Comprehensive Wealth Management

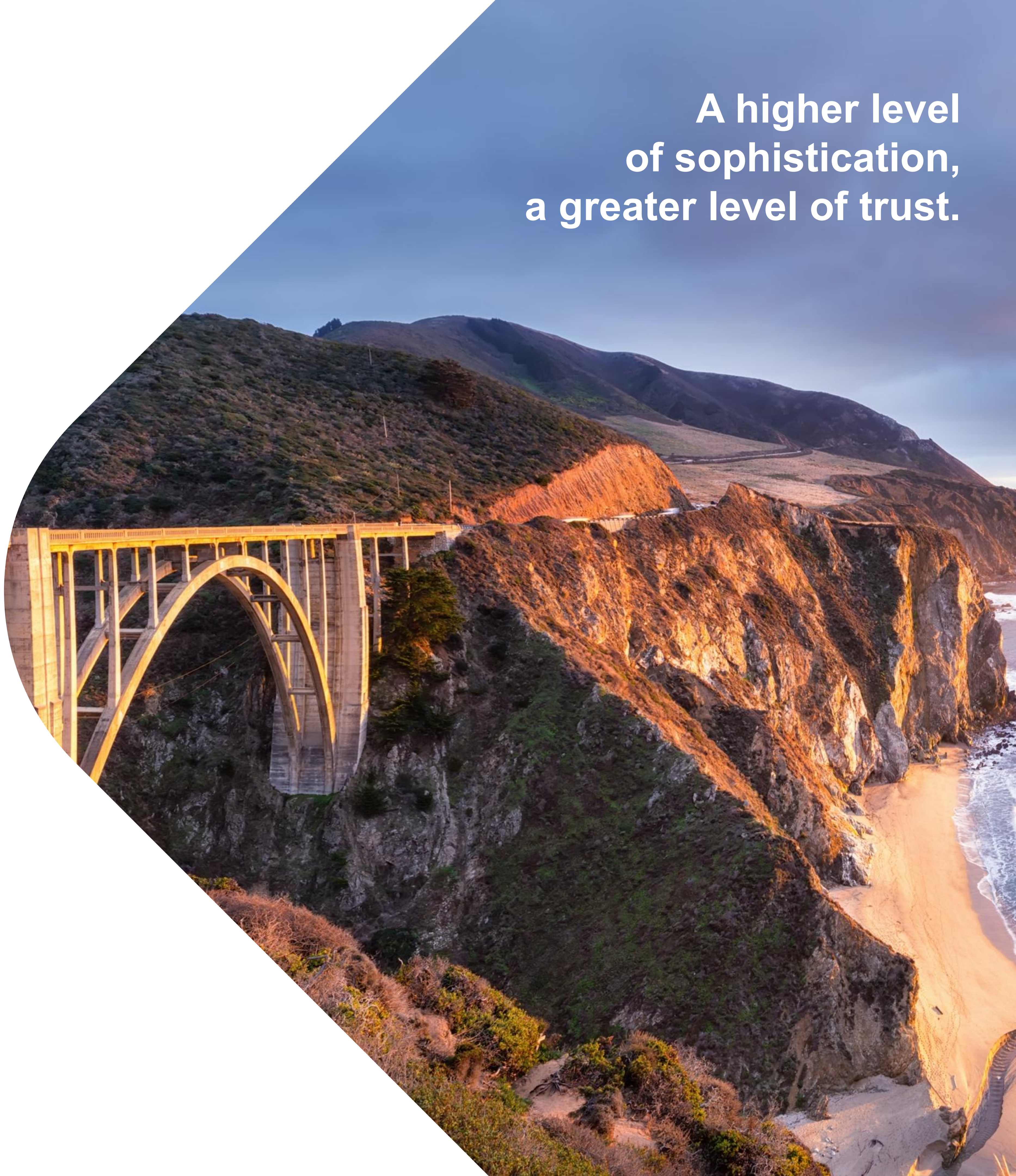
Knightsbridge

WEALTH MANAGEMENT

World of Investments

It's Your Money

October 20th 2025



450 Newport Center Drive, Suite 630, Newport Beach, CA 92660
(949) 644 4444 / www.knightsb.com / knightsbridge@knightsb.com

Ask First – John Prichard

Comprehensive Wealth Management

"Ask First!"

This form is to be filled out by any person who is offering legal, financial, retirement, insurance, accounting, estate, long-term care or similar planning services. Respond to ALL categories completely; sign and date at the bottom of the page.

① **MY EDUCATION**- I have achieved the following level of education (check HIGHEST level achieved):

☐ Some High School	☐ High School Diploma	☐ Bachelors Degree
☐ GED	☐ Some College	X Masters or other Advanced Degree

② **MY CREDENTIAL(S)**- I have the following specialized credential(s) and training (examples: CFP, ChFC, CLU, CPA, JD, MBA, years of relevant experience):

CFA: Certified Financial Analyst

③ **MY RELEVANT LICENSE(S)**- I have the following license(s) giving me the legal authority to provide the services I am offering to you (examples: bar license (attorney); securities license; insurance license):

License Type	Covers What Activities	Issued By	License No.
N/A			

④ **LEGAL SERVICES**- (Check ONE):

X I DO NOT practice law, and the services I am offering to you do not involve practicing law.

☐ I DO practice law, and have an active license to practice law in California.

☐ I DO practice law, but DO NOT have an active license to practice law in California. I am, however, under the supervision of the following attorney who has an active license to practice law in California:

Name of attorney:	Telephone:
Address:	

⑤ **OUR BUSINESS RELATIONSHIP**- Check TRUE or FALSE:

X True / ☐ False: In our business relationship, I will at all times serve as a fiduciary and put your interests before my interests and those of my employer.

⑥ **MY COMPENSATION**- I will be paid in the following way (commission, fee, salary, etc.), by the named person or company, in connection with the services I am offering to you:

Way(s) I'll Be Paid	Payment Will Be Made By (name each person or company)
Asset Based Fee which declines annually	The client

⑦ **FINANCIAL PRODUCTS / AFFILIATED ORGANIZATIONS**- Check TRUE or FALSE:

☐ True / X False: I offer or sell annuities, insurance, mutual funds or other financial products; or I am, or my employer is, affiliated with a person or organization that offers or sells annuities, insurance, mutual funds or other financial products.

⑧ ***I certify under penalty of perjury that the responses herein are true to the best of my knowledge.***

Date: 10/18/2024	Business Name: Knightsbridge Wealth Management
Signature: John Prichard	Address: 450 Newport Center Drive #630, Newport Beach CA 92660
Print Name: John Prichard, CFA	Telephone: (949) 644-4444

Knightsbridge Fee Schedule

Our declining fee structure makes sense because:

- More of the “work” is performed in the early years…we want to pass the savings on to clients
- We want to reward our most loyal clients

- **Fee Year 1:** 1.25%
- **Fee Year 2:** 1.20%
- **Fee Year 3:** 1.15%
- **Fee Year 4:** 1.10% ← *Clients with $1 million begin at this rate*
- **Fee Year 5:** 1.05%
- **Fee Year 6:** 1.00%
- **Fee Year 7:** 0.95%
- **Fee Year 8:** 0.90%
- **Fee Year 9:** 0.85%
- **Fee Year 10:** 0.80%
- **Fee Year 11 and thereafter:** 0.75%

Knightsbridge Wealth Management

John G. Prichard, CFA

PRESIDENT

John founded Knightsbridge in 1998. He is a Chartered Financial Analyst (CFA) Charterholder and earned an MA in finance and banking from Boston University and a BA in economics from the University of California San Diego.

John is a past President of the CFA Society of Orange County and served as a Trustee of the South Coast Repertory Theatre, Newport Beach Public Library and Boys and Girls Club of Laguna Beach.

Whip Your Investments into Shape

If you haven't made a ton of money on your investments the past few years, you are doing something wrong

- What are the total fees you pay?
- How much did you keep vs. pay in taxes?
- Do you own mutual funds?
- Is your cash sitting in a bank?
- Do you own anything with quarterly liquidity?

How to Earn Income

Bonds are Simple

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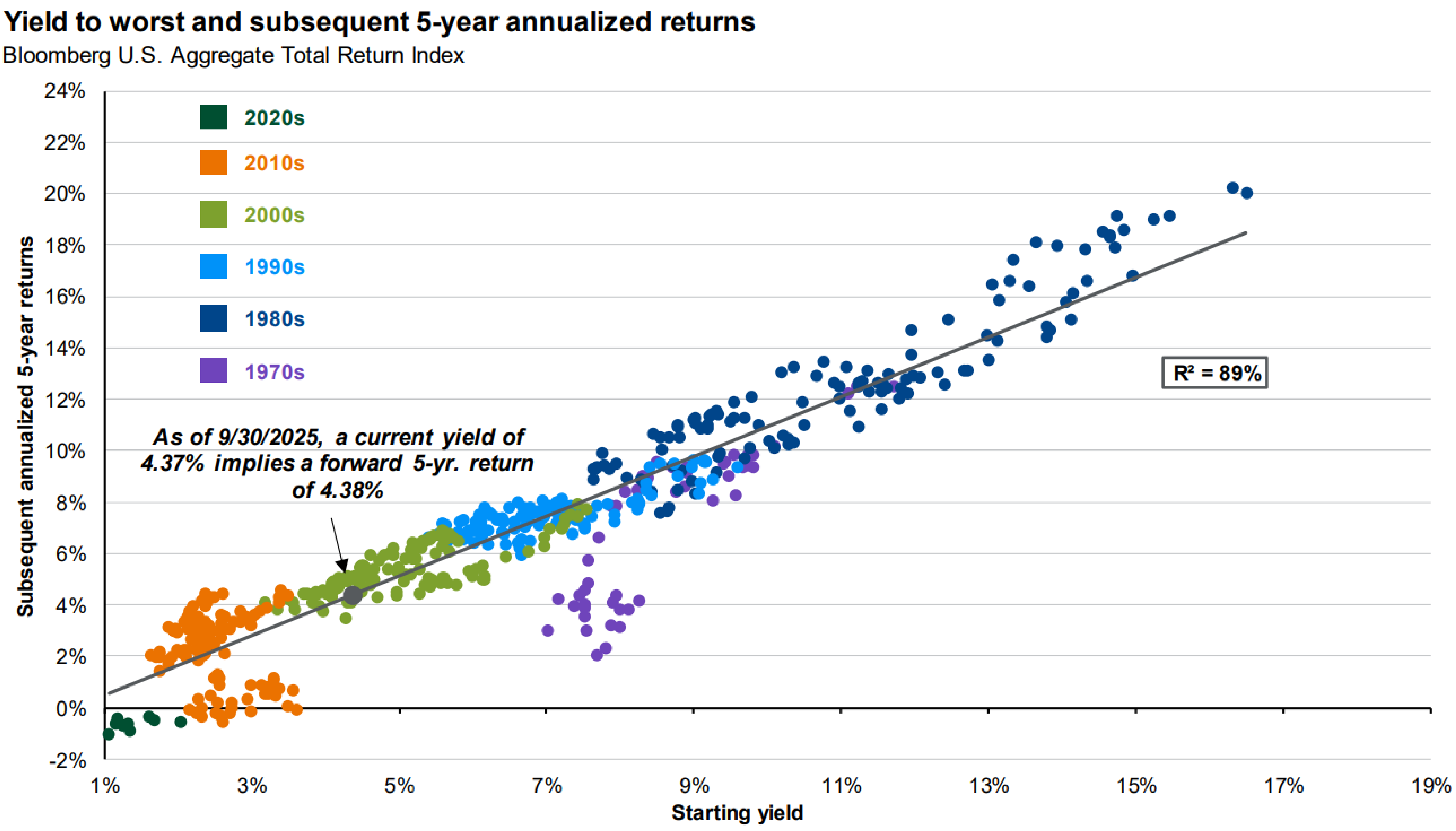

Overcome Declining Savings Rates

- **Municipal bonds:** **7-8%** tax-equivalent yield
- **Corporate bonds:** **5-6%** yield
- **Preferred stocks:** **7-8%** tax-equivalent yield
- **Interval funds:** **9-10%** with quarterly liquidity
- **Private lending funds:** **9-10%** with quarterly liquidity
- **Money market funds:** **4%** and declining
- **Big, bad greedy banks:** **2%** and declining

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Tax-Free Bonds are Attractive

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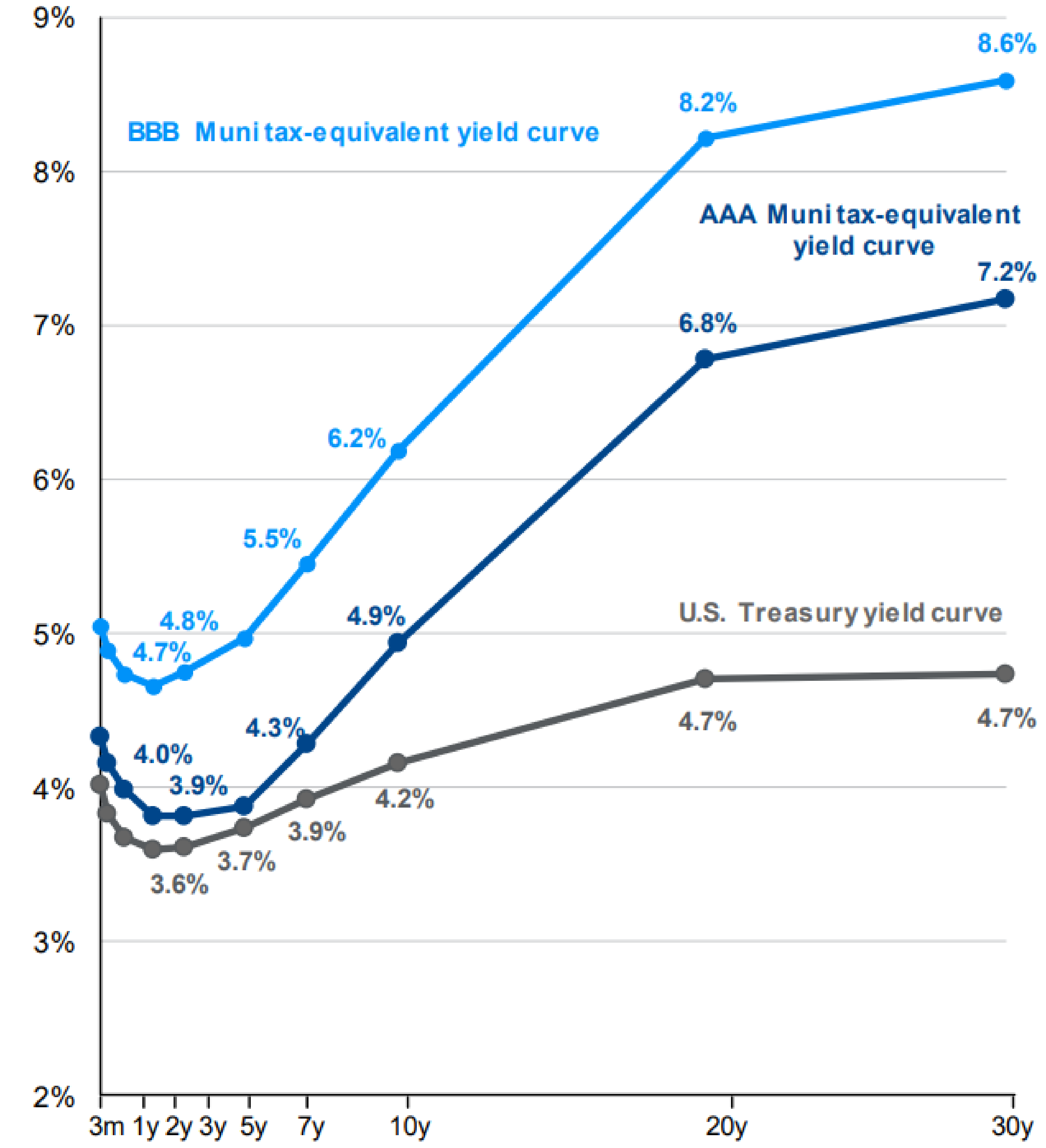
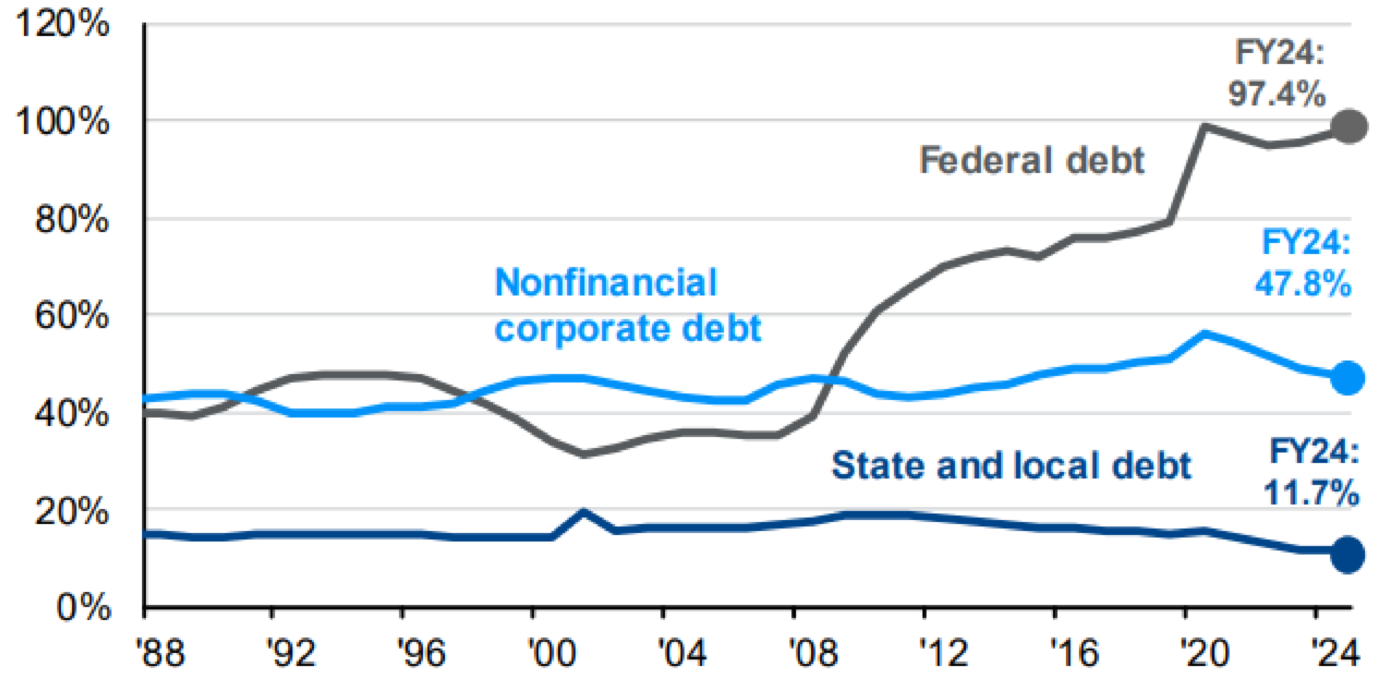
Muni tax-equivalent and Treasury yield curves



