutually beneficial to move forward.



» **4** At the 2nd initial meeting we answer any lingering questions and go over paperwork. This includes reviewing and signing account opening, transfer paperwork and our advisory contract. We will guide you through a risk profile questionnaire/quiz which allows us to better understand your comfort zone with regard to investing. We will also review the first section (Investment Management) of our Wealth Plan.

5 The next step is the data gathering stage. This step involves you providing us all of the pertinent information we will need in order to provide sound financial advice. We use the "fact gatherer" to help our clients organize all of their information. We ask that this information be provided to us at least two weeks before your 3rd initial meeting.



» **6** In the 3rd initial meeting we will discuss the results of your retirement planner to make sure that you can either retire or be financially independent at a certain age and not outlive your assets. We will also review the rest of the Retirement Plan section of the Wealth Plan.

7 In the 4th initial meeting we will review the Estate Plan and Risk Mitigation sections of the Wealth Plan. If necessary we will help you coordinate the preparation of your estate documents. We will then schedule your six month follow-up appointment.

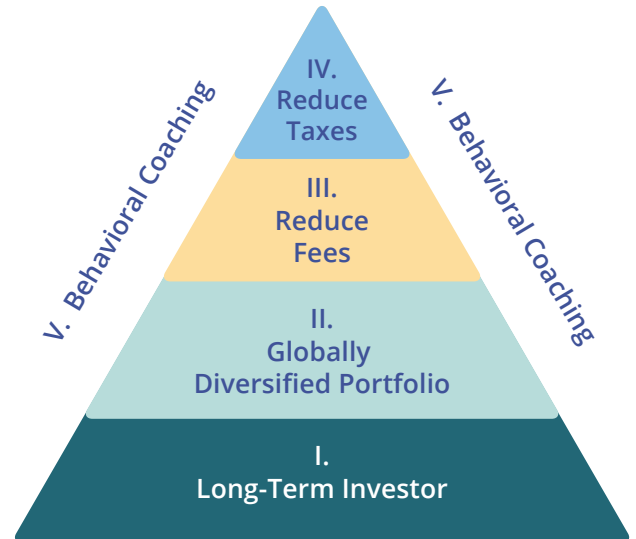


» **8** After the initial planning meetings we will continually implement the plan and then will want to meet at least annually to review your plan's progress and make changes as your life evolves.

Investment Philosophy

At Prentice Financial Planning we believe in utilizing five core tenets in order to achieve success in investing

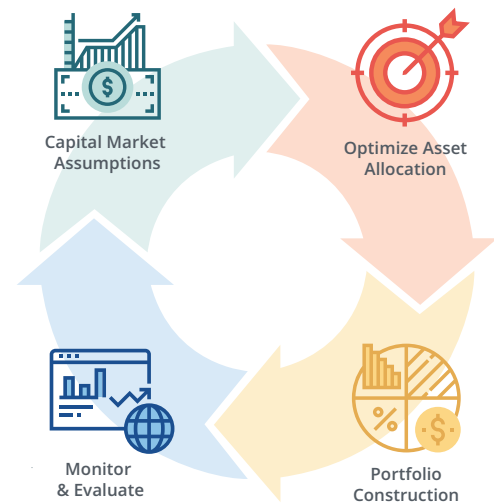
- I. The foundation of these tenets is to be a long-term investor. Year by year investment returns will hit peaks and valleys but focusing on a long term plan will result in better decision making.
- II. "Don't put all your eggs in one basket" – it might be a cliché, but it's true for investing. A globally diversified portfolio enhances your risk-adjusted return.
- III. With all other factors being equal, the more we can reduce the internal and trading fees of an investment, the more money you will keep in your pocket.
- IV. By using certain techniques to reduce taxes we can increase your net return.
- V. The last and usually most significant piece that we provide our clients is behavioral coaching. The fight or flight instinct of human nature does not play well with the investing world. It is our job to guide you through the roller coaster ride of the markets and to remind you to be patient, persevere and focus on your goals.



Investment Process

We follow a process driven approach to building portfolios in order to ensure that academic research and not emotional biases direct their construction.

1. Capital Market Assumptions – Assign all asset classes a 10 year return and risk expectation.
2. Optimize Asset Allocation – Using the Capital Market Assumptions find the mix of asset classes that give you the best risk adjusted return.
3. Portfolio Construction – Find the most appropriate vehicle (mutual fund, exchange traded fund, etc.) to represent each asset class.
4. Monitor and Evaluate – Constantly monitor portfolio construction and re-evaluate the capital market assumptions and asset allocation on an annual basis.




