



PEBBLE VALLEY
WEALTH MANAGEMENT

Pebble Valley Wealth Management Overview

Kirk A. Kreikemeier, CFP[®], CFA, FSA – Principal and Advisor
Bre Robinson – Client Service and Operations Manager

4365 Lawn Avenue, Suite 5
Western Springs, IL 60558
708-246-2366

kirk@pvwealthmgt.com | bre@pvwealthmgt.com

Why Work with a Financial Advisor?

- Help see your complete financial picture and create a proactive plan, avoiding reactionary decisions.
- Help alleviate worries by identifying and responding to top financial concerns.
- Incorporate all financial aspects (retirement planning, college savings, tax benefits, legacy gifts, etc.) in addition to investment management.
- Quantify and detail how decisions today might impact financial security in future.
- Receive regular updates on overall financial plan, portfolio and the economy.

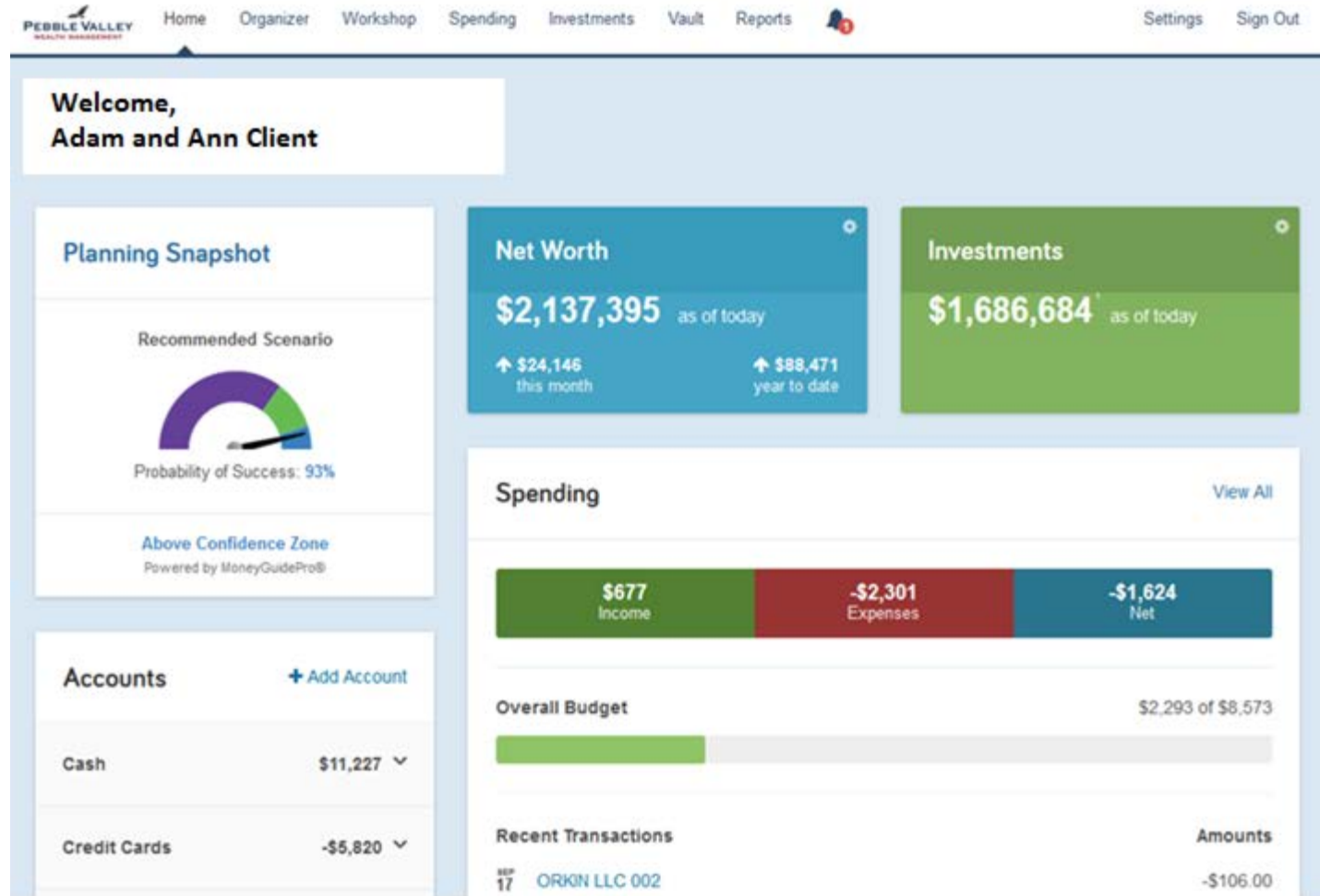
Why Choose Pebble Valley Wealth Management?

