

Comprehensive

FINANCIAL PLANNING

INC.

Comprehensive Financial Planning, Inc.

Investment Management Services

1075 Main Ave Suite 216

Durango, CO 81310

970-385-5227 CompFinancial.com



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Investment Management Services

Company:

Fee-only, independent Registered
Investment Advisor

History:

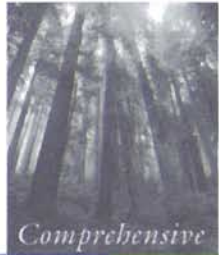
Founded in 2003

Ownership:

100% family owned

Clients:

Individuals, small business owners and
non-profits



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What separates us from the herd?

► Independence

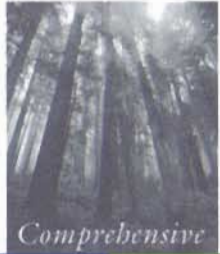
We don't work for a Broker/Dealer, insurance company, mutual fund or anything else

Who do we work for? We work for you!!

► Fee-Only Compensation

We receive no commissions, referral fees or any other form of compensation from any 3rd parties

► Comprehensive Financial Planning



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Qualifications

- ▶ Registered Investment Advisor

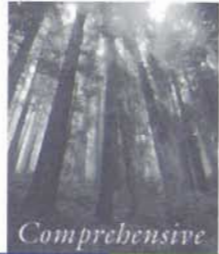
Not a “Registered Representative”

- ▶ Passed Certified Financial Planner Board of Standards Certification Exam

- ▶ What resources do I use?

NAPFA, fee-only advisors

Independent partners



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Investment Approach

- ▶ A disciplined long-term approach.
- ▶ Manage risk using multiple asset classes and styles
- ▶ Global diversification.
- ▶ Use no-load mutual funds.
- ▶ Same approach I use for my own accounts.

We eat our own cooking!



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Benefits for You

- ▶ Continuous professional management.
- ▶ Portfolio returns calculated and compared to blended benchmark.
- ▶ Low brokerage fees.
- ▶ Low mutual fund expenses.

Loads waived on loaded funds

Institutional class shares an individual can't get into

Portfolio expense ratios range from about 0.8 to 1.1% per year.

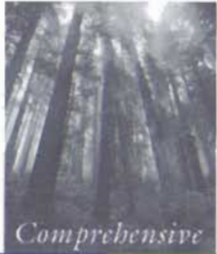


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Client-Driven Risk Assessment

- ▶ **Client-driven** – Client information and discussion drive risk/return assessment
- ▶ **Threshold for Loss** – Each portfolio has a one-year loss threshold.
- ▶ **Investment Policy** – IPS outlines risk/return, asset allocations, objectives and constraints.
- ▶ **No Guarantees** – No guarantee that risk thresholds can be avoided.