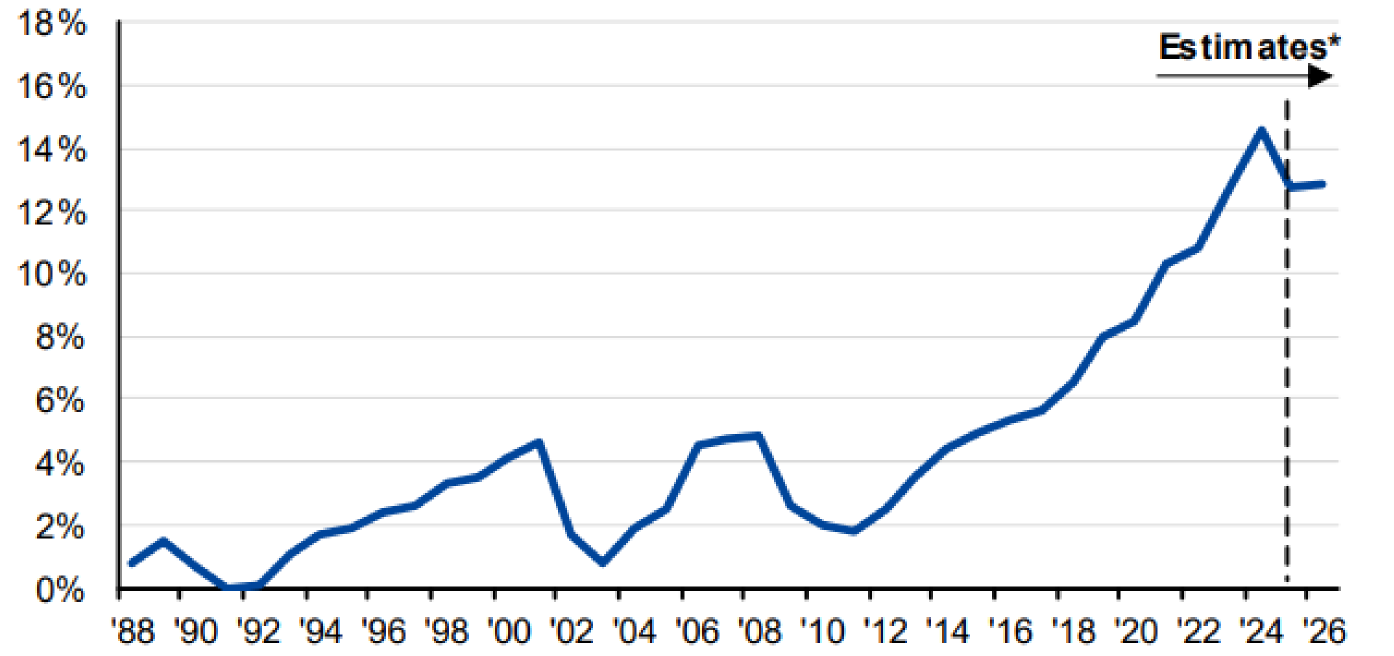
State and local, federal and corporate debt

% of GDP, 1988 - 2024, end of fiscal year



State Rainy Day Fund balances

Median savings balances as a % of total spending, 1988 - 2026, fiscal year



How to Maximize Your Income

Investment Objective	How We Do It
Minimize Cost	Own individual securities
Manage to Your Tax Bracket	Consider tax-equivalent yield specific to your tax bracket
Balance Income & Liquidity	Ladder bond maturities
Utilize Full Opportunity Set	Generate income through real estate
Identify Optimal Allocation	Match maturities to your liquidity needs

Earn Income at a Higher Level

Put Your IRA to Work

Funds with Quarterly Liquidity Pay Better

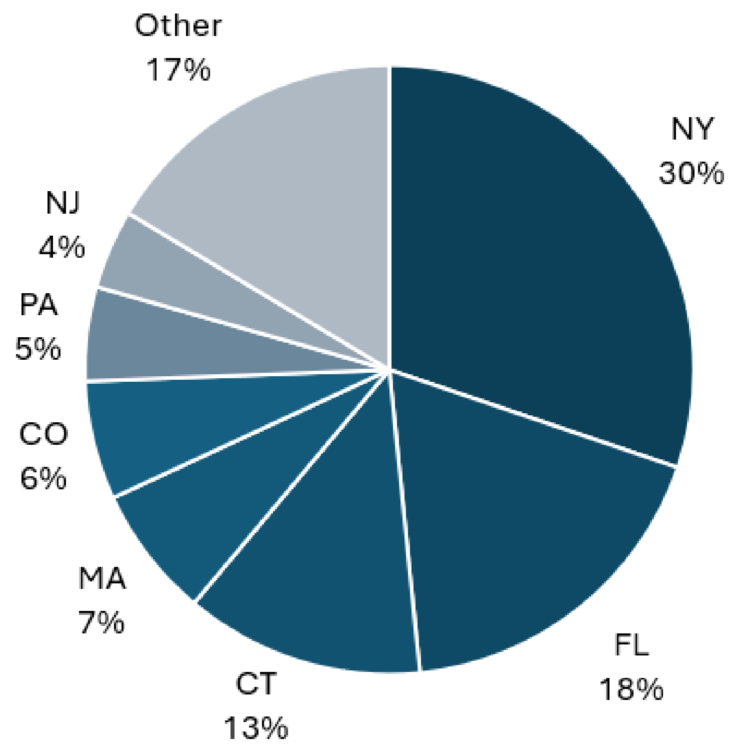
- Yields in the 9-10% range
- Receive income monthly
- Keep all your income without tax
- If you are taking RMDs you can afford quarterly liquidity
- Income funds backed by real estate and other good assets

An Income Fund We Use

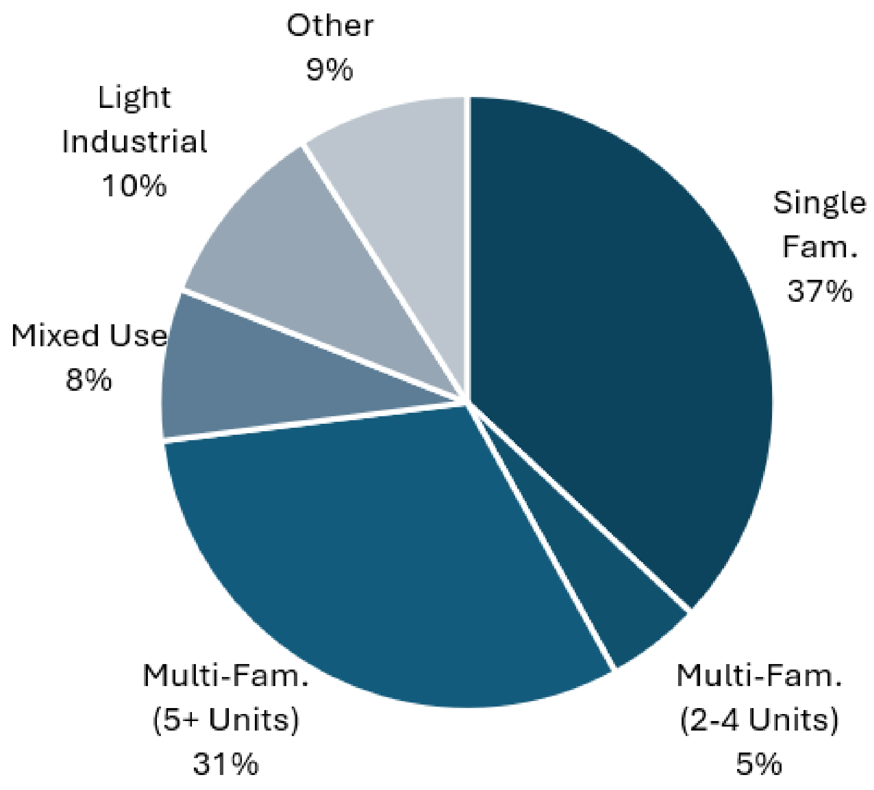
KEY FACTS

- Short-term secured loans against non-owner-occupied residential properties
- **59%** average loan-to-value
- **9.1%** annualized net return since inception
- **$1.6B+** in loans originated since 2012
- 1-year lockup then 25% quarterly redemptions

GEOGRAPHY



PROPERTY TYPE



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD*
2025	0.63%	0.64%	0.64%	0.74%	0.70%	0.80%	0.69%	0.63%					5.61%
2024	0.65%	0.91%	0.85%	0.68%	0.81%	0.79%	0.97%	0.87%	0.75%	0.98%	0.74%	0.91%	10.36%
2023	0.90%	0.72%	0.84%	0.76%	0.77%	0.81%	0.72%	0.79%	0.88%	0.73%	0.85%	0.63%	9.82%
2022	0.66%	0.56%	0.63%	0.70%	0.67%	0.64%	0.65%	0.77%	0.68%	0.94%	0.65%	0.94%	8.83%
2021	0.61%	0.70%	0.65%	0.67%	0.49%	0.87%	0.76%	0.70%	0.57%	0.62%	0.59%	0.74%	8.26%
2020	0.59%	0.59%	0.51%	0.53%	0.50%	0.55%	0.59%	0.59%	0.62%	0.69%	0.61%	0.60%	7.22%
2019	0.73%	0.93%	0.76%	0.68%	0.78%	0.71%	0.74%	0.76%	0.65%	0.72%	0.67%	0.67%	9.15%
2018	0.74%	0.78%	0.62%	0.71%	0.68%	0.70%	0.73%	0.72%	0.73%	0.76%	0.77%	0.76%	9.06%
2017	0.61%	0.72%	0.77%	0.77%	0.76%	0.84%	0.76%	0.73%	0.76%	0.76%	0.80%	0.75%	9.41%

An Income Fund We Use

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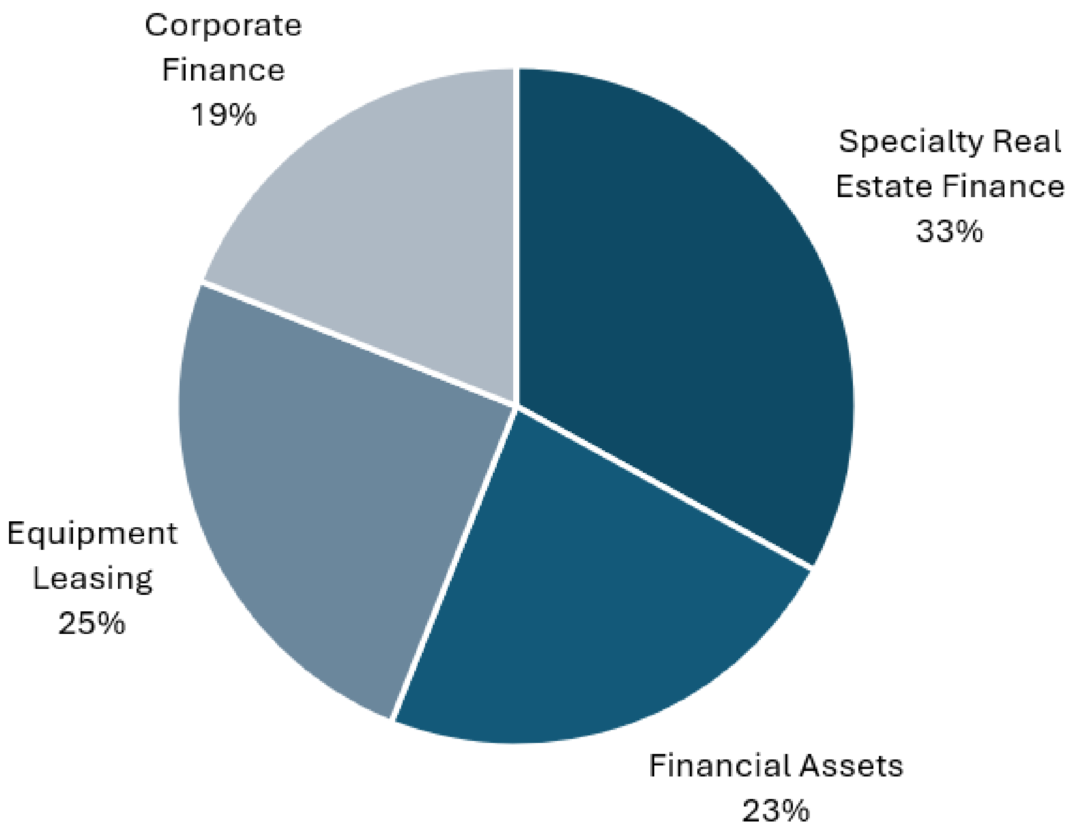
KEY FACTS

- Short-term, senior-secured loans against business assets
- **60-70%** average loan-to-value
- **11.1%** annualized net return since inception
- **$6B** in capital deployed across 750 direct investments since fund started in 2006
- Quarterly liquidity with 2% penalty for first-year redemption, up to 5% of fund NAV limit