- We organize your finances, manage assets and create a plan to provide peace of mind.
- We look beyond investments to overall asset allocation, tax-deferred choices, retirement planning, college savings, estate planning, and protection needs.
- We listen to your concerns and goals and provide recommendations to act upon.
- We provide rigorous analysis from a credentialed professional using various disciplines.
- We provide an online tool - PVWM Portal - to help manage your financial life.
- We provide prompt responses to your questions as issues and concerns arise.

Overview of Pebble Valley Wealth Management

- We work for you, not a product provider, to manage your financial life.
- We are a fee-only advisor (not fee-based) so our compensation comes only from you.
- We are an IL Registered Investment Advisor working as fiduciary for all your accounts.
- Kirk has key professional designations and institutional experience for rigorous analysis
 - Certified Financial Planner (CFP®) – Competency in all financial planning areas
 - Chartered Financial Analyst (CFA) - Economics and portfolio management
 - Fellow Society of Actuaries (FSA) - Insurance, investments, pension, Social Security
- Bre has 20+ years experience in the financial services industry, as well as her MBA.
- All accounts remain legally titled in your name at the custodian (TD or Schwab).
- Legal and Regulatory – see binder for copies of ADV, Privacy Policy, Client Agreement.

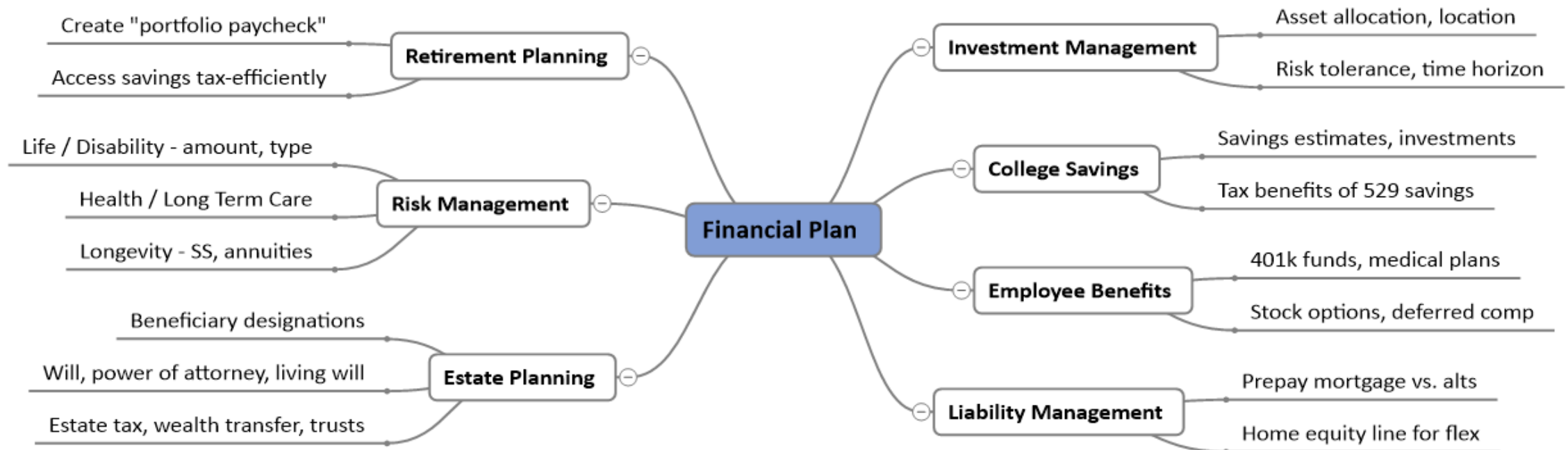
PVWM Portal



- Summarizes all financial information to help simplify and organize your financial life.
- Includes financial plan, portfolio overview, performance reports and spending and budgeting tools.

Financial Plan Components

- We discuss and analyze various areas of your financial life with sophisticated financial planning software to assess your financial security.
- We understand the sensitivity of different assumptions and provide guidance on inputs.



Financial Plan Goal Setting

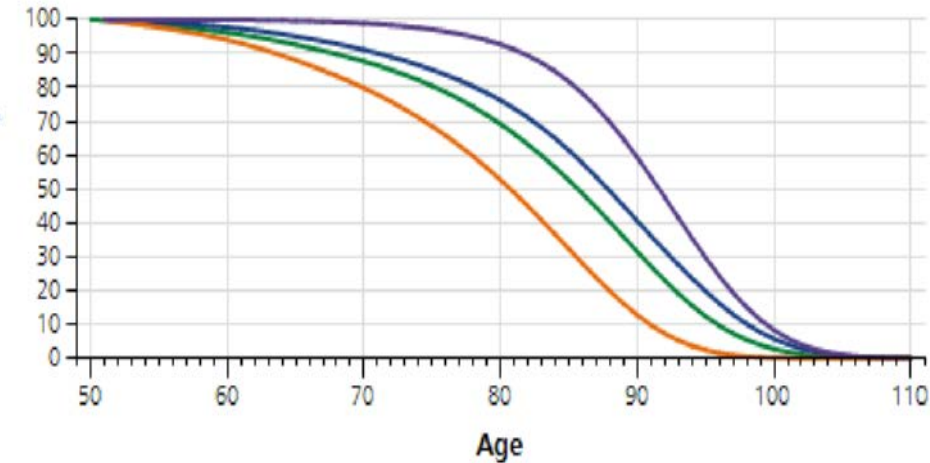
10 Retirement - Living Expense



2032) 67
 (2032) 68
 Both Retired (2032-2058) \$100,000
 Mortgage Reduction of \$16,032 (2040)
 Reduce Yr 1 Rtmt Exp by 10% Reduction of \$9,000 (2046)
 Alone Retired (2059-2059) \$100,000
 Base Inflation Rate (3.00%)

How long should money last?

