

# **Roche**

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**Financial Partners**

## **Investment Management Process**

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## I. Fill the Buckets

Create clear, appropriate, and personalized objectives for each dollar earned, saved, or invested



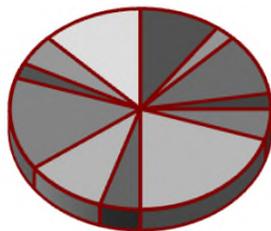
## II. Control the Controllable

We spend our time on the factors that are important and can be controlled.



## III. Multi-Level Diversification

Develop a suitable and effective investment process using broadly diversified and complimentary strategies



## IV. Stay Disciplined

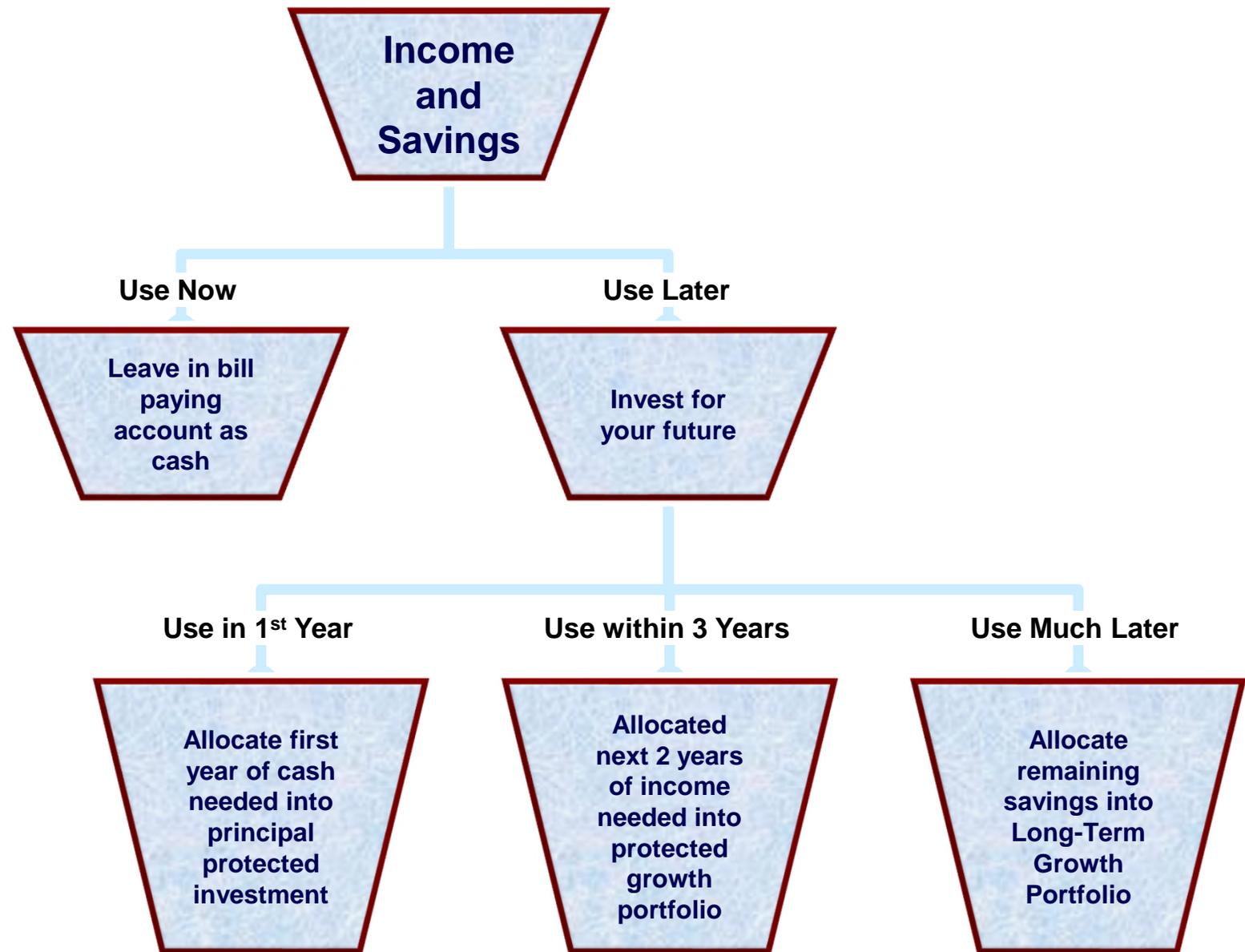
Maintain unwavering discipline to our investment process