CURRENT FUND ALLOCATIONS

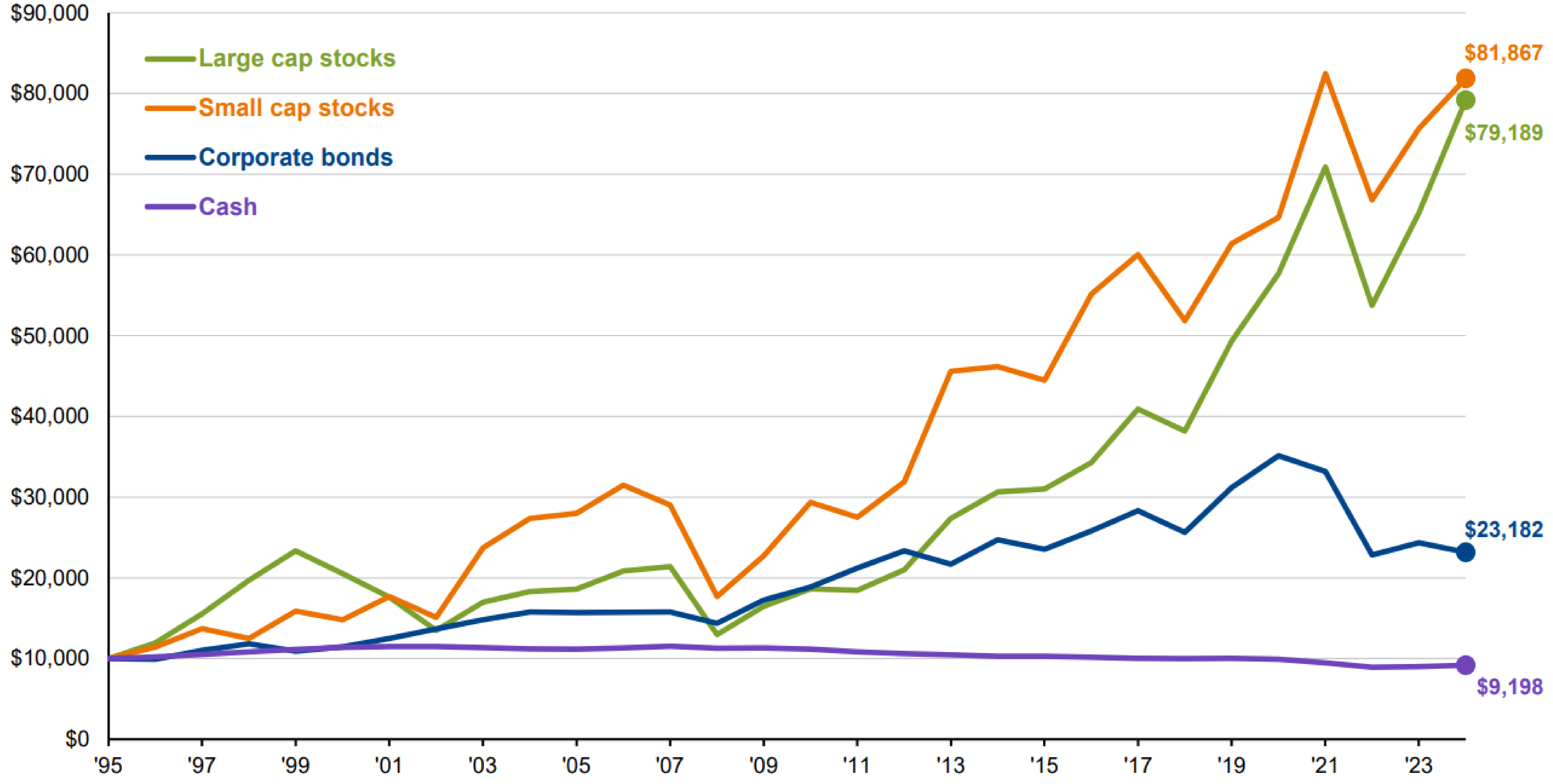


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD*
2025	0.90%	1.08%	0.57%	0.82%	0.72%	0.82%	0.87%	0.81%	-	-	-	-	6.59%
2024	0.95%	0.89%	0.85%	0.93%	0.87%	0.58%	0.91%	0.90%	1.31%	0.70%	0.74%	0.86%	10.49%
2023	0.77%	0.70%	0.40%	0.83%	0.71%	0.98%	0.87%	0.97%	0.89%	1.08%	1.12%	1.14%	10.46%
2022	0.89%	0.79%	1.08%	0.84%	0.82%	0.99%	0.84%	0.86%	0.84%	0.93%	0.81%	0.82%	10.51%
2021	0.66%	0.63%	0.68%	0.72%	0.73%	0.74%	0.72%	0.75%	1.13%	1.01%	0.86%	0.96%	9.59%

Our Friend the Stock Market

Stocks for the Long Term

Change in purchasing power by investment in major asset class
Growth of $10,000, adjusted for inflation, from 1995-2024, annual returns



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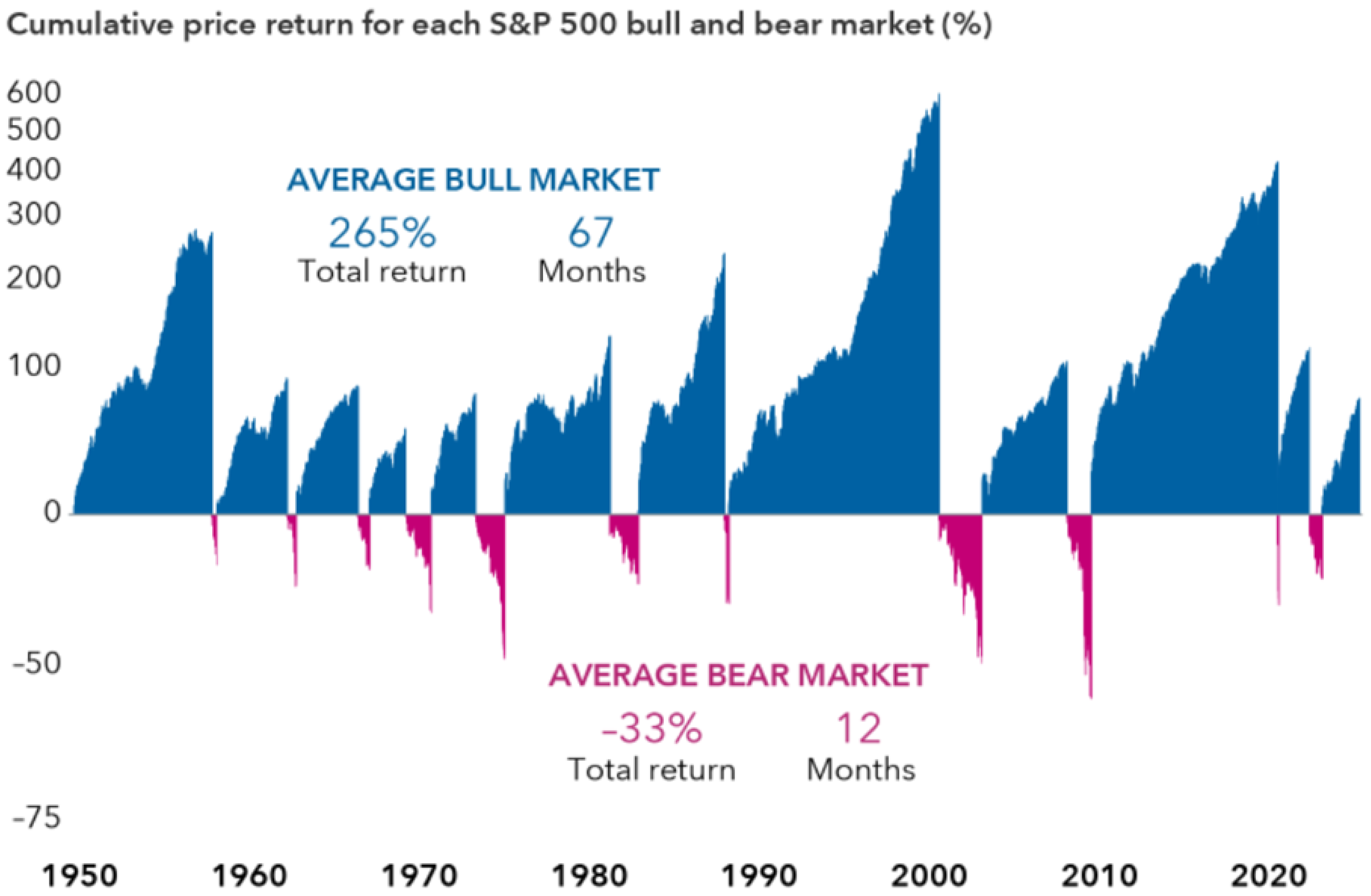
Never Surrender



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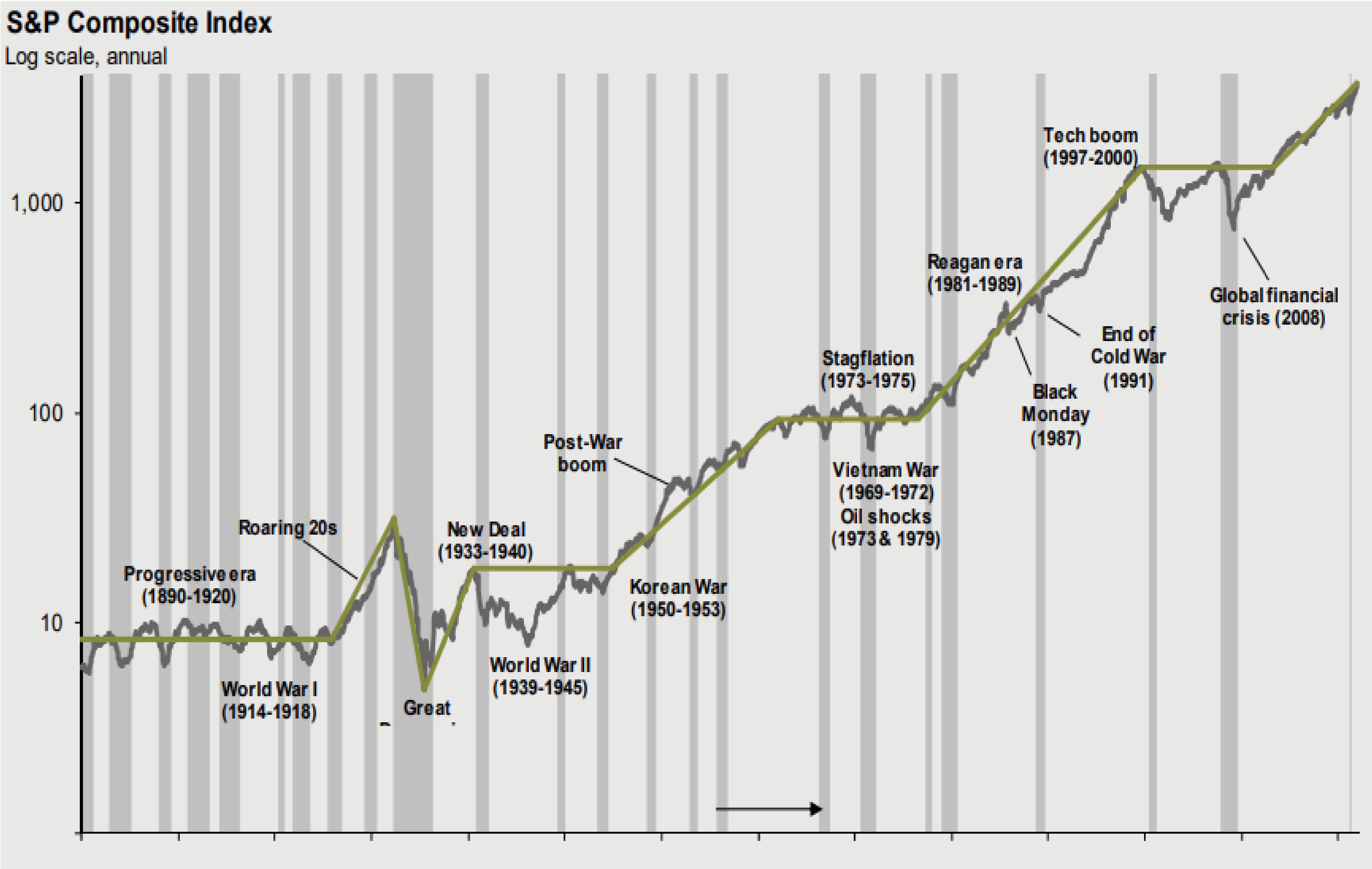
Don’t Freak Out



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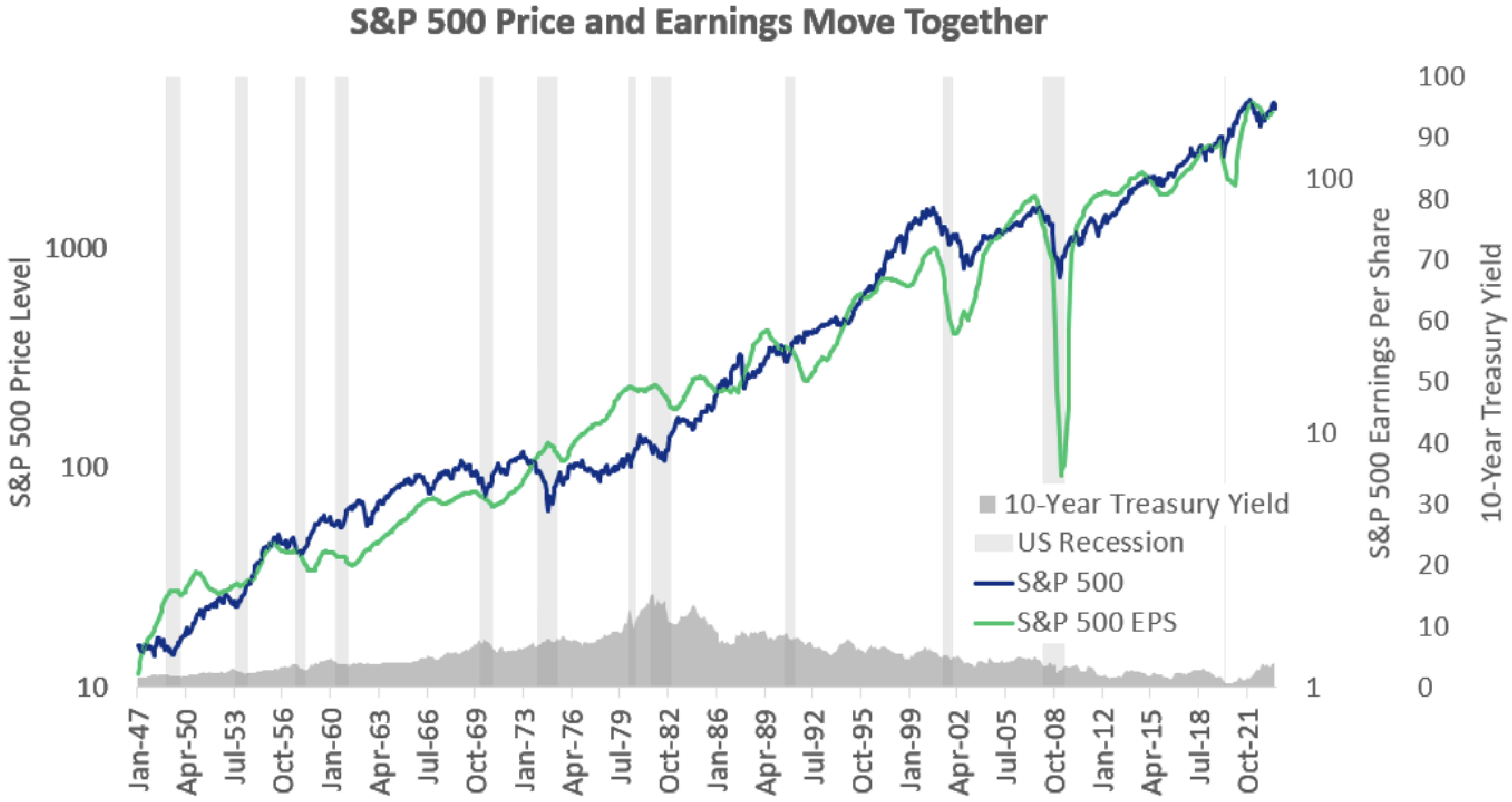
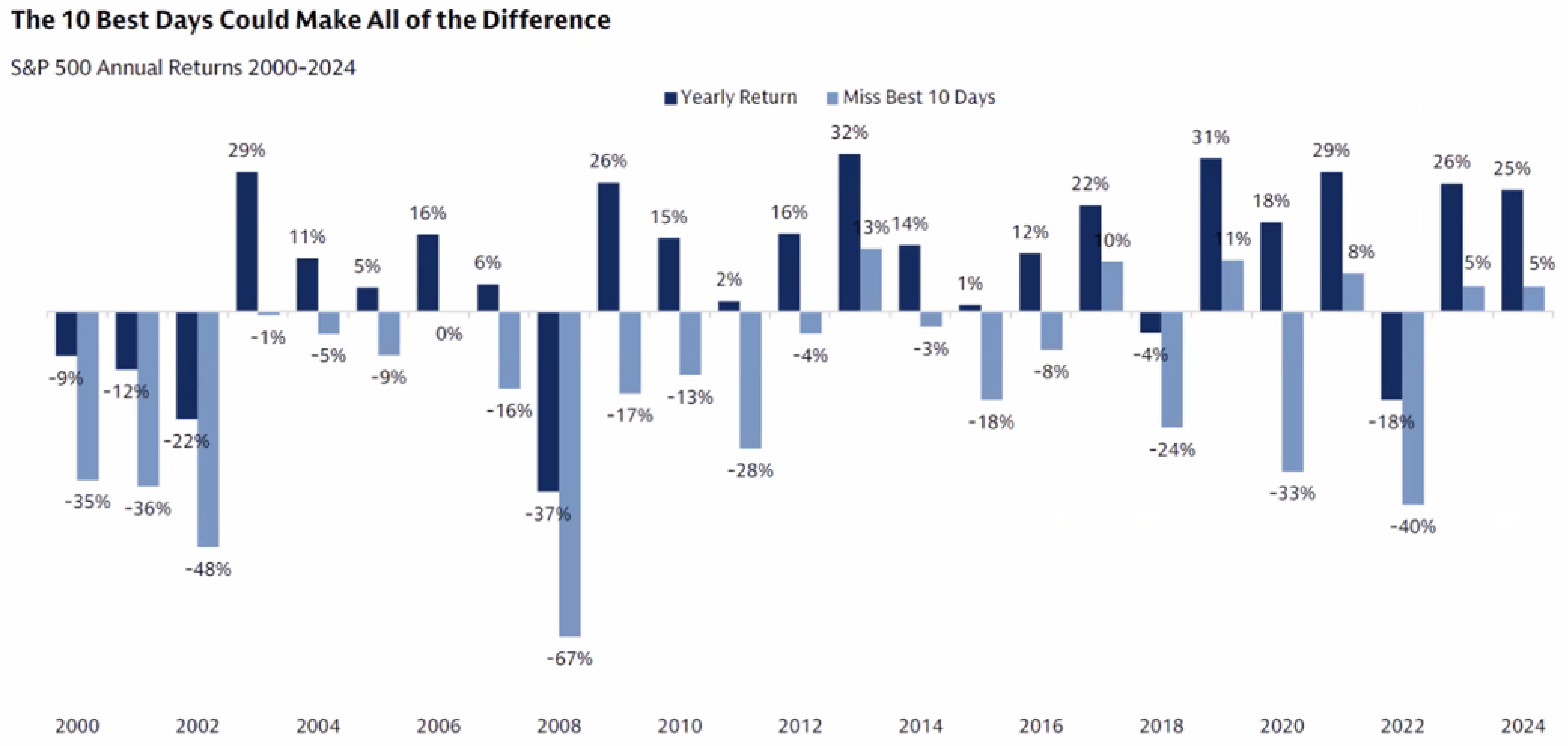
Be a Part-Owner of a Growing Business



Source: FactSet, Robert Shiller, NBER, Conference Board, Nasdaq Economic Research

Play the Odds

Don’t Time the Stock Market



Stat: Since 1990, missing just the 10 best trading days each year would have turned the S&P 500’s positive returns of +10.6% into annual losses of -13.2% on average.