Sustainable Investing

In the past few years a lot of interest has popped up around sustainable investing (also known as socially responsible) but many people don't know what exactly this means or where to start. As the sustainable investing market grows so too does the complexity surrounding the nuanced approaches and ever evolving creation of often confusing names and information. To help our clients navigate this process we have built two portfolios that follow a sustainable investing process.

What is Sustainable Investing?


In our society we believe that most corporations provide a net benefit through their products and services, job creation and overall behavior. As a responsible investor our sustainable portfolios seek to invest in companies that balance the needs of financial and nonfinancial matters and demonstrate a commitment to the rights of individuals, communities and the global good. These two are the ESG (Environmental, Social and Governance) and USCCB (United States Conference of Catholic Bishops) portfolios. See details below.

Our ESG portfolios seek to identify companies that operate in a manner consistent with the following:




Environmental

- Air and water pollution
- Biodiversity and deforestation
- Climate change
- Carbon emissions
- Energy efficiency
- Waste management
- Water scarcity



Social

- Community relations
- Customer satisfaction
- Employee engagement
- Gender equality
- Diversity policies
- Human rights
- Labor standards



Governance

- Audit committee structure
- Board composition
- Bribery & corruption policies
- Executive compensation
- Lobbying activities
- Political contributions

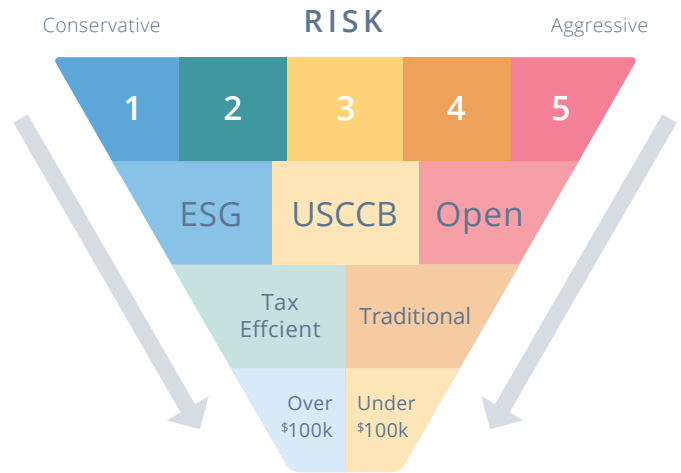


Our USCCB portfolio seeks to invest in companies that meet the following framework:

- **Protect** human life
- **Promote** human dignity
- **Reduce** arms production
- **Pursue** economic justice
- **Protect** the environment
- **Encourage** corporate responsibility

How We Build Your Personal Portfolio

When building a portfolio we start by analyzing your comfort level with risk and return, then look at your current financial status in order to not only build a portfolio that you feel comfortable with but that also fits within the structure of your overall financial plan. After establishing the risk of your portfolio we will discuss your personal beliefs to see if you want those reflected in your investments (see our Sustainable Investment portfolios for more detail). The next step is to evaluate your tax bracket to determine if using a more tax efficient portfolio would benefit your after tax return. The last step is to know the size of the portfolio in order to align the investments with the appropriate size trades. After all of this analysis we can then build an appropriate portfolio that fits your needs and goals.



Your Portfolio



✓ What to Bring

None of these items are necessary in order to have your initial meeting. However, if you feel comfortable, bringing the following items to the initial meeting can help direct our conversation. If we plan to proceed forward we can make copies for you during the meeting.

- Income Information: Most recent pay stubs, W-2 or 1099.
- Current Investment Statements: Brokerage accounts, mutual funds, stocks, retirement plans, etc.
- Social Security Statements: SSA mails these to workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60 and over, who aren't receiving Social Security benefits and do not yet have a "my Social Security account." If needed we can provide instructions for you to setup a "my Social Security account."
- Most Recent Tax Return: Tax return with all schedules and/or statements.
- Mortgage/Loan Statements
- Insurance Declaration Pages (life, disability, property, etc.)

Your Own Parking Spot

For our client's convenience we have reserved parking directly in front of our entrance. You may park in one of these 5 spots anytime you come to visit.