## **I. Fill the Buckets**

Create clear and appropriate objectives for each dollar earned, saved or invested

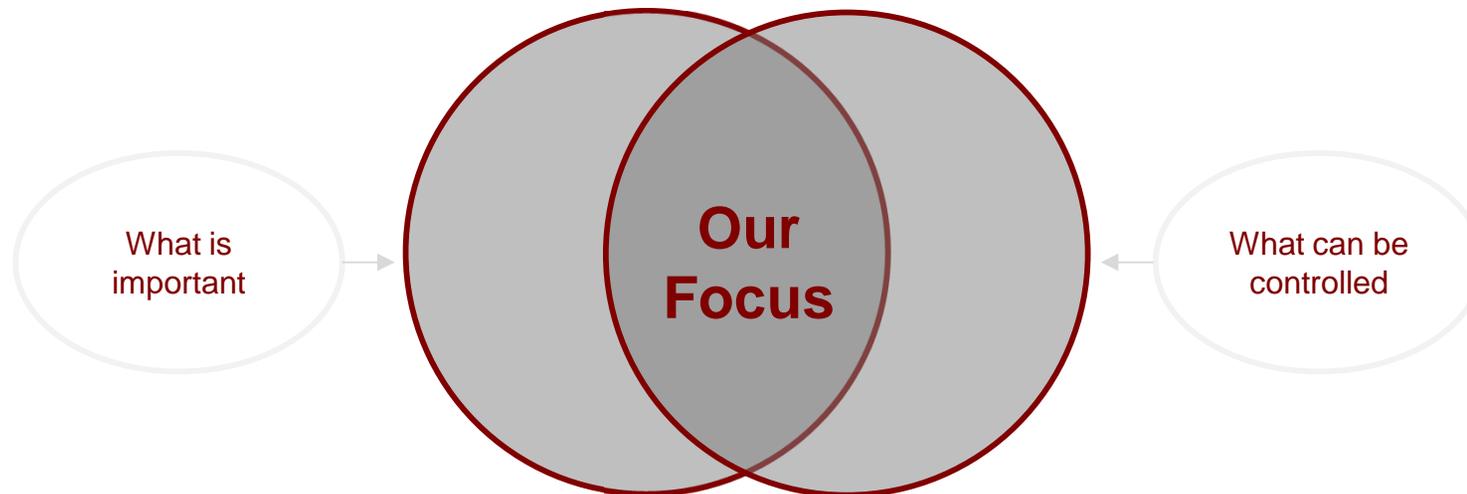
Each bucket will be appropriately invested for its purpose



## **II. Control the Controllable**

We spend our time on the factors that are important and can be controlled.