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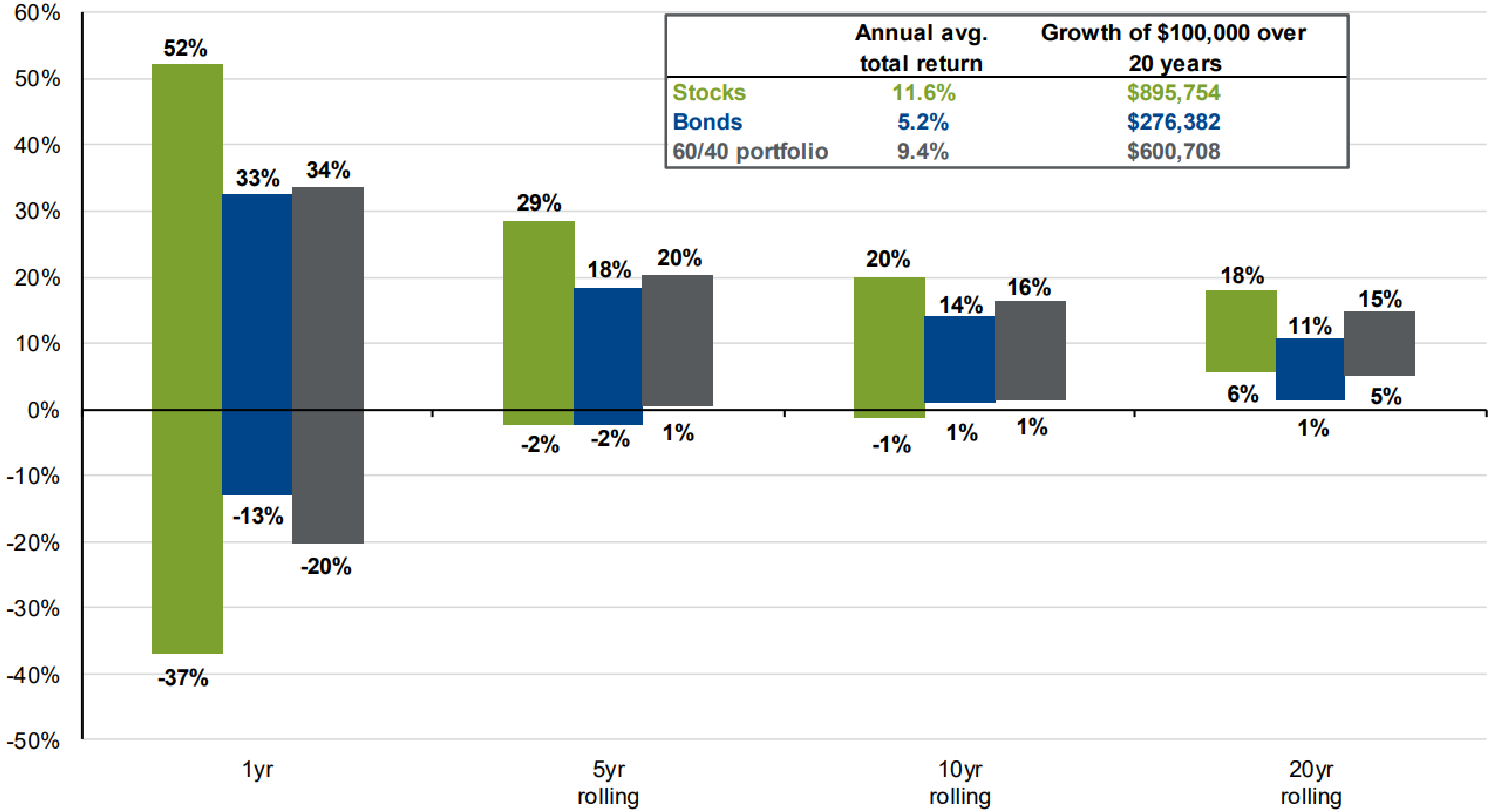
Putting Stock + Bonds Together

The Magic of Five+ Years

Range of stock, bond and blended total returns

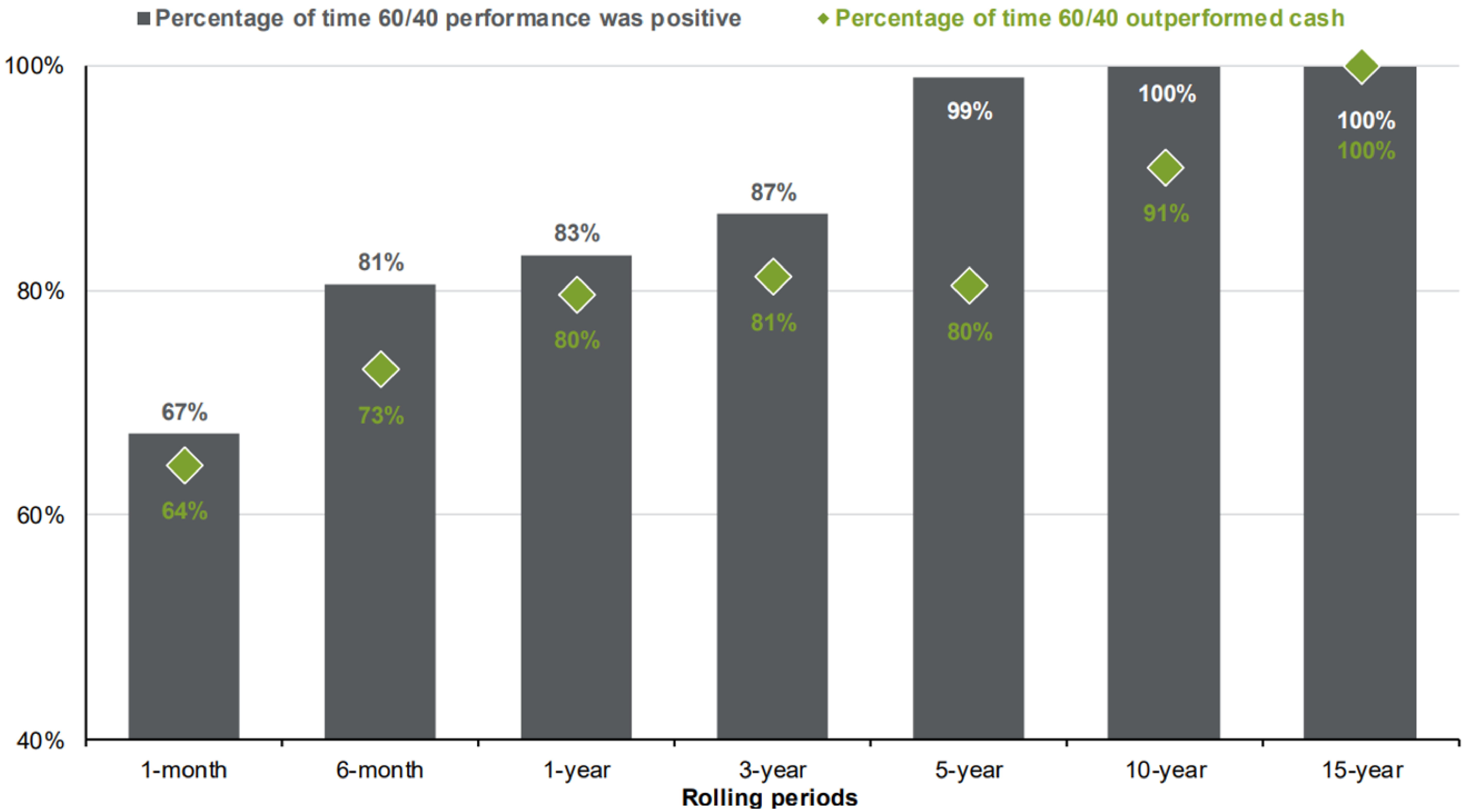
Annual total returns, 1950 - 2024



	Annual avg. total return	Growth of $100,000 over 20 years
Stocks	11.6%	$895,754
Bonds	5.2%	$276,382
60/40 portfolio	9.4%	$600,708

Cash is *not* King

Percentage of time 60/40 returns were positive or outperformed cash
Rolling monthly basis, 1995-2024



You Can Be an Investment Wizard

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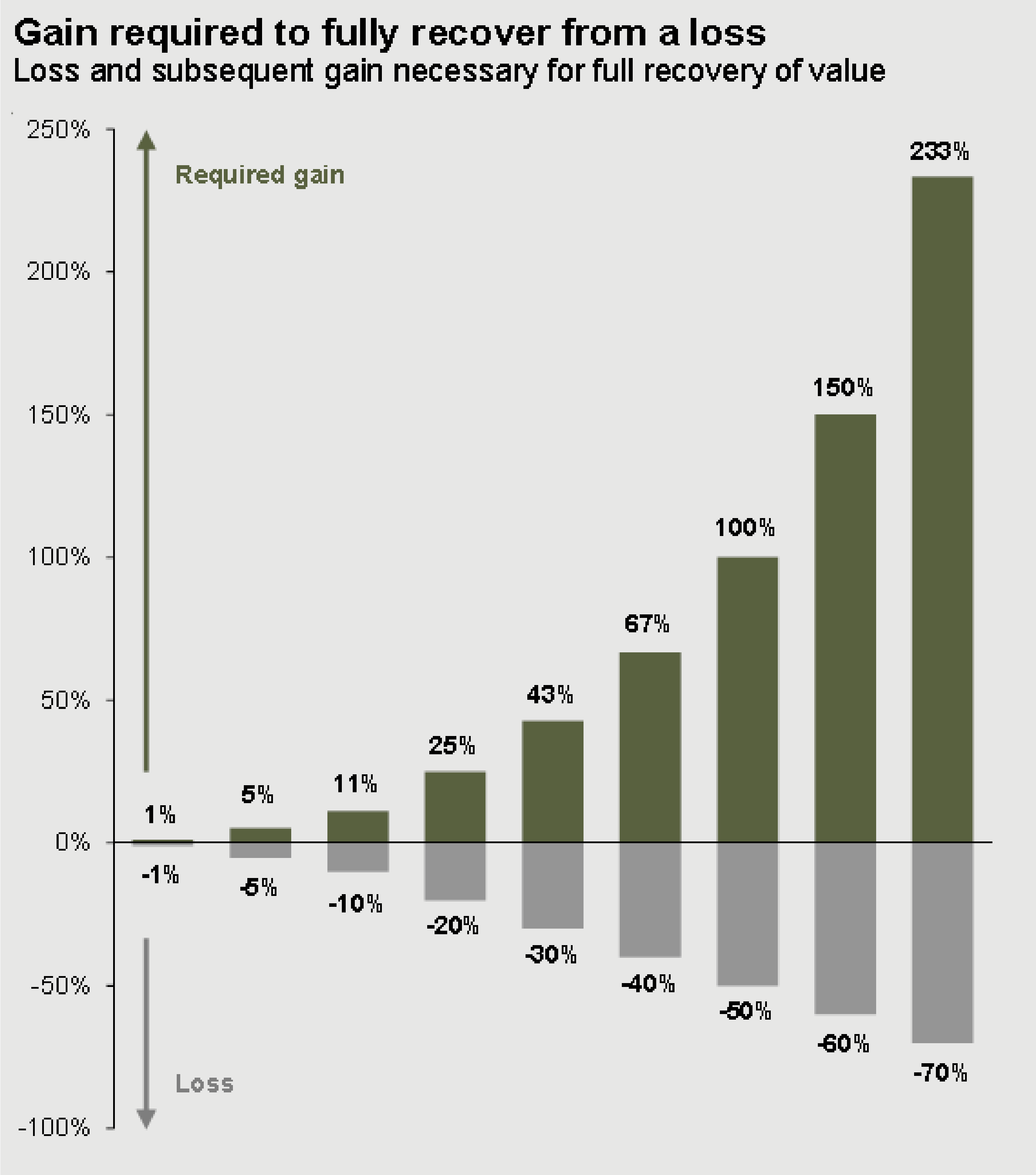
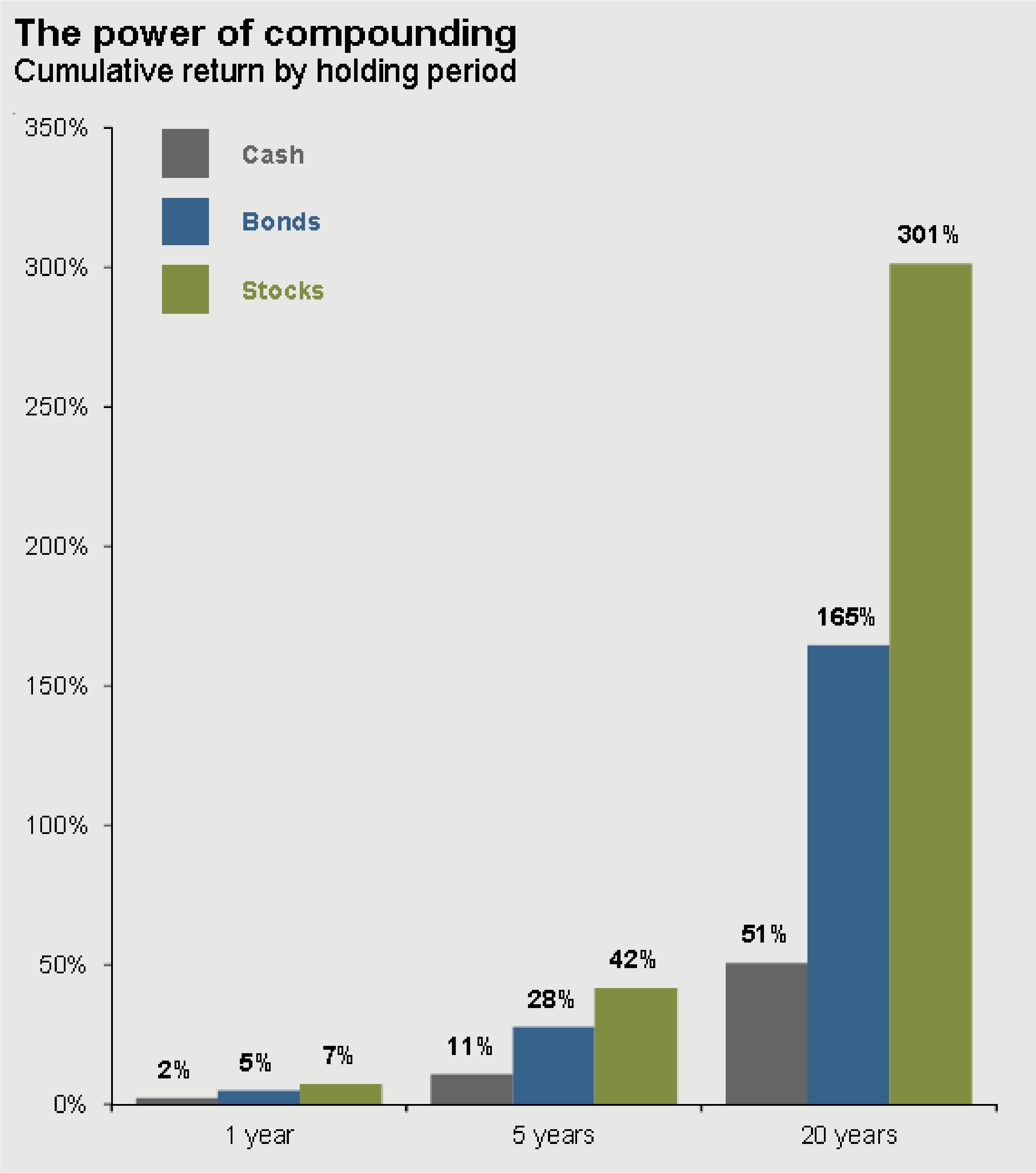
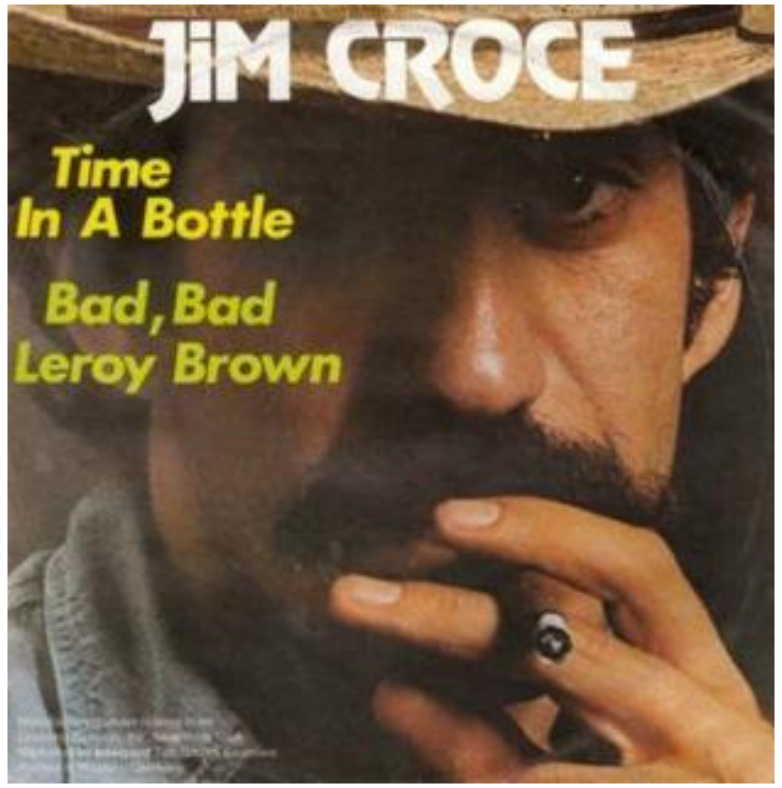
Do Not Speculate