Life Expectancy Graph - Non-Smoker



10 Health Care



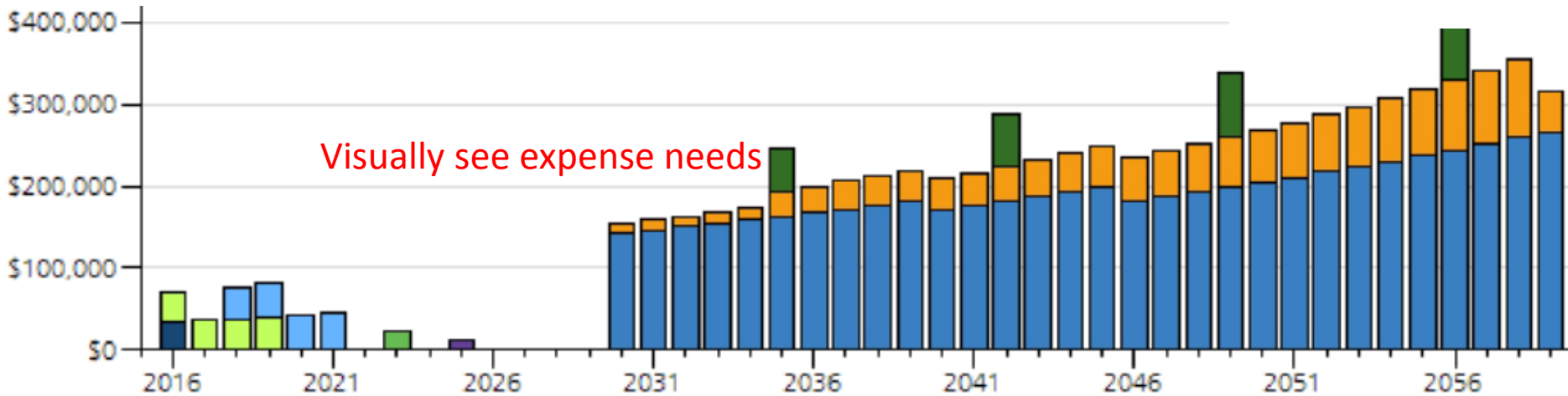
Both Medicare (2032-2058) \$12,199
 Alone Medicare (2059) \$6,000
 Base Inflation Rate plus 2.00% (5.00%)

Identify expense amounts with appropriate inflation

9 Wedding



In 2023 \$20,000
 Base Inflation Rate (3.00%)



Visually see expense needs

Financial Plan Results

| Goals | Normal Retire, SS | | Delay SS, +\$10k Exp | | Port Return 1% Less | |
|---|-------------------|------------|----------------------|------------|---------------------|------------|
| | Average Return | Bad Timing | Average Return | Bad Timing | Average Return | Bad Timing |
| All Goals | 100% | 100% | 100% | 100% | 100% | 97% |
| Safety Margin (Value at End of Plan) | | | | | | |
| Current dollars (in thousands) : | \$1,658 | \$952 | \$1,425 | \$587 | \$816 | \$163 |
| Future dollars (in thousands) : | \$6,087 | \$3,494 | \$5,233 | \$2,154 | \$2,995 | \$599 |

| Monte Carlo Results | Likelihood of Funding All Goals | | | | | |
|---------------------|---------------------------------|--|--|--|--|--|
|---------------------|---------------------------------|--|--|--|--|--|

Your Confidence Zone: 70% - 90%



| Event or Ages | Year | Earmarked | Fund All Goals | Additions To Assets | Other Additions | Post Retirement Income | Investment Earnings | Taxes | All Goals | Ending Portfolio Value |
|---------------|------|-----------|----------------|---------------------|-----------------|------------------------|---------------------|-------|-----------|------------------------|
| 51 / 52 | 2016 | 277,830 | 1,328,726 | 45,000 | 0 | 0 | 107,862 | 554 | 70,000 | 1,688,864 |
| 52 / 53 | 2017 | 260,053 | 1,428,811 | 45,240 | 0 | 0 | 115,760 | 589 | 36,750 | 1,812,524 |
| 53 / 54 | 2018 | 259,477 | 1,553,047 | 45,485 | 0 | 0 | 121,453 | 625 | 77,175 | 1,901,662 |
| 54 / 55 | 2019 | 215,655 | 1,686,007 | 45,734 | 0 | 0 | 127,286 | 650 | 81,034 | 1,992,998 |
| 55 / 56 | 2020 | 164,707 | 1,828,291 | 34,989 | 0 | 0 | 135,407 | 691 | 42,543 | 2,120,161 |
| 56 / 57 | 2021 | 139,623 | 1,980,538 | 36,249 | 0 | 0 | 144,021 | 734 | 44,670 | 2,255,027 |
| 57 / 58 | 2022 | 110,525 | 2,144,502 | 14,000 | 0 | 0 | 154,748 | 779 | 0 | 2,422,996 |
| 58 / 59 | 2023 | 117,513 | 2,305,483 | 14,000 | 0 | 0 | 164,146 | 6,209 | 24,597 | 2,570,335 |

- Start with best estimate, then change key variables to see impact.
- See “monte carlo” results with varying investment returns.
- Detailed cash flows help clarify scenarios.