# We focus our efforts on the important factors that can be controlled

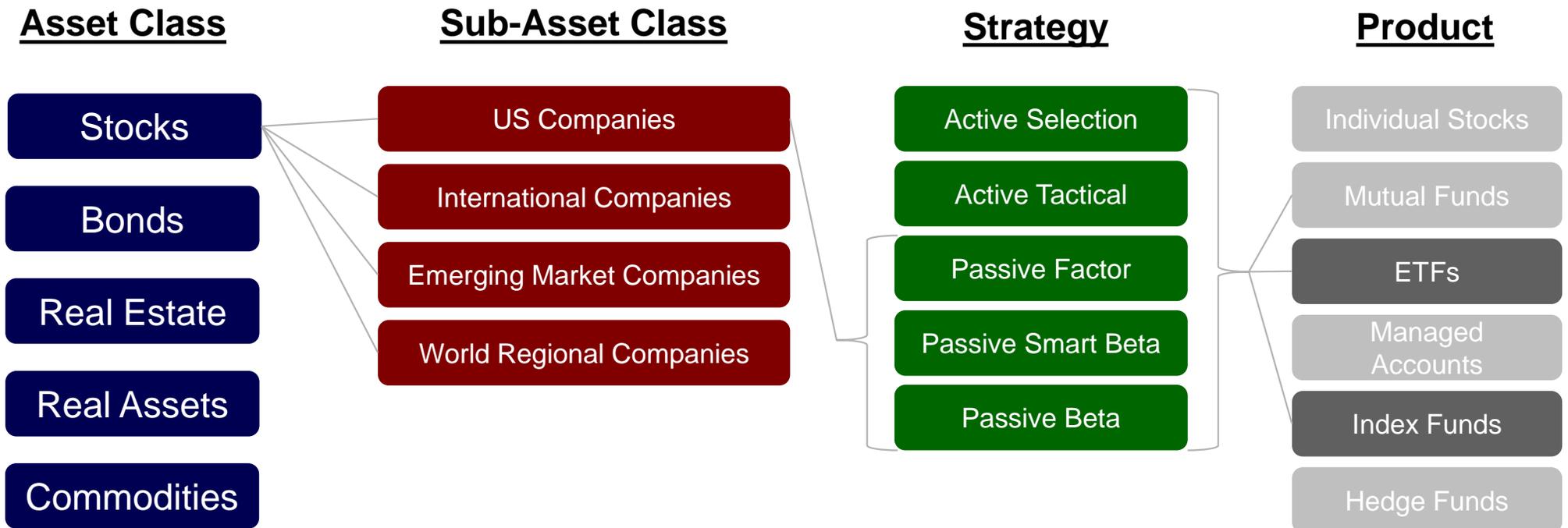


<b>Controllable and Important</b>	<b>Not Controllable or Predictable</b>
Proper strategy for when and how to use your savings	Market Returns
Choose appropriate investment strategies	Inflation
Coordinating your retirement and other accounts	Interest Rates
Choosing tax efficient investment products	Political Environment
Rebalance your portfolio when necessary	Tax Policy
Take advantage of tax reducing opportunities	Law Changes
Design an effective spending strategy	Business and GDP growth
Buy and sell products efficiently	Currency Rates
Keep your total investment fees low	Recessions

### **III. Multi-Level Diversification**

Develop a suitable and effective investment process using broadly diversified and complimentary strategies

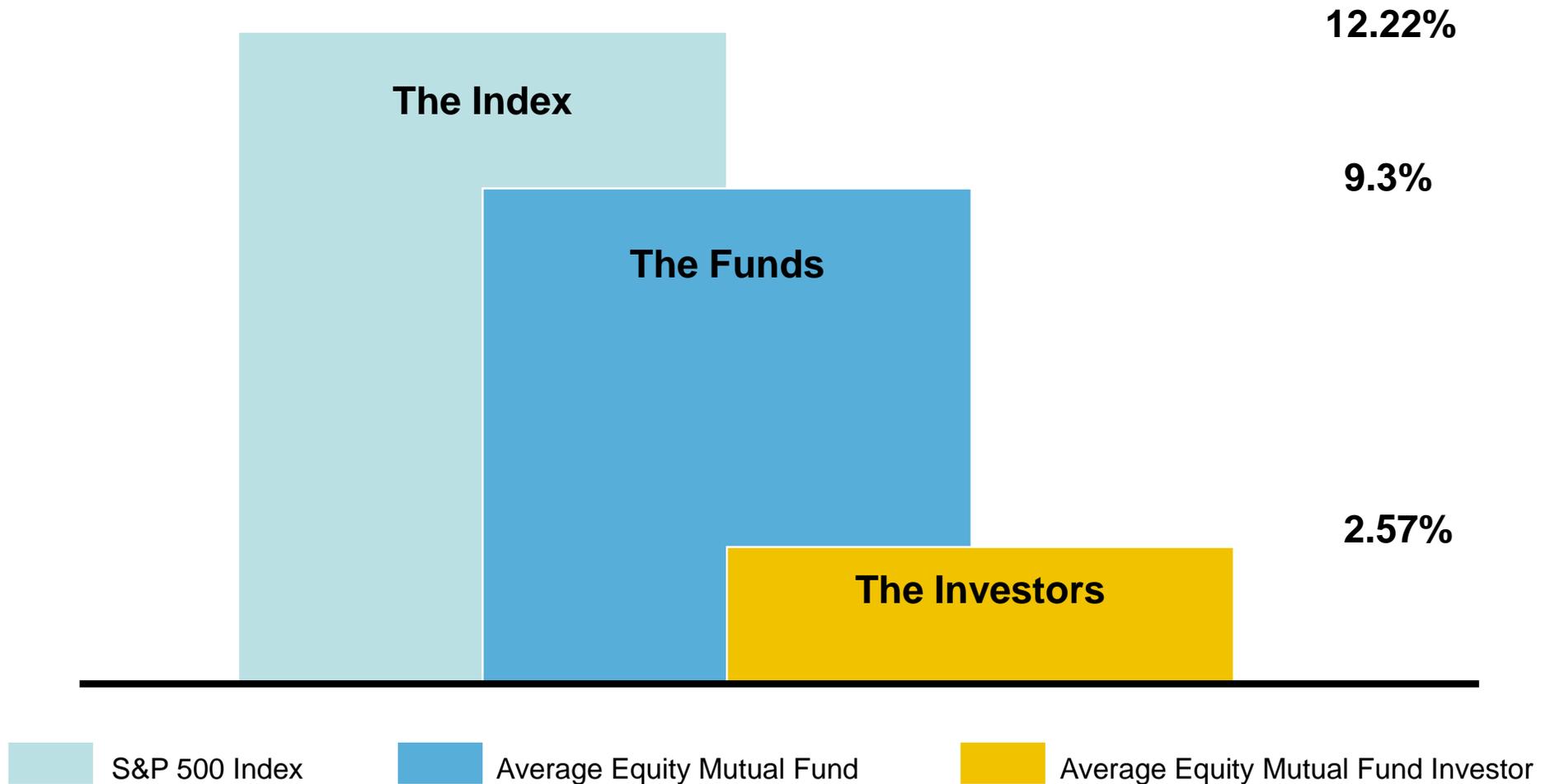
# We make sure to achieve proper “Multi-Level Diversification”