Make Money While You Sleep



Source: J.P. Morgan Asset Management, BLS, FactSet, Standard & Poor's



How to Make Your Grandkids Rich

A single $7,000 contribution can grow to $500,000+ with total tax avoidance

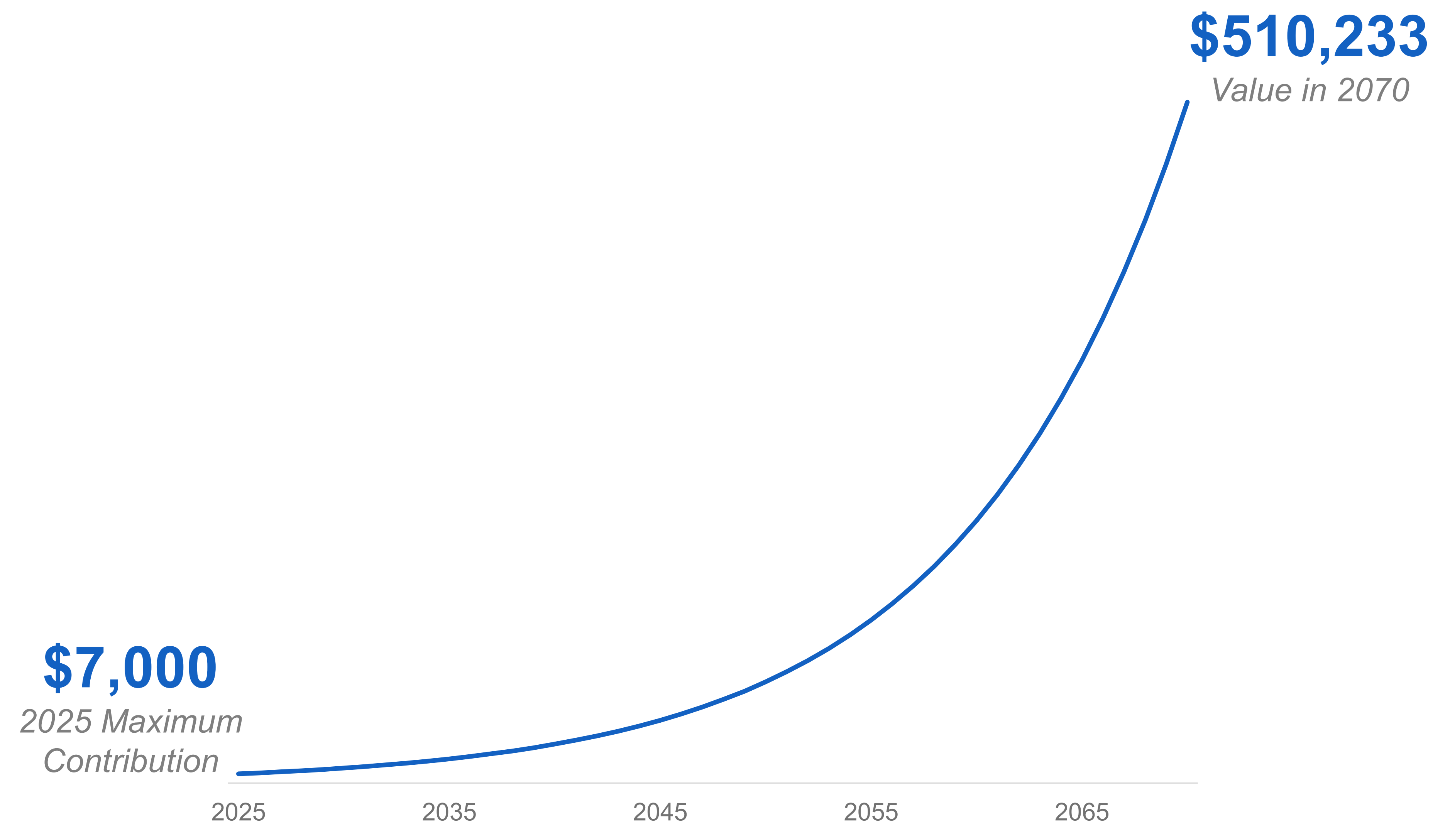
Roth IRA

- Contribute **after-tax** dollars and pay **no tax** at withdrawal
- No required minimum distributions
- Eligibility is subject to income limitations

Traditional IRA

- Contribute **pre-tax** dollars and pay **income tax** at withdrawal
- Must take required minimum distributions after age 75
- Eligibility is not subject to income limitations, but a contribution's tax deductibility is

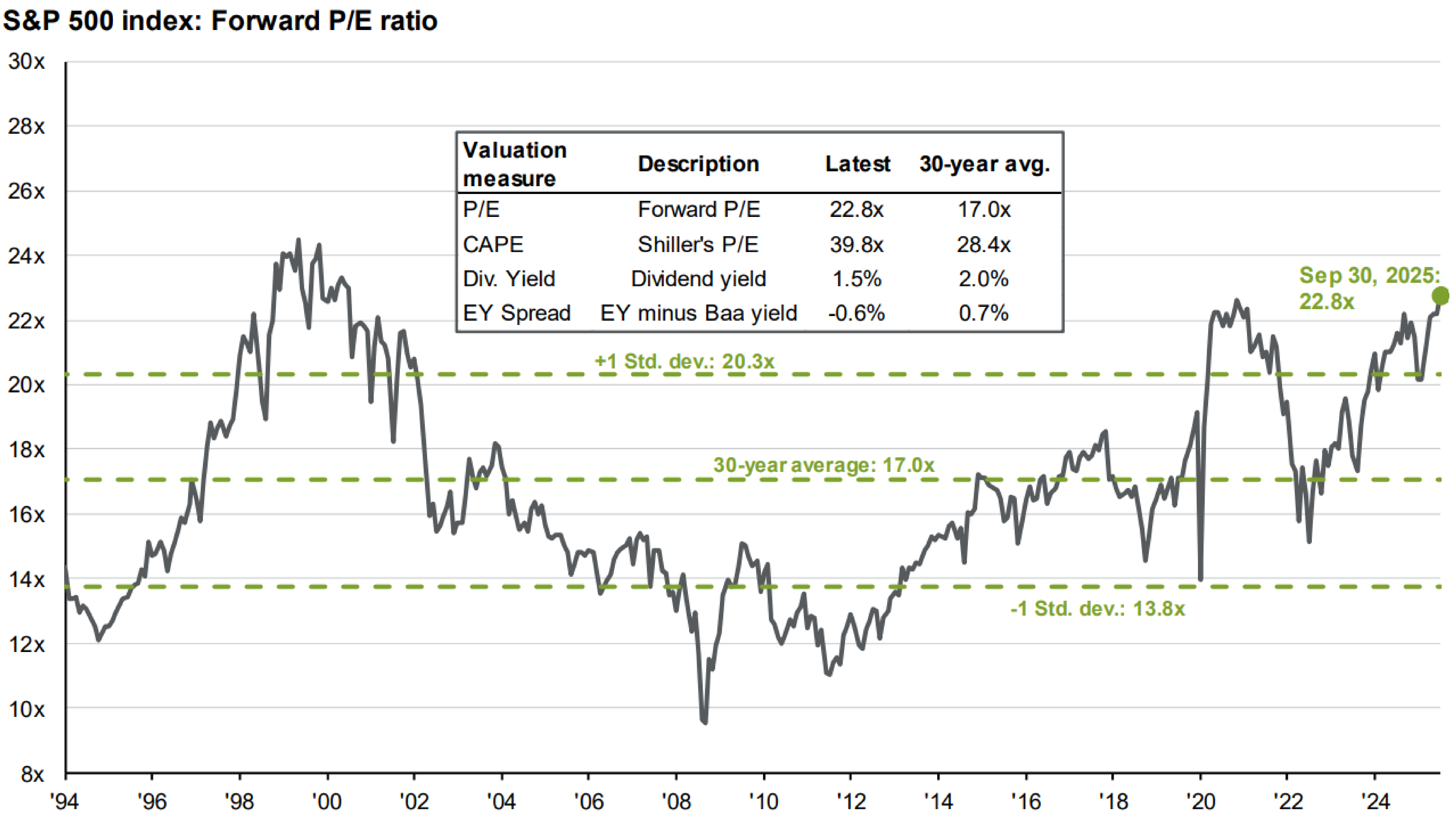
Roth IRA Account Balance at Retirement[1]



[1] The figures included are for illustrative purposes only, assuming 10% annual investment returns. Actual results will differ depending on the market conditions.

Planning for 2026+

The S&P 500 Index is Expensive



Valuation measure	Description	Latest	30-year avg.
P/E	Forward P/E	22.8x	17.0x
CAPE	Shiller's P/E	39.8x	28.4x
Div. Yield	Dividend yield	1.5%	2.0%
EY Spread	EY minus Baa yield	-0.6%	0.7%

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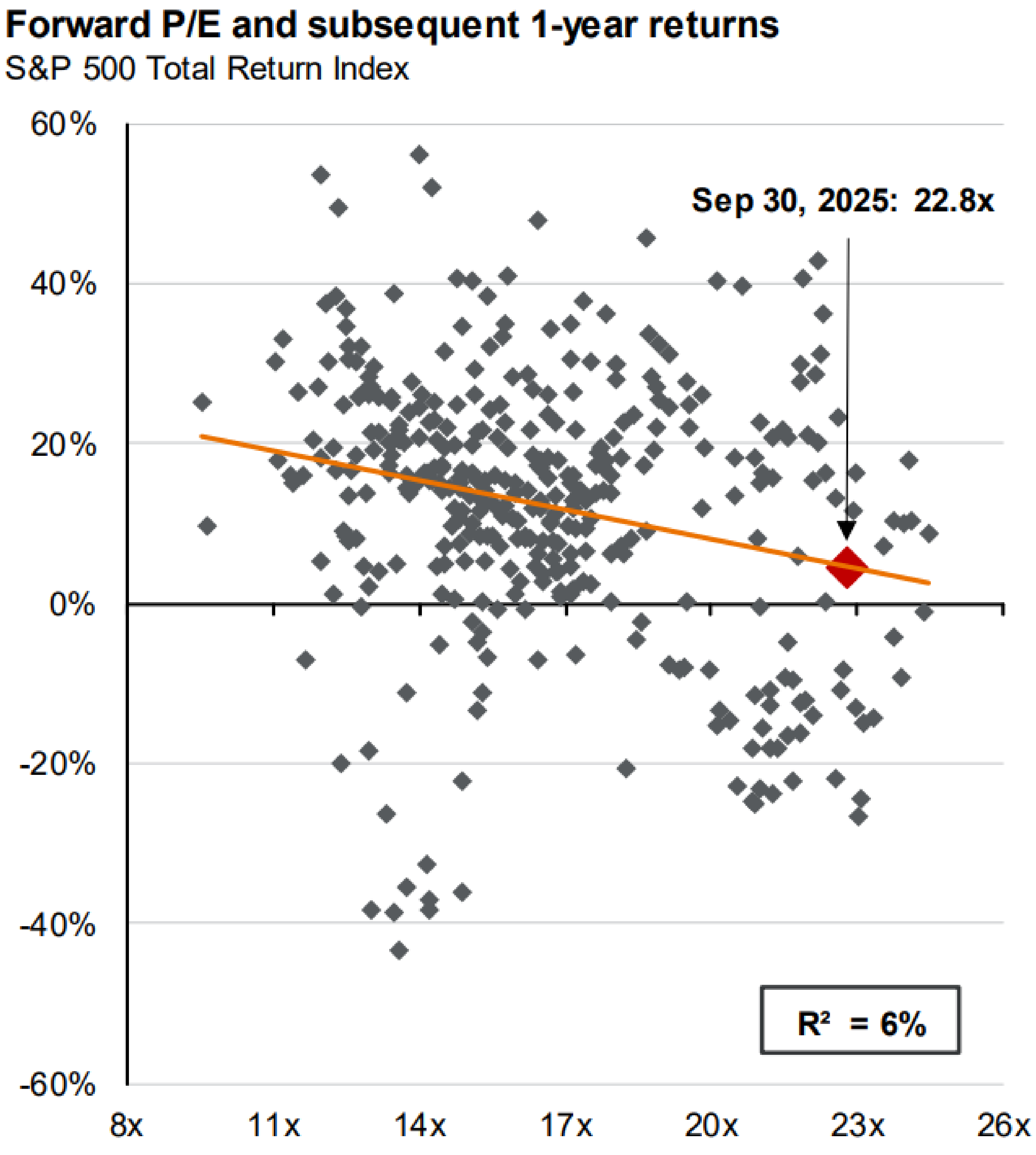
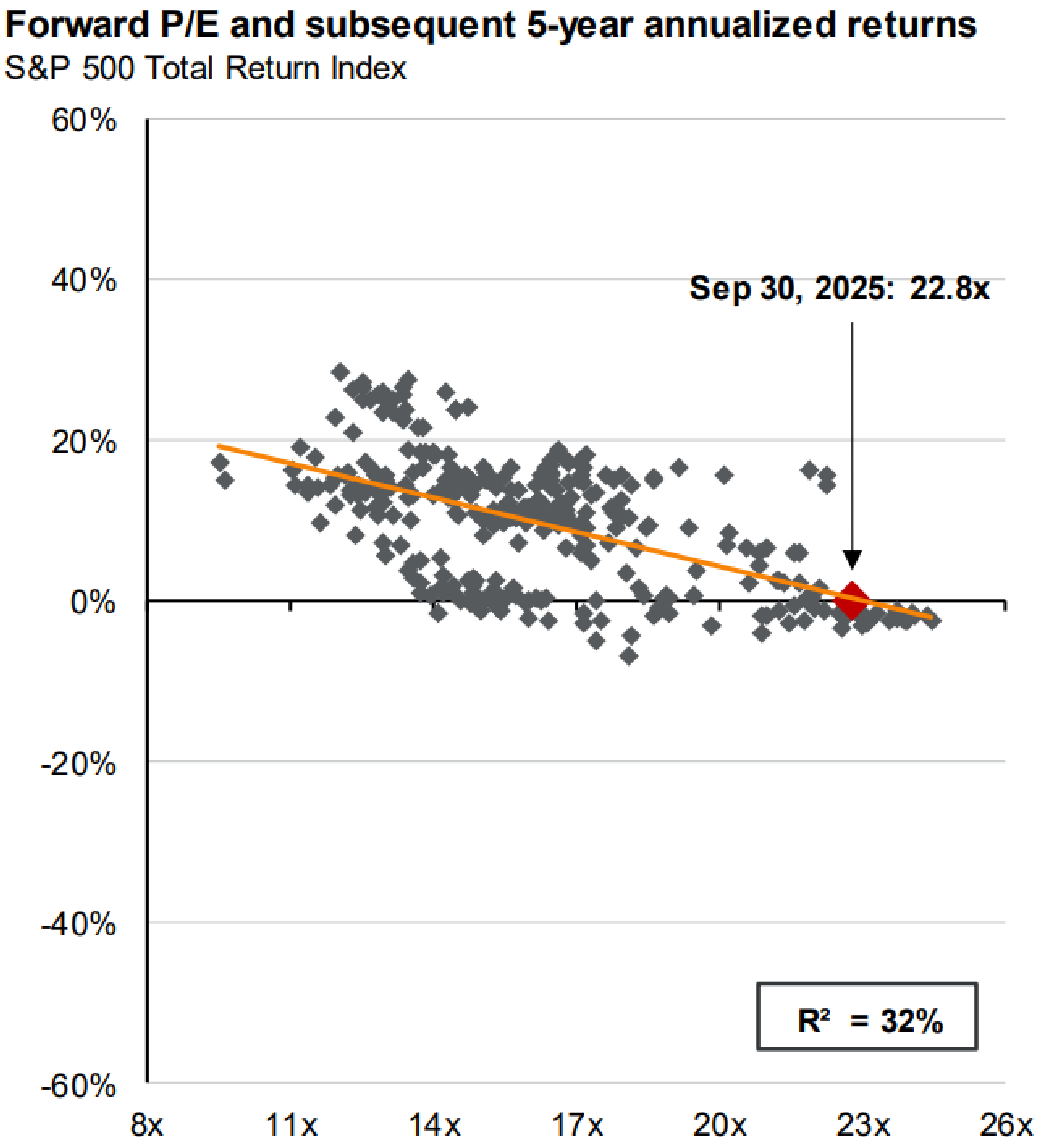
Plan for Lower Stock Market Returns