Portfolio Management Methodology

- Determine appropriate portfolio risk given needs and risk tolerance determined from research-based questionnaire and discussions.
- Construct a diversified portfolio primarily with ETFs and mutual funds across different asset classes.
- Hold securities in appropriate account types based on tax benefits but view on a combined basis for overall asset allocation.
- Manage accounts for specific goals - retirement, college, specific purchase – while mindful of cash needs for emergencies.
- Use option strategies in conservative ways if interested.

Portfolio Management Reports

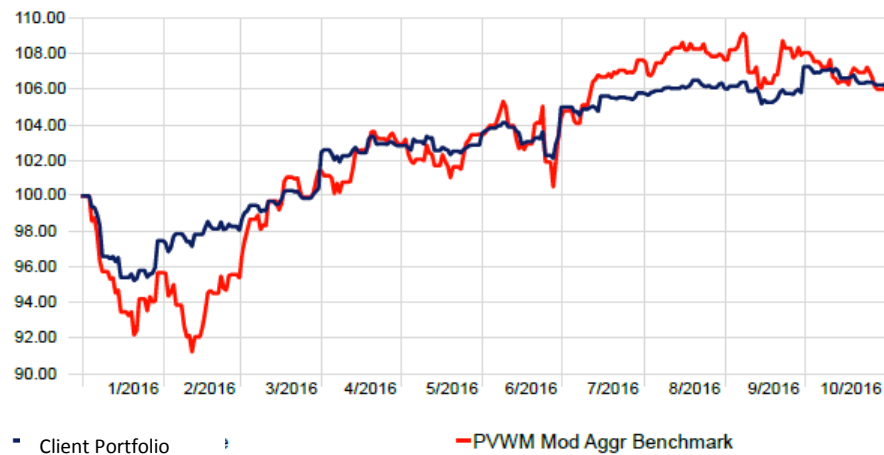
Portfolio Balance Summary

Time Period: 1/1/2016 to 10/31/2016

| | |
|--------------------------------|--------------|
| Beginning Market Value | 1,722,466.46 |
| Net Investment | 77,456.15 |
| Period Investment Gains/Losses | 122,528.10 |
| Management Fees | -9,274.80 |
| Total Ending Value | 1,913,175.91 |
| Time Weighted Return % | 6.29 |
| Benchmark Return % | 6.11 |