## **IV. Stay Disciplined**

Maintain an unwavering discipline to our investment process and your financial plan

### 19-Year Annualized Return (1984 - 2002)



# How You Benefit

# Roche's investment process will result in measurable benefits

Strategy	Description	Benefits
Bucket Strategy	We will put your savings into "bucket accounts" based on your current and future income needs.	Protection from market declines
Investment Strategy	We will use broadly diversified investment strategies taking into consideration total return and risk.	Up to 0.35% higher returns
Asset Location	We build separate portfolios based on the tax status of each of your accounts.	Up to 0.75% higher returns
Tax-Efficient Products	We only invest in exchange traded funds (ETFs), which are generally more tax efficient compared to mutual funds. Investing with ETFs can provide an estimated +0.7% in tax savings.	Lower Taxes
Smart Portfolio Rebalancing	We make sure we continue to review your investment buckets daily to ensure proper amounts are allocated and the risk return relationship is maintained.	Up to 0.35% higher returns
Tax Loss Harvesting	We carefully assess your portfolio to realize losses, which can offset capital gains.	Up to 0.77% higher returns
Tax Lot Optimization	We sell shares with the objective of taking losses first (short-term then long-term) and gains last (long-term then short-term) during the rebalancing process when spending withdrawals aren't required.	Lower Taxes
Portfolio Withdrawal Plan	We create a strategy for the highest after-tax withdrawal plan taking into consideration whether you should spend from taxable or tax advantaged accounts.	Up to 0.70% higher returns
Spend Only Gains	We will sell securities that have increased in value when a spending withdrawal is needed to ensure the highest realized portfolio gains.	Up to 0.35% higher returns
Effective Trading Rules	We take special care when we trade securities to make sure we receive the best possible price and most efficient execution by using block trading, limit orders, and custodian trading desks	Up to 0.10% higher returns
Minimize Investing Costs	We strive to keep your total cost of investing (Fund fees + transaction costs) to a minimum, so more money stays in your portfolio.	Up to 0.85% higher returns