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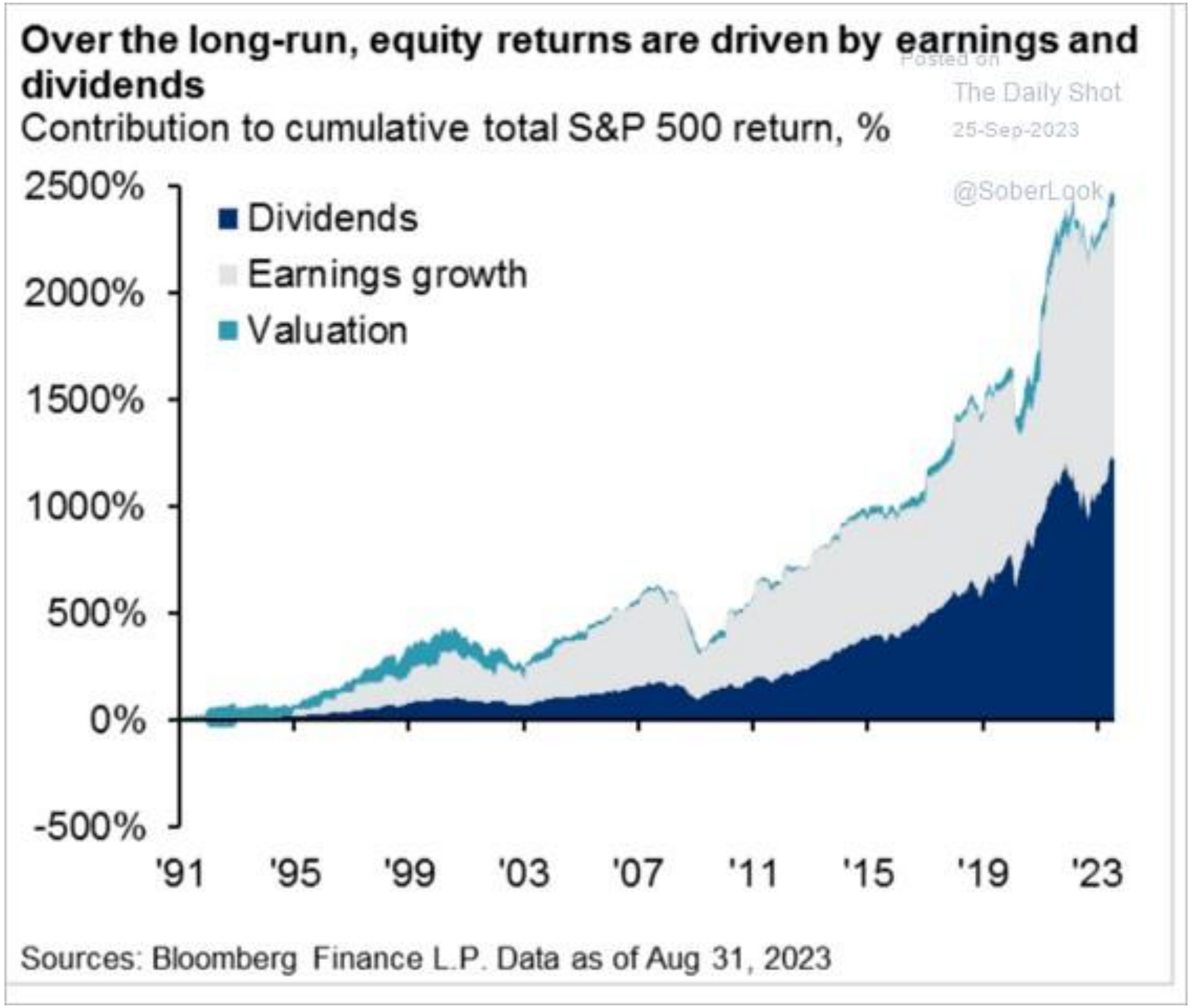
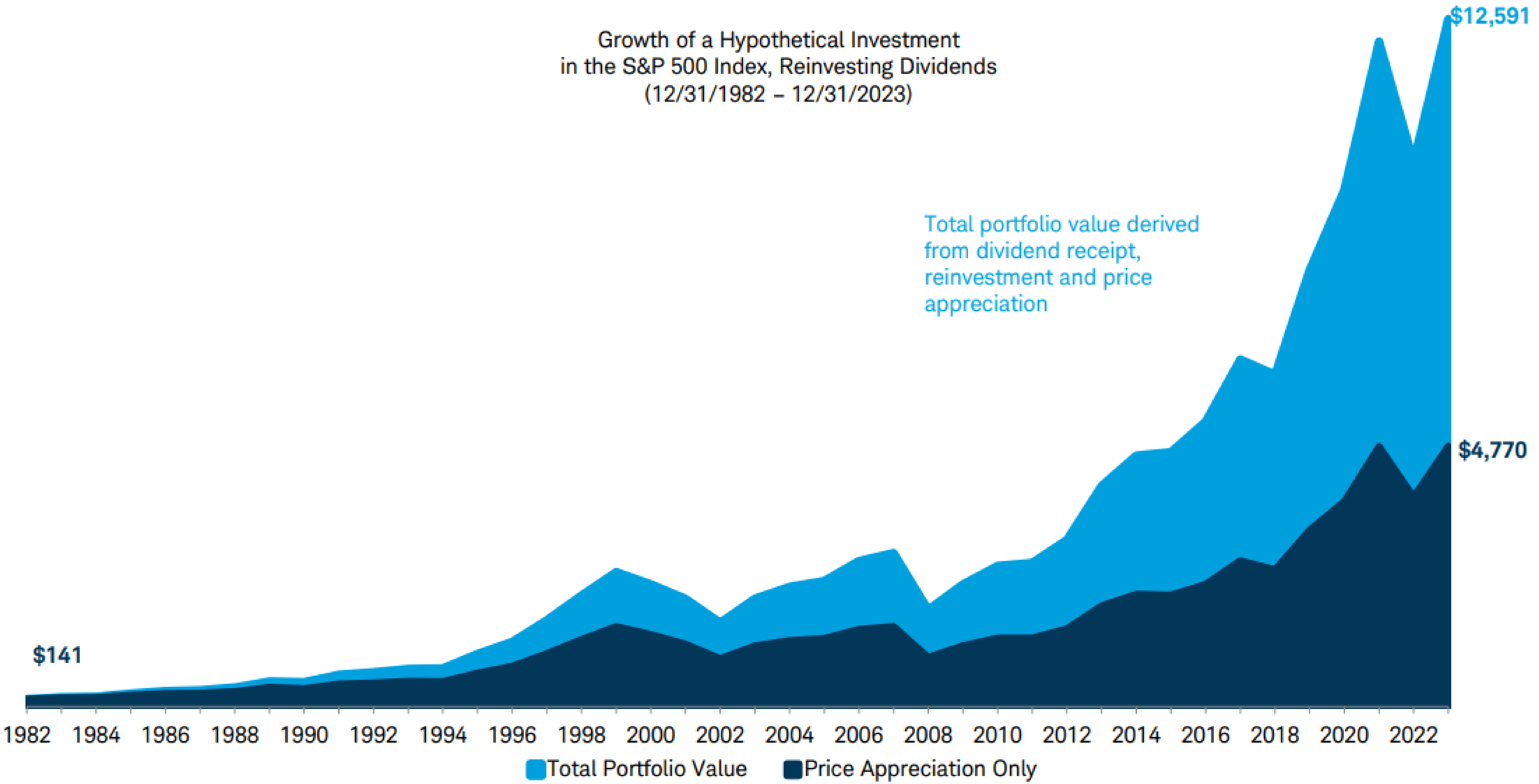
Own Dividend Paying Stocks



Reinvest Your Dividends

Impact of dividends on total return

Dividend-paying stocks can be an income-generating security.



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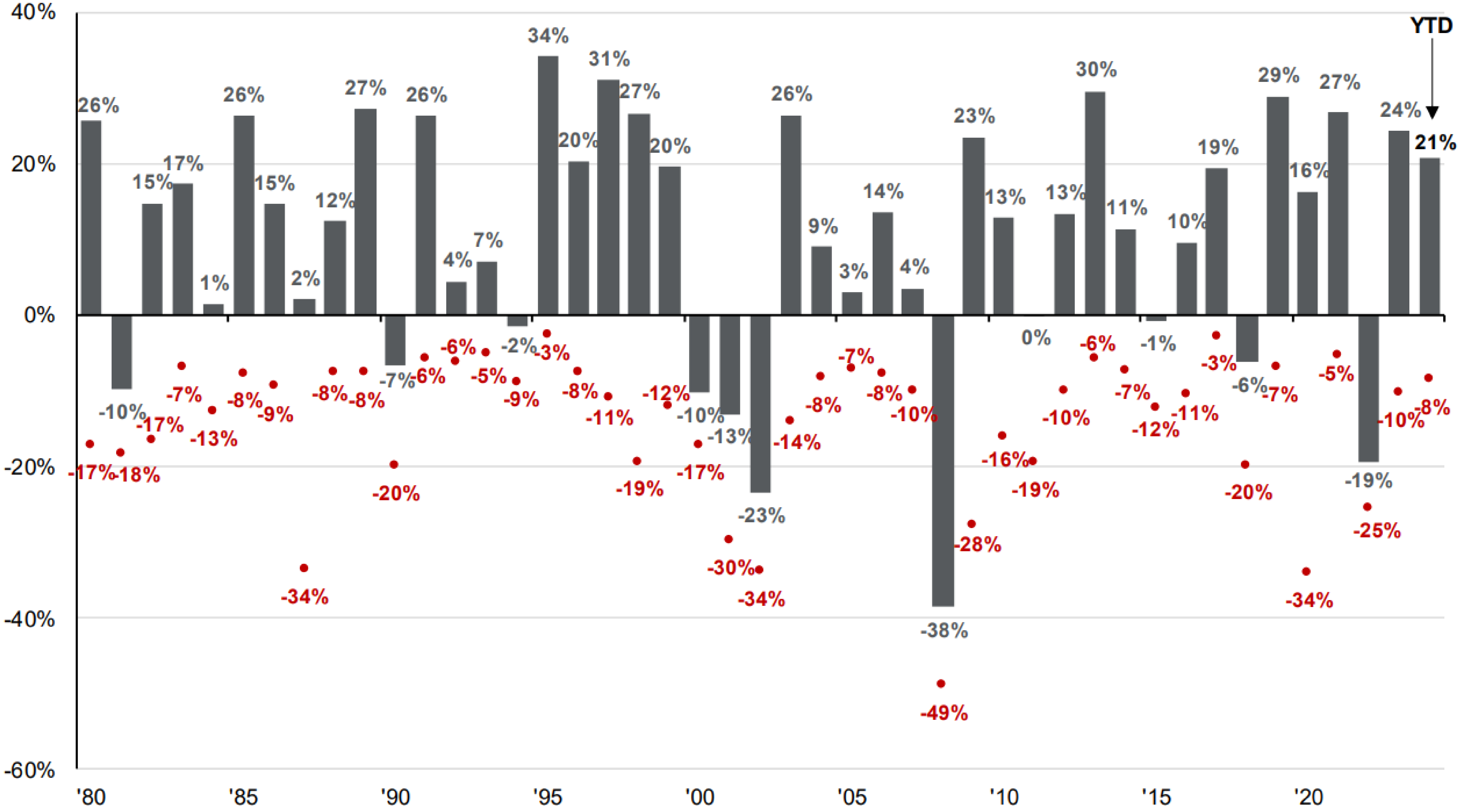
Stocks Fluctuate!

S&P intra-year declines vs. calendar year returns

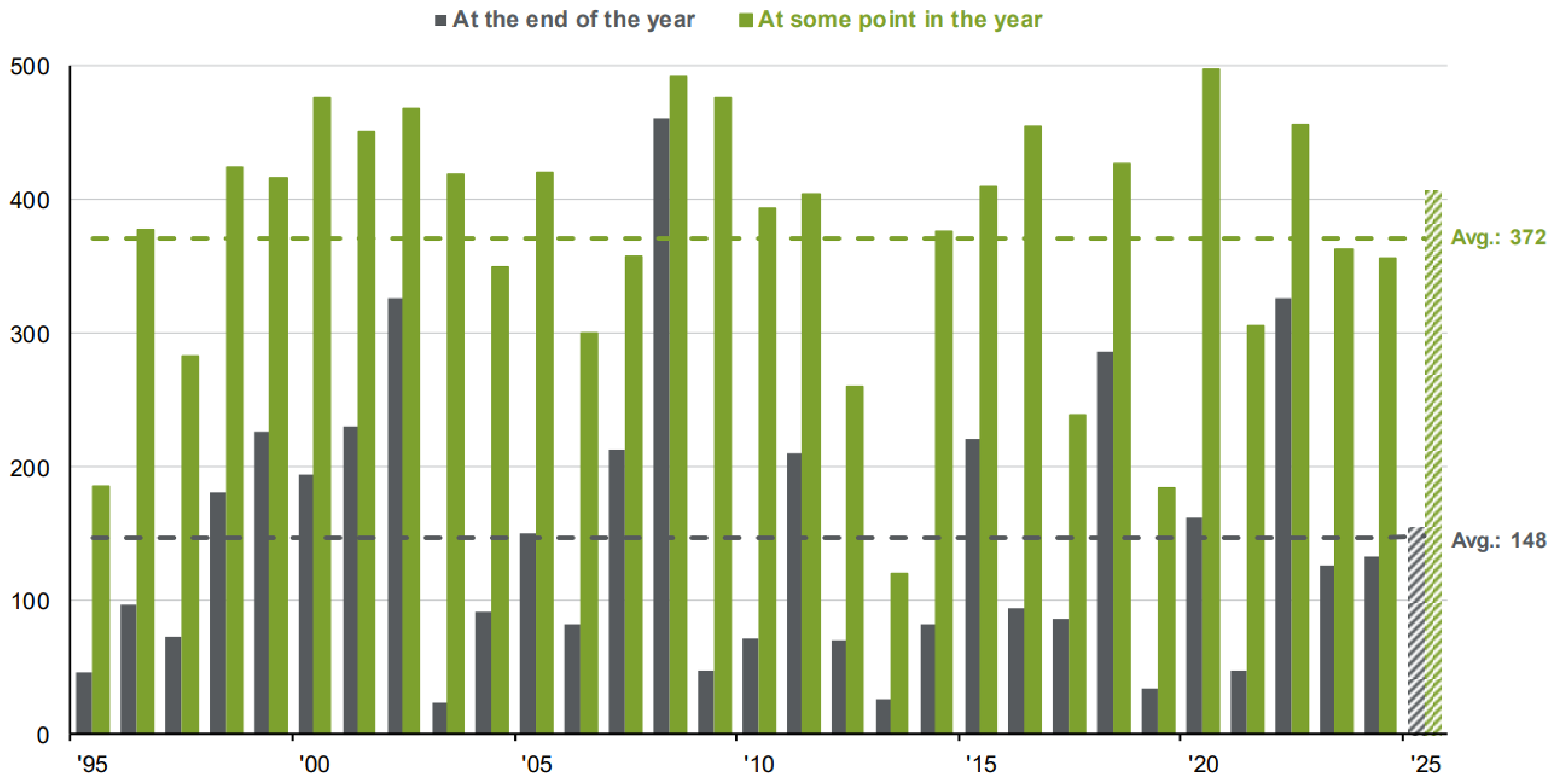
Despite average intra-year drops of 14.2%, annual returns were positive in 33 of 44 years



Stocks Fluctuating is a *Good* Thing

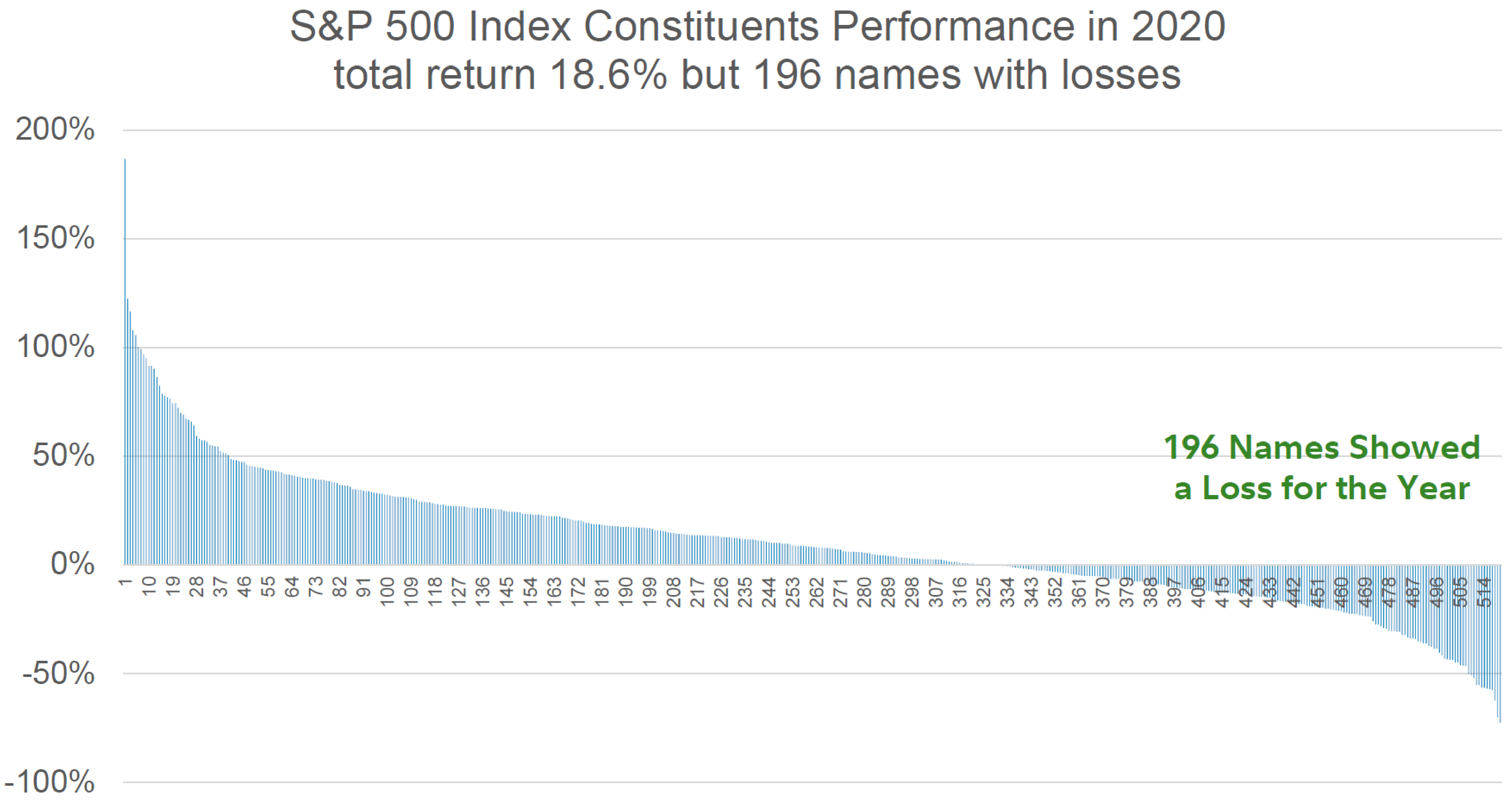
Number of S&P 500 stocks with a drawdown of 5% or more

Despite positive index returns in 22 of 30 years, roughly 75% of stocks experienced a drawdown of 5% or more in any given year



It's Easy to Reduce Your Taxes if You Try

Tax loss harvesting even possible during positive return years

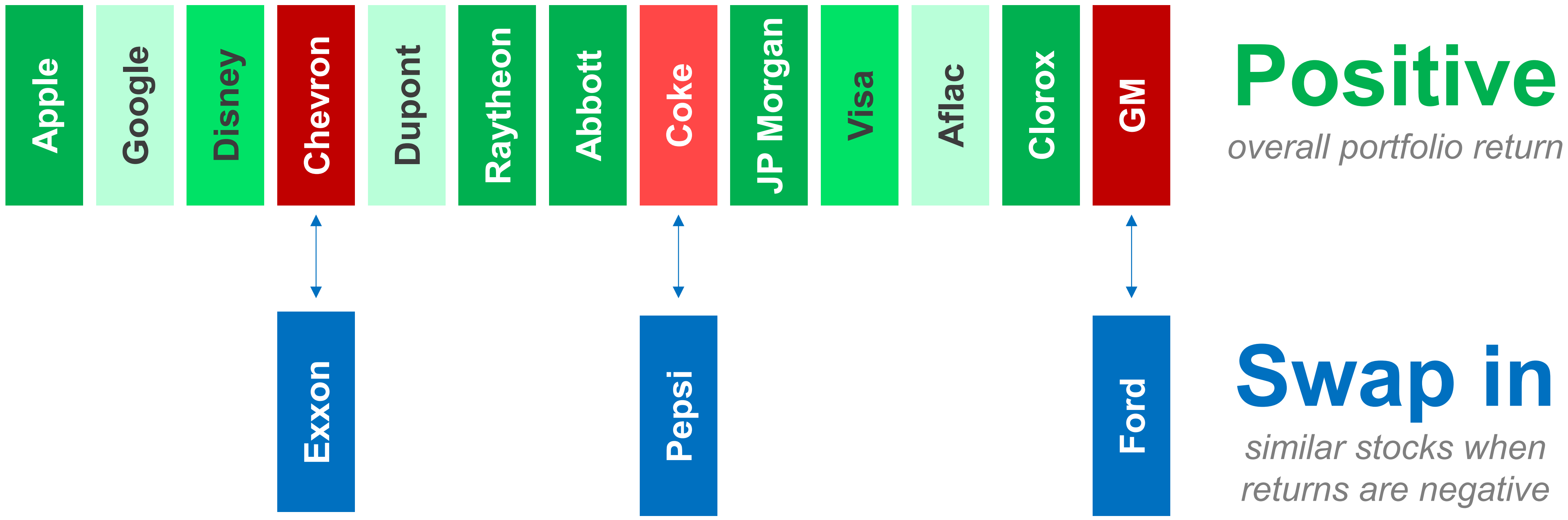


A Better Way to Own Stocks

Track the market and make volatility work for you

How it works

Hypothetical portfolio used for illustrative purposes only



- The market declines 10%, on average, at some point each year, even when returns end in positive territory, presenting opportunities to **capture valuable losses while your portfolio appreciates**
- Owning **individual securities** generates more opportunity to capture valuable losses while your portfolio appreciates than ETFs or mutual funds

Use it to

- Earn an index return
- Bank capital losses to offset future capital gains
- Diversify concentrated positions
- Pair with other tax strategies

Considerations

- Start before a sale so losses can accumulate
- Pair with tax deferral strategy

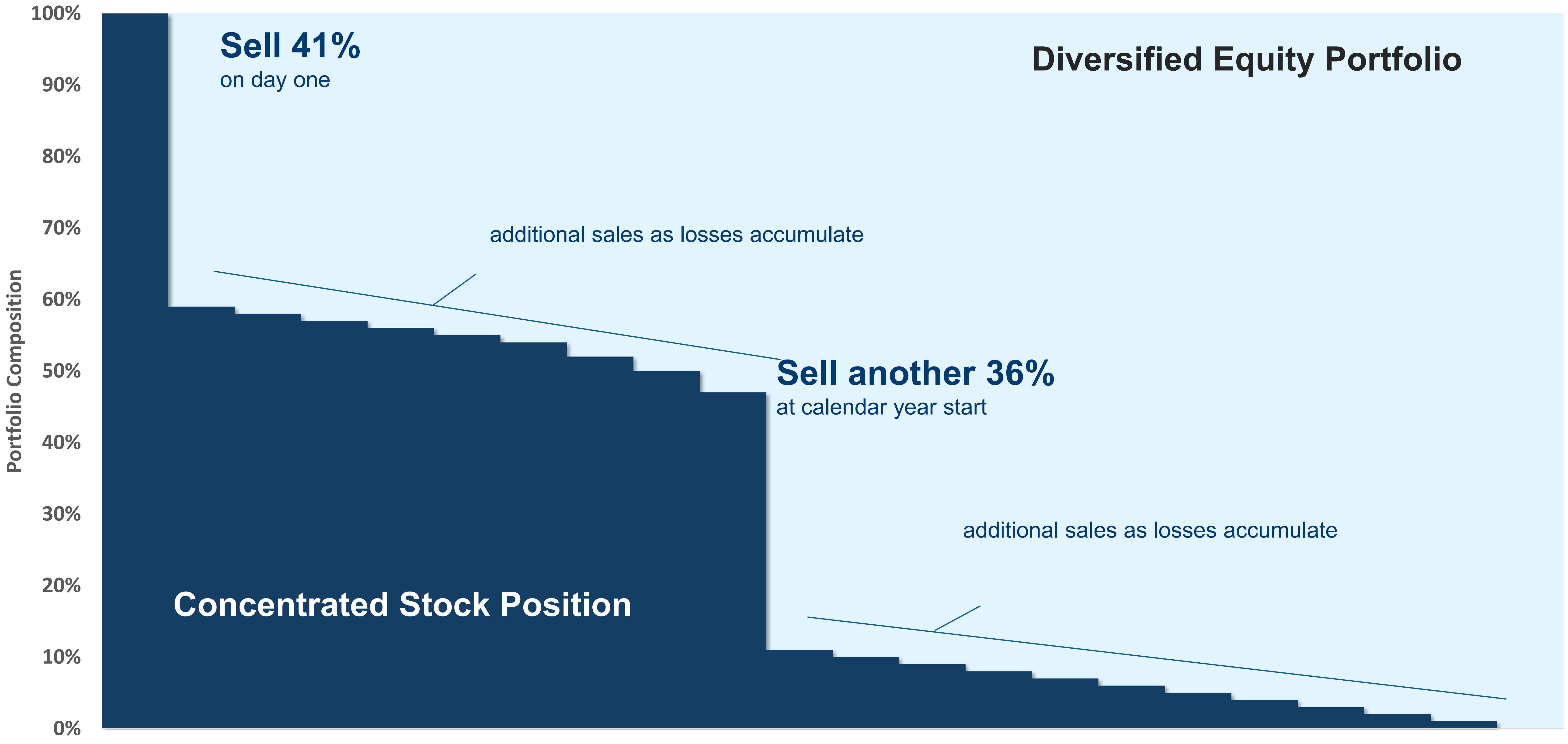
Our Approach: Growth + Tax Benefits

A Client Example:

- The investment portfolio **has grown** while we **reduce the tax** our client will pay
- This strategy is **outperforming the stock market**
- This client will be able to sell their home **tax-free in 2026** by doing this now

2024 – 2025 Calendar			
Dec 2024 **$3,649,985** Invested 12/9/24	Jan 2025	Feb	Mar Portfolio worth **$3,620,745** +2.41 vs. benchmark **$975,168** in losses harvested
Apr	May	Jun	Jul
Aug Portfolio worth **$4,092,280** +0.62 vs. benchmark **$2,157,815** in losses harvested	Sept	Oct	Nov

Sell Some of Your Expensive Apple Stock Tax-Free



What a Good Investment Advisor Looks Like

Place Your Investments in the Right Account

- The intersection of tax efficiency & expected return

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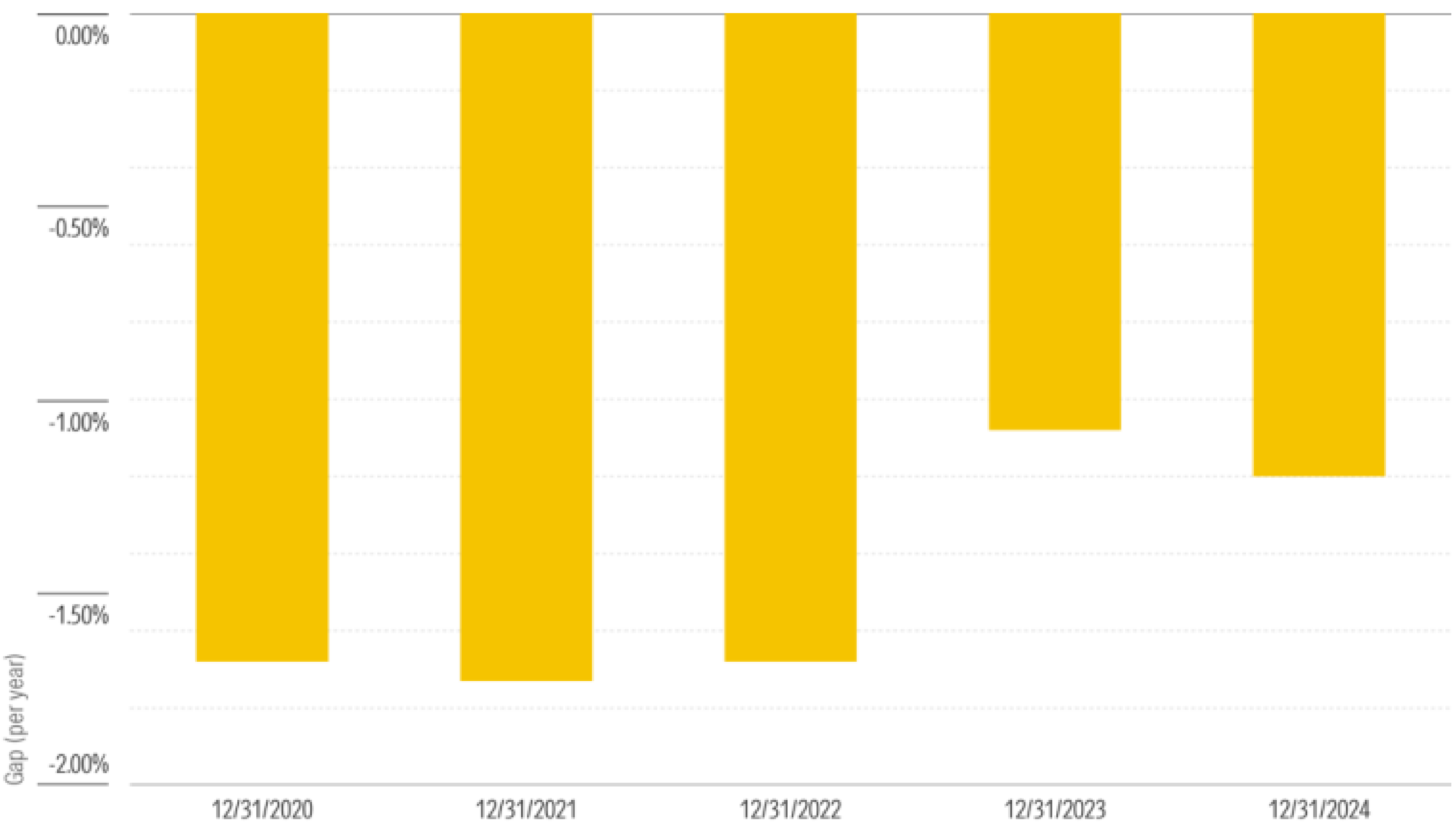
Stock Funds Underperform Big-Time

Exhibit 3 Rolling 10-Year Annual Investor Return Gaps (10 Year Periods Ended Dec. 31 of Years 2020 to 2024)



Source: Morningstar. Data as of Dec. 31 of 2020-24. Excludes "commodities" category group and funds of funds.

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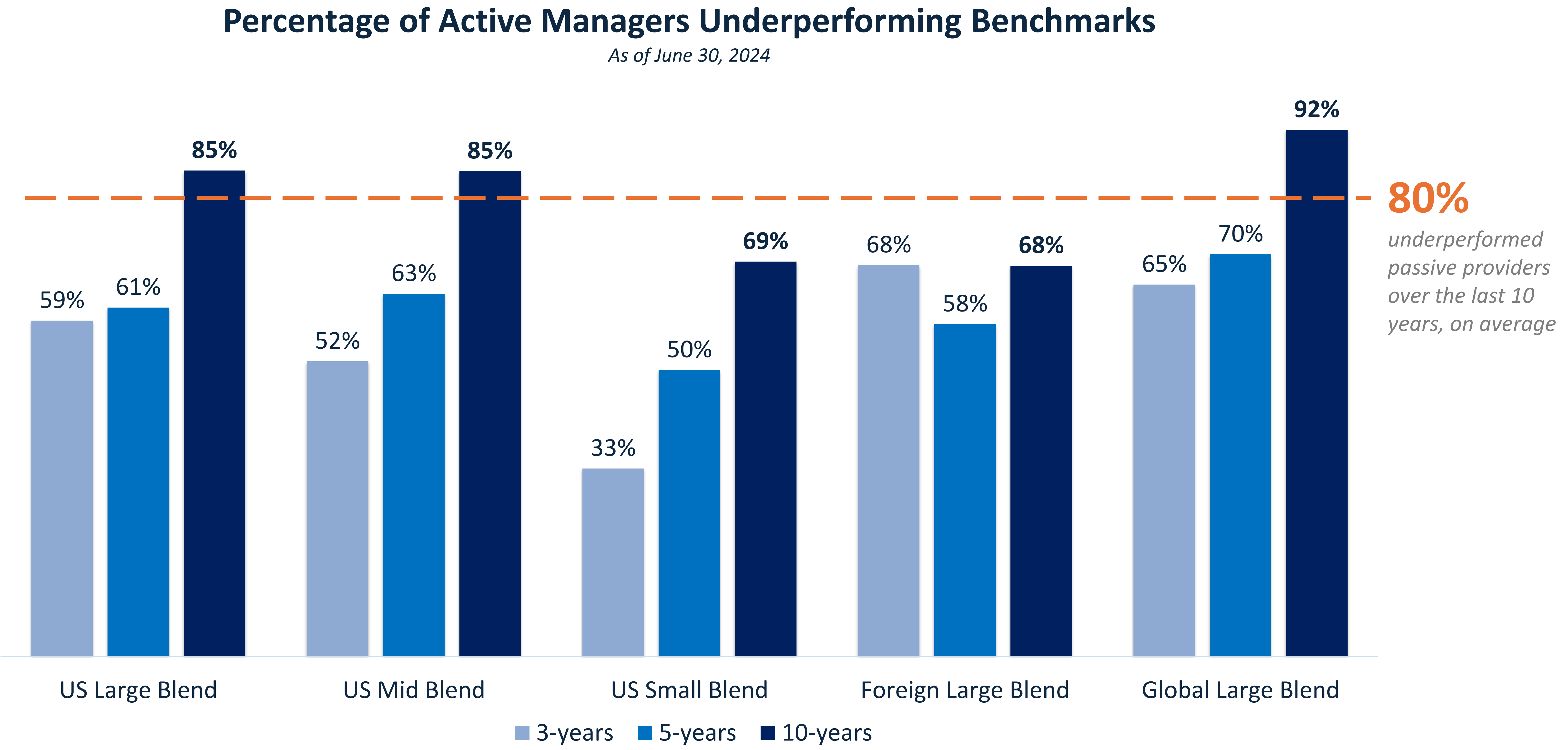
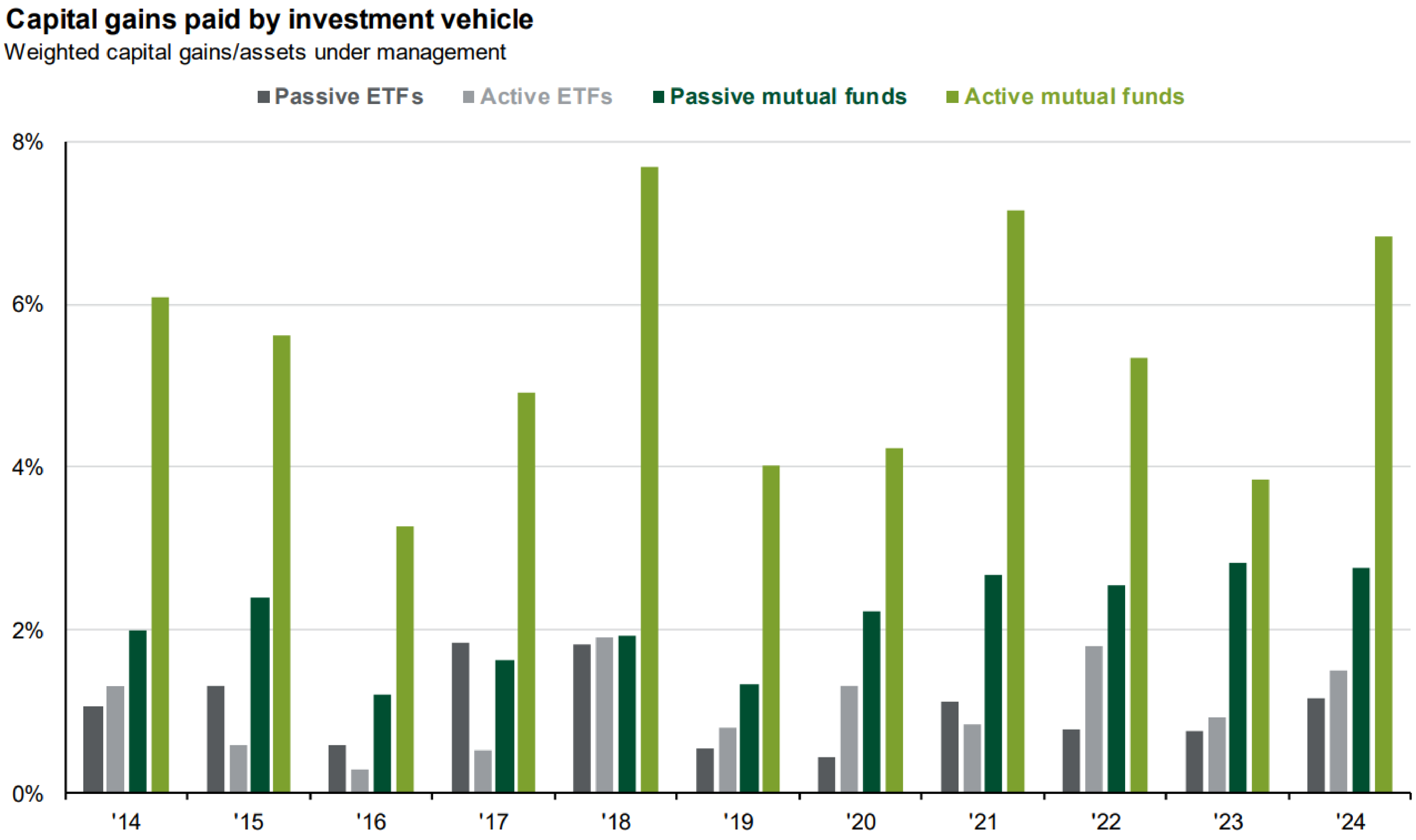
Low-Cost, Passive ETFs are Winners



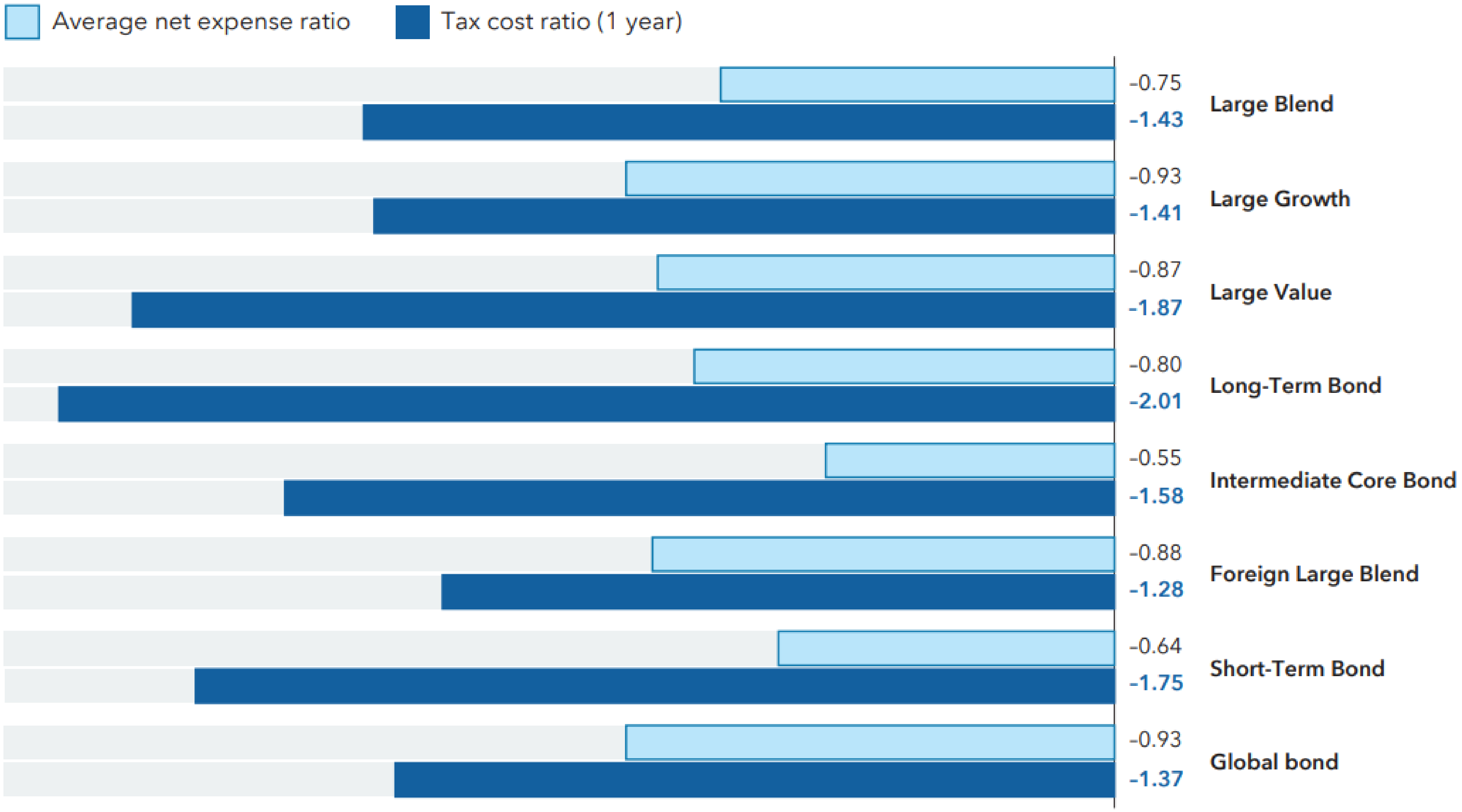
Source: Morningstar, performance of U.S. active funds against a composite of passive peers in their respective Morningstar category, including all share classes.

Mutual Funds are Losers



Don’t Let Taxes & Fees Kill Your Results

Tax drag impact on results compared to expense ratio by Morningstar category



Source: Morningstar as of 4/30/25. Morningstar categories include mutual funds, index funds and exchange-traded funds (ETFs).

Per the SEC’s guidance, after-tax returns are calculated with the highest tax rates prevailing at the time of the distribution, as if the investor were in the highest tax bracket (37% maximum federal tax rate on capital gains and ordinary income). Because Morningstar uses after-tax returns to calculate the tax cost ratio, those assumptions also apply to the tax cost ratio. Therefore, the tax cost ratio is an estimate of what investors experienced. Investors in lower tax brackets will not experience the full tax costs implied by the tax cost ratio.

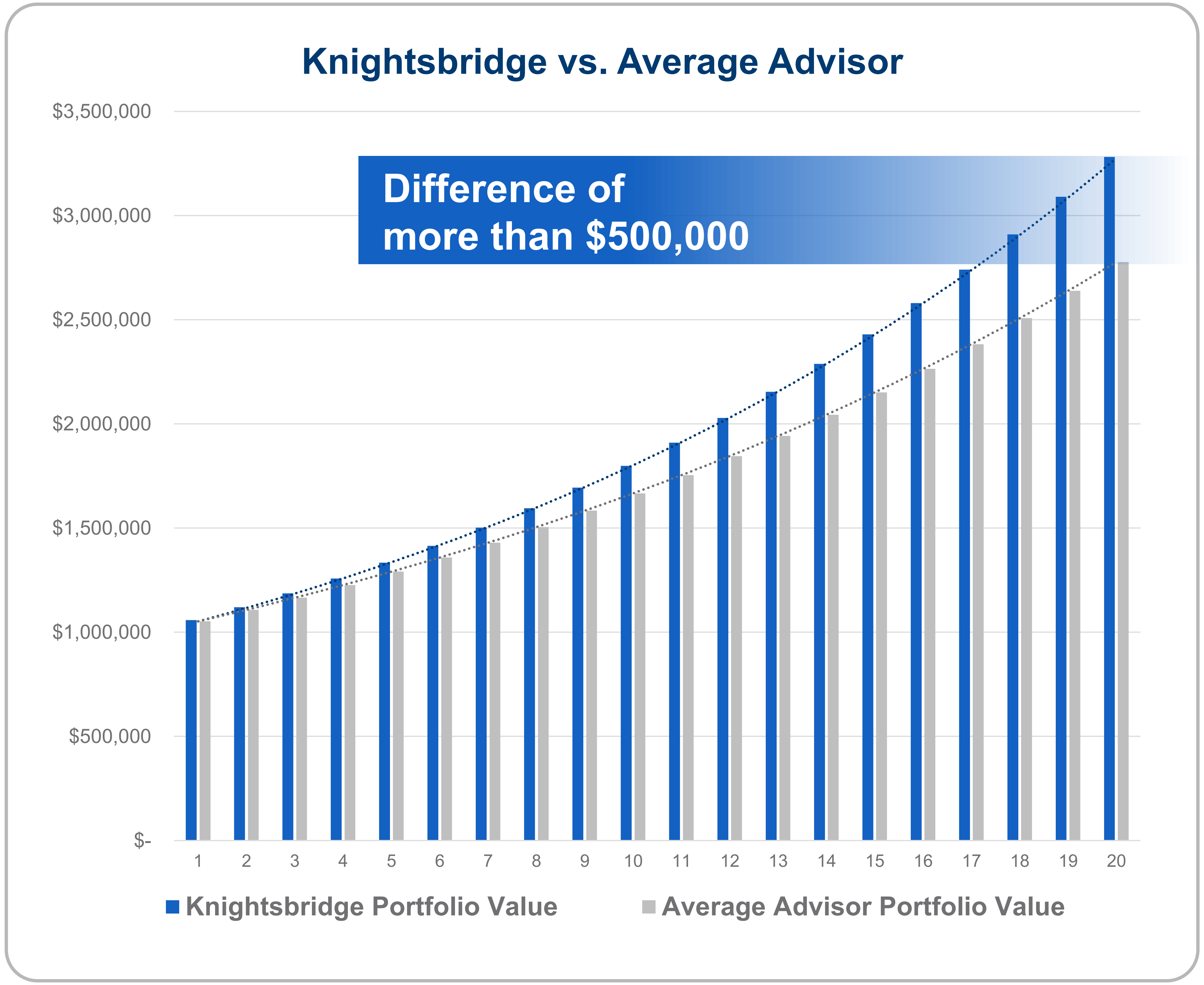
Your Solution: Exchange Traded Funds (ETF)

ETF characteristics and benefits

GTE | U.S.

Transparent	• Daily holdings disclosure leads to more visibility of underlying securities, *better pricing during market stress* and *tighter spreads*
Liquid	• Exchange trading provides *intra day liquidity* • Constant bid/ask prices enhance *price discovery*, especially in illiquid market segments
Cost-effective	• One fee structure, lower expense ratios and operational innovations translates to *lower costs* for investors
Tax-efficient	• Secondary market activity assists in *lowering portfolio turnover* • In-kind redemptions capabilities may help *reduce taxable trading activity*
Accessible	• Provides access to diverse asset classes that may or may not be easily available to all investors, whether active or passive, with *no minimum investment thresholds*

We Lower Taxes & Fees



- **Starting Balance =** $1,000,000
- **Annual Rate of Return =** 7%
- **Tax Rate =** 35.1% (20% capital gains + 3.8% ACA Surtax + 11.3% CA State Tax)
- **Average Advisory Fee =** 1.00%
- **Average Advisor Portfolio Turner =** 33%
- **KWM Advisory Fee**
  - Year 1 = 1.10%
  - Year 2 = 1.05%
  - Year 3 = 1.00%
  - Year 4 = 0.95%
  - Year 5 = 0.90%
  - Year 6 = 0.85%
  - Year 7 = 0.80%
  - Year 8 and beyond = 0.75%
- **KWM Portfolio Turnover =** Loss harvesting only

Comprehensive Wealth Management

Tax Optimization Employed by Knightsbridge

- We make investment choices specific to your tax bracket
- We manage your taxable accounts in a tax efficient manner
  - Emphasizing longer term holding periods
  - Seeking long-term capital gains
  - Holding tax-efficient passive funds
- We methodically harvest losses as we progress through each year
- We consider tax equivalency of taxable vs. tax free fixed income

What an Investment Advisor Should Look Like

Reducing Taxes

- Actively harvest losses
- Manage retirement and taxable account differently
- Choose investments based on your tax bracket
- Hold appreciated positions in taxable accounts
- Donate appreciated positions for tax deductions
- Tell your CPA about state tax-free income that doesn't show