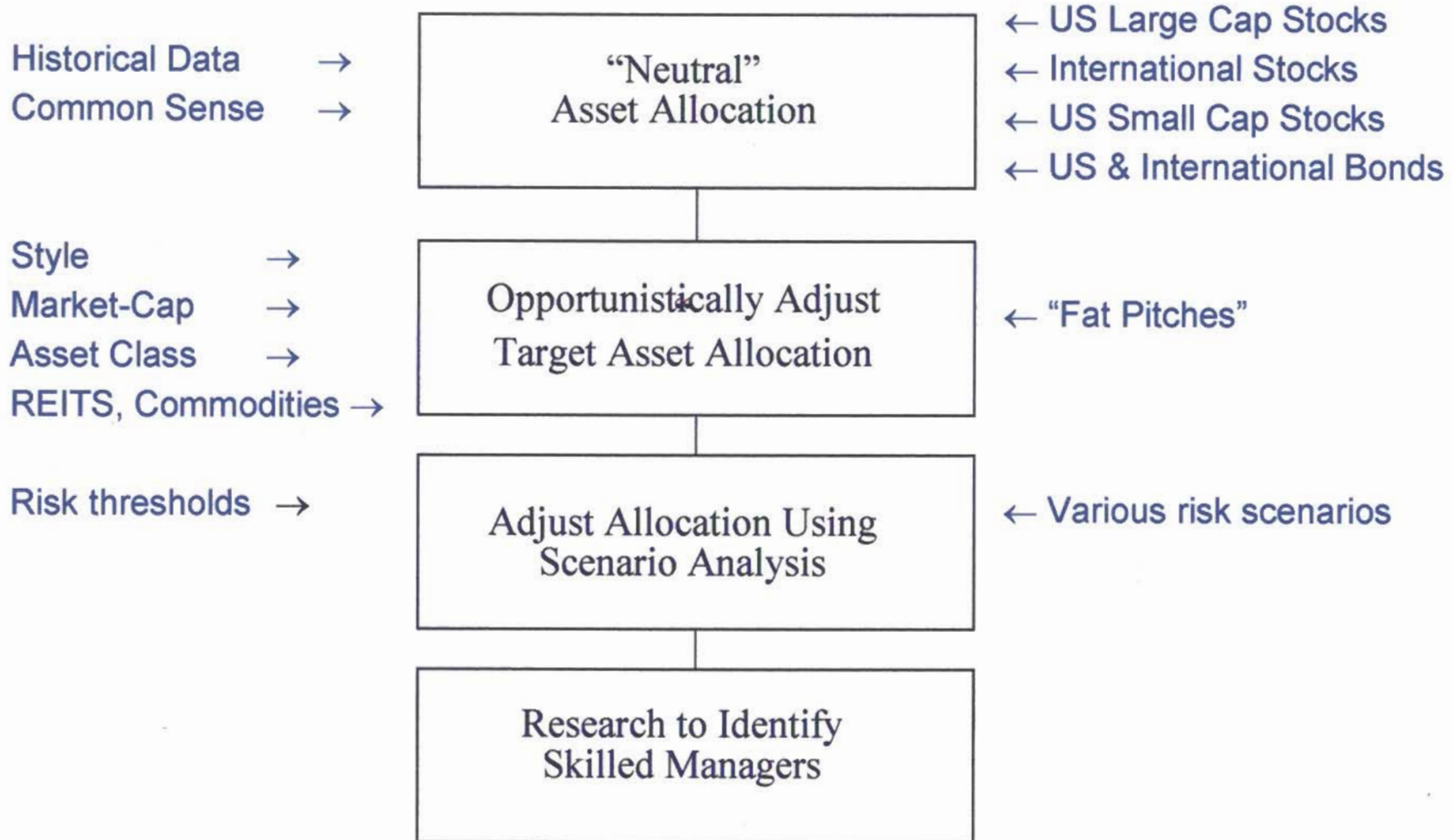


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Investment Process- Four Steps





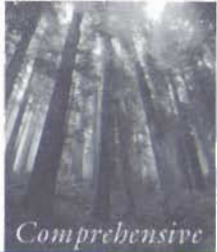
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Step 1-Neutral Allocation

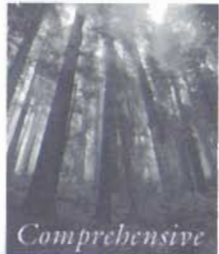
- ▶ The “static” asset allocation that is established during client-driven risk assessment.
- ▶ It provides a target allocation absent of “fat-pitch” opportunities.
- ▶ It serves as a benchmark against which to measure value added.



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Characteristics of Neutral Allocations

PORTFOLIO TYPE	RISK LEVEL		INVESTMENT ALLOCATION			
	1-Year Loss Threshold	Probability of Violating Loss Threshold	INV-GRADE BONDS	LARGE-CAP STOCKS	SMALL-CAP STOCKS	FOREIGN STOCKS
Conservative Balanced	-5%	2.2%	60%	30%	5%	5%
Balanced	-10%	1.4%	40%	40%	8%	12%
Equity-Tilted Balanced	-15%	0.9%	25%	50%	10%	15%
Equity	-20%	1.2%	0%	65%	15%	20%



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Step 2-Target Allocation

- ▶ **“Fat-Pitch” Opportunity** — An extreme undervaluation or overvaluation of an asset class or style.
- ▶ **Alternative Asset Class Options** — Asset classes not included in the neutral allocations. (REITS, commodities)
- ▶ **Patience** — Requires waiting for fat-pitch opportunities and not swinging at bad pitches.
- ▶ **Adding Value** — High odds of being right over a market cycle.



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Adjust Allocation Using Scenario Analysis

- ▶ **Threshold for Loss**

Each portfolio has a one-year loss threshold.

- ▶ **Periodic Use of Risk Scenarios**

If risk is in excess of the threshold, the portfolio is adjusted.

- ▶ **No guarantees**

No guarantee that risk thresholds can be avoided



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Neutral vs. Target Allocations

Asset Class Target Allocations | April 2005

	Conservative Balanced		Balanced		Equity-Tilted Balanced		Equity	
	Neutral Benchmark Weight	Current Target Weight	Neutral Benchmark Weight	Current Target Weight	Neutral Benchmark Weight	Current Target Weight	Neutral Benchmark Weight	Current Target Weight
Cash	0	8	0	8	0	2	0	0
Investment Grade Bonds	60	35	40	19	25	10	0	0
High-Yield Bonds	0	0	0	0	0	0	0	0
International Bonds	0	10	0	6	0	5	0	0
Larger-Cap U.S. Stocks	30	26	40	35	50	45	65	55
Smaller-Cap U.S. Stocks	5	6	8	10	10	12	15	15
International Stocks	5	5	12	12	15	16	20	20
Commodities	0	10	0	10	0	10	0	10



Step 4- Select Money Managers

Quantitative Review

- ✓ Manager Records
- ✓ Return vs. Peer Group
- ✓ Consistency
- ✓ Expenses

Available Universe

Quantitative Screens

**In-Depth Due Diligence:
Questionnaires,
Phone Interviews, and
Site Visits**

Qualitative Review

- ✓ Disciplined Approach
- ✓ Team Focus
- ✓ Stability & Culture of Organization
- ✓ Quality Team
- ✓ Shareholder Focus

**A Select Few Make the Final Cut:
Managers With A Sustainable Edge**



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Client Communication and Relationships

▶ Investment Policy Statement

Strategies customized to meet each client's goals
Reviewed at least annually

▶ Frequent communication

Monthly brokerage reports
Quarterly performance reports and portfolio appraisals
Quarterly client letter discussing outlook and strategy
Quarterly reviews in person



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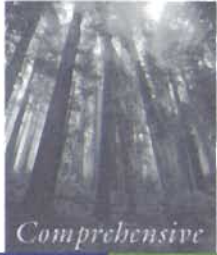
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Investment Management Fee Schedule

We are compensated based upon a percentage of assets under management.

1.0% per year for the first \$300,000
0.8% per year for the next \$300,000
0.6% for assets in excess of \$600,000

Minimum annual fee = \$1,000



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The Managing to be Wealthy System for the client

- **Making decisions with a top investment advisor adds a feeling of security**

Peace of Mind