# How do we quantify the value-add of best practices in wealth management

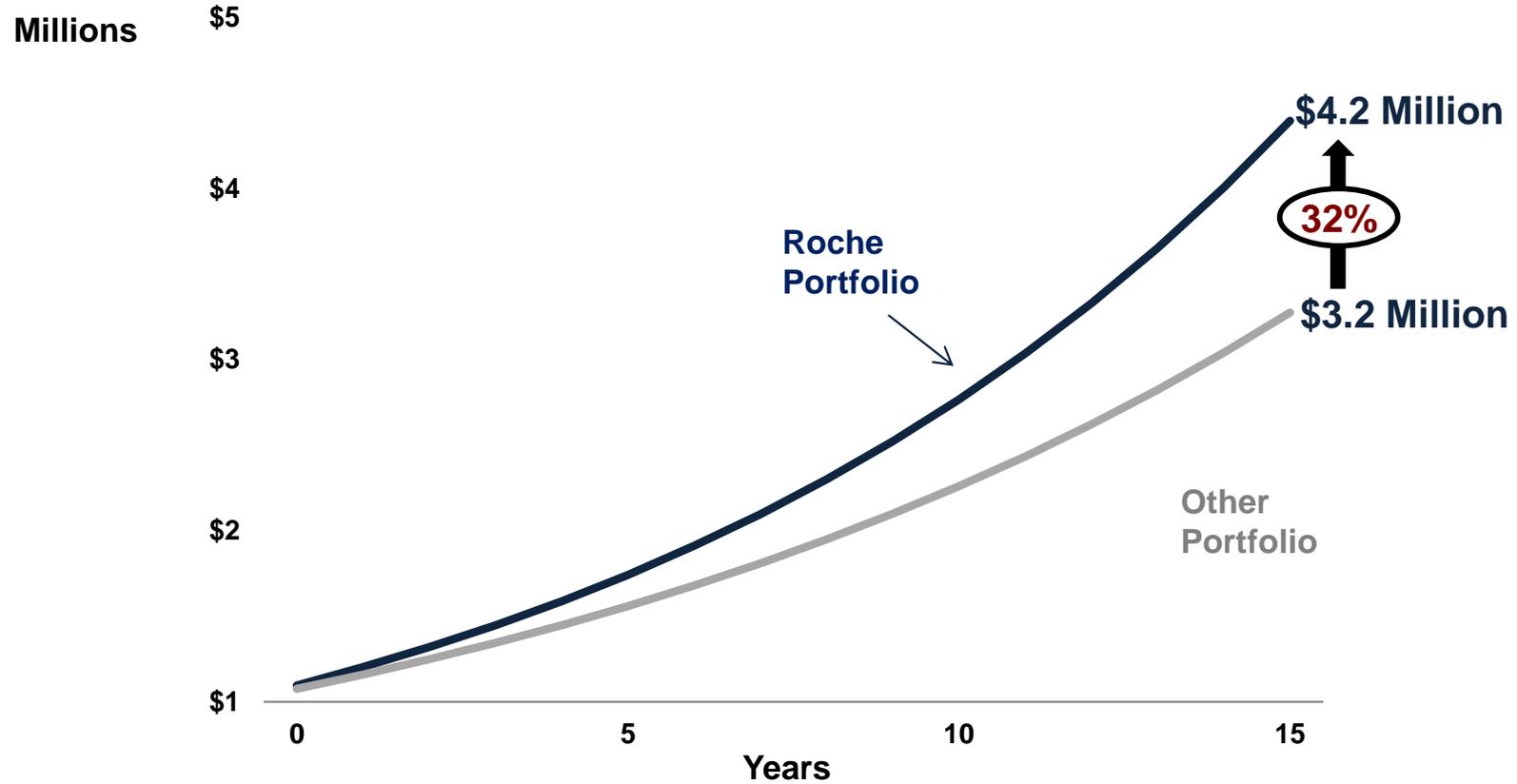
Vanguard Advisor's Alpha strategy modules	Value-add relative to "average" client experience (in basis points of return)
Suitable asset allocation using broadly diversified funds/ETFs	> 0 bps
Cost-effective implementation (expense ratios)	45 bps
Rebalancing	35 bps
Behavioral coaching	150 bps
Asset location	0 to 75 bps
Spending strategy (withdrawal order)	0 to 70 bps
Total-return versus income investing	> 0 bps
Potential Value added	"About 3%"

**Notes:** Return value-add for Modules I and VI was deemed significant for each investor to quantify. We did not sum the values for "Potential value-added" because there can be interactions between the strategies.

**Source:** Vanguard

**+33%**

**Investment Returns Over Time**  
**Future Value of \$1M over 15 years**



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**Allow Roche to help you achieve the fullest potential from your savings and investments.**

**Contact Us Today!**

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