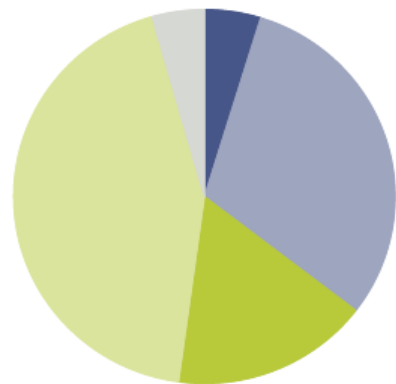
Cumulative Portfolio Return

Time Period: 1/1/2016 to 10/31/2016



Portfolio Asset Allocation

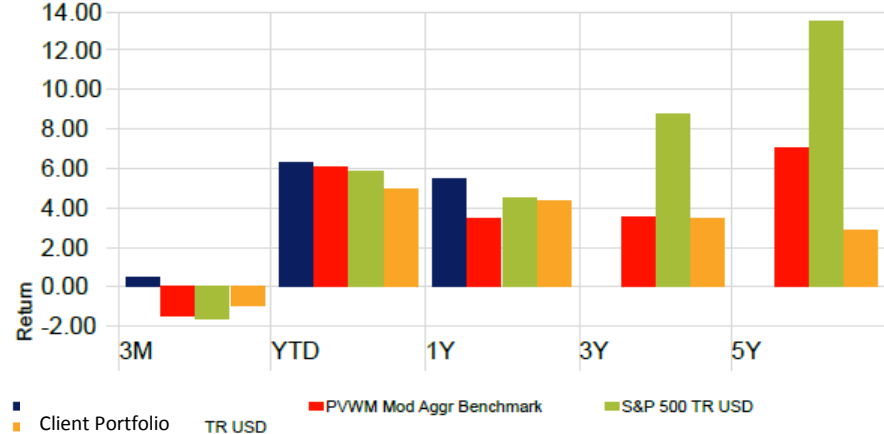
As of Date: 10/31/2016



| | % |
|----------------|--------|
| • Cash | 4.77 |
| • US Stock | 30.65 |
| • Non US Stock | 16.75 |
| • Bond | 43.41 |
| • Other | 4.42 |
| Total | 100.00 |

Portfolio Return vs. Benchmark (Annualized > 1Yr)

As of Date: 10/31/2016



- Clients will receive informative reports monthly with portfolio performance vs. custom target benchmark.
- The reports will provide summary views along with supporting detail.

Service Offerings

| Service Offerings: | Comprehensive Financial Management | Investment Management Only | Financial Planning Only | Automated Investment Management | Retirement Plan Consulting |
|--|--|---|--|---|----------------------------|
| Summary: | Complete Wealth Management | Portfolio Management with Tax Awareness and Option Strategies | One-time Review of Financial Situation | Basic Portfolio Management with Cost Efficiencies | Small Business |
| Managed Accounts Minimum: | \$250,000 | \$125,000 | N/A | \$5,000 | N/A or Asset Size |
| Risk Tolerance Mapping: | Extensive Questionnaire | Extensive Questionnaire | Extensive Questionnaire | Limited Questions | Limited Questions |
| Investment Management: | | | | | |
| Asset Allocation | Major & Minor Asset Class; Accounts Aggregated | Major & Minor Asset Class; Accounts Aggregated | Major & Minor Asset Class; Accounts Aggregated | Major Asset Class; Single Account Level | Major Asset Class |
| Tax Aware Asset Location | ✓ | ✓ | ✓ | | |
| Option Strategies | ✓ | ✓ | | | |
| Comprehensive Financial Management: | | | | | |
| Retirement Planning & Saving | ✓ | | ✓ | <i>additional fee</i> | |
| College Savings | ✓ | | ✓ | <i>additional fee</i> | |
| Employee Benefit Review | ✓ | | ✓ | <i>additional fee</i> | |
| Liability Management (Debt) | ✓ | | ✓ | <i>additional fee</i> | |
| Risk Management (Insurance) | ✓ | | ✓ | <i>additional fee</i> | |
| Estate Planning | ✓ | | ✓ | | |
| Fees: | 1% AUM, breaks above \$500,000 | 0.75% AUM, breaks above \$500,000 | Depends on plan, minimum of \$3,000 | 0.55% AUM, minimum \$250/year | Varies by Plan |
| PVWM Portal (Online Tool): | Investments, Financial Plan, Spending Tracking | Investments | ALL During Planning Only | N/A | N/A |
| Performance Reporting: | Monthly vs. Custom Benchmark | Monthly vs. Custom Benchmark | N/A | Custodian Statement at Account Level ONLY | Quarterly Fund Monitoring |

Annual Fees – Comprehensive
 1.00% of the first \$500,000, then
 0.85% of the next \$500,000, then
 0.70% of the next \$1,000,000, then
 0.60% of the remaining balances

- See ADV for the different service fees.

Next Steps

- Determine desired services and complete client agreement.
- Provide access to our online tool - PVWM Portal.
- Complete online risk tolerance questionnaire and data gathering including uploading documents to secure Vault.
- Establish custodian accounts and transfer assets via electronic signature.
- Analyze, recommend and implement plan and begin portfolio management.