



Stapp FINANCIAL

Your trusted financial advisor



Investment Management

STAPP FINANCIAL PLANNING, PLLC

Independent research and reliable service

Since 1996, we have been evaluating asset classes and selecting money managers to help our clients achieve their investment goals. As active investors, we are systematic and persistent in searching for asset classes that we believe are selling at a considerable discount to their fair value. Likewise, we apply our extensive experience in identifying money managers to select only those who we are confident will deliver superior long-term performance. Equally as important, we maintain frequent and meaningful contact with our clients, which encourages long-lasting relationships and puts us in a unique position to understand and serve their evolving needs.

Whether you are an individual, business or non-profit organization, we invite you to learn more about how our disciplined portfolio management process and personalized service may meet your investment needs.



Investment Philosophy

We believe that intensive research and a disciplined process are critical to investment success. In-depth, fundamental research and careful reasoning underlie every investment decision we make. Our commitment to research is ingrained in our culture, as evidenced by the resources we employ that focus primarily on investment and manager research.

The following fundamental beliefs are the foundation of our investment approach:

Global Perspective

Openness to a globally diverse set of asset classes expands our ability to uncover attractive investment opportunities and helps us to better manage downside risk.

Long-Term Approach

A long-term approach allows us to take advantage of temporarily mispriced investments and typically ensures that fundamentals, rather than fear or greed, dictate asset prices.

Forward-Looking Analysis

History provides a valuable frame of reference but does not always apply to the current environment. We seek to learn how the world is evolving and incorporate our opinions about these changes into our assessment of risk and investment allocations.

Discipline and Conviction

We set the bar high in assessing investment opportunities, and we have the discipline and conviction to act on an opportunity we find compelling. We believe that investors who lack the courage to act on their convictions are destined for mediocrity.

Innovative Thinking

Our willingness to think outside the box allows us to identify unusually compelling investment opportunities. This has been an important part of our competitive edge and our long-term success.

Broad Access to Talent

Accessing investment talent from outside firms, via mutual funds and private investment vehicles, allows us to incorporate a high level of expertise in a variety of asset classes that would otherwise not be available from a single firm.

Investment Process

Asset Allocation

Investment portfolios take into account both short-term downside risk and potential long-term returns and are implemented using the following steps:

- For each client, we identify an appropriate target mix of investments based on their return objectives, risk preference, time horizon, cash flow requirements and any other relevant circumstances.
- We make periodic “tactical” adjustments to the asset mix when we are highly confident that by overweighting certain investments we can improve return potential and/or reduce portfolio risk.
- We analyze a range of economic scenarios to assess the potential impact of any tactical decision on overall portfolio risk.

Manager Selection

Our asset allocation targets are met using investment managers that we are highly confident will beat a comparable index over the long term. Our manager selection process involves extremely thorough due diligence on the management team, investment process, company culture, and performance results.

Our selection process includes the following steps:

- We apply quantitative screens (such as performance, fees, asset levels) to narrow the very large universe of investment managers to a subset meriting further research.
- We conduct extensive qualitative due diligence, including analysis of manager site visits and review of numerous personal interviews with the manager, team, and analysts.
- We select and monitor only a small number of managers in each asset class who we have determined use an investment process with an identifiable and sustainable competitive edge.



Individuals & Families

Stapp Financial was originally founded to serve the needs of individuals and families. Today, we continue to focus on clients in various stages of life and with different sources of personal wealth.

Many of our individual clients identify with one or more of the following profiles:

Busy Lives

Individuals whose busy lives limit their ability to devote sufficient time and attention to their financial affairs welcome the opportunity to delegate day-to-day investment management decisions. We assist with the consolidation of investment accounts and create and manage an overall investment strategy that supports their financial goals.

Change in Lifestyle

For people who are experiencing significant changes in lifestyle, such as retirement or a career change, we evaluate their financial situation and ensure their assets are managed to best support their cash flow and tax management needs.



New Wealth

Those who experience sudden wealth through events such as an inheritance, the sale of a privately held company, or stock option exercises have unique investment management needs. We help these clients establish long-term goals, develop a diversified investment strategy for their assets, and integrate tax planning, estate planning, and other financial considerations into the relationship.



Reputation

Our approach to investment management includes the following specific services that benefit our clients:

Determine an Appropriate Investment Strategy

We identify an investment strategy that is consistent with each client's specific financial goals and tolerance for risk. We then create an Investment Policy Statement, which provides the roadmap for ongoing portfolio management decisions.

Create a Portfolio Transition Strategy

Once a suitable strategy is defined, we transition a client's investments into the newly defined portfolio, taking into account tax ramifications and the client's sensitivity to the sale of certain securities.

Plan for Cash Flow Needs

We help clients arrange automatic contributions into their investment accounts for ongoing savings, or regular distributions from their accounts to meet ongoing income needs.

Minimize Taxes

We are proactive in identifying opportunities to minimize taxes. For example, we allocate investments that incur higher taxes to tax-deferred accounts, favor long-term over short-term capital gains, and harvest capital losses to offset gains when prudent. Since we are tax advisors to many of our clients we structure their portfolios to achieve the most tax efficient results.

Monitor and Rebalance the Portfolio

We regularly review and monitor the investments we have selected, and make asset-class and manager changes when our research dictates. We rebalance portfolios when we consider it advantageous, direct cash inflows into underweighted and undervalued asset classes, and take distributions from over weighted and overvalued asset classes.

Coordinate with Other Professional Advisors

When applicable, we coordinate with our clients' estate planning attorneys to ensure that estate documents, investment account beneficiaries, and legal powers are arranged appropriately.



Non-Profits and Businesses

Our extensive experience in working with non-profit and for-profit organizations allows us to help them meet many of their key goals and objectives, including:

- Fulfilling the fiduciary responsibility for prudent investment management
- Supporting funding and planning goals by balancing income and capital growth objectives
- Maximizing investment returns within a defined level of risk
- Preserving the long-term value of the investment assets

We serve a variety of institutional clients, including:

- Public and Private Foundations
- Endowments
- Non-Profit Corporations
- Charitable Donor-Advised Funds
- Corporate Pensions and Commingled Retirement Plans



We provide the following services to non-profit and business clients:

Combine Investment Consultant and Investment Manager Responsibilities

In a role similar to that of an investment consultant, we are responsible for constructing asset allocation models and performing in-depth manager due diligence. As the investment manager, we implement all investment decisions and take full accountability for the results.

Define Investment and Risk Objectives

We work closely with investment committee members to define realistic investment objectives and risk guidelines that support the goals of the organization.

Implement and Adhere to Investment Policy Guidelines

We implement and monitor an appropriate risk/return strategy for the portfolio. We outline the specific investment objectives, asset allocation ranges, and performance benchmarks in a detailed Investment Policy Statement. This document serves as the roadmap for ongoing investment decisions, and is reviewed and revised as the organization's needs change.

Provide Performance Benchmarks

We establish a performance benchmark appropriate to the selected portfolio strategy. This allows our clients to measure the value we add.

Participate in Committee Meetings

We frequently participate in investment committee meetings to review the portfolio and provide investment market updates.



A Culture of Integrity and Excellence

We believe our most valuable assets are the people that make up Stapp Financial and the strong reputation for integrity and excellence that we have earned over the years in our relationships with our clients. This reputation has been established by emphasizing core values and integrity in delivering services to our clients. We strive to be known as our clients' "trusted financial advisor".



Contact Us

More detail may be helpful in deciding whether to hire Stapp Financial. Please contact us, or visit our website at www.stappfinancial.com, to learn more about the following topics:

- Financial Planning
- Detailed Investment Management Process
- Client Newsletter and Communications
- Prime Plus Services
- Stapp Financial Team
- News & Advice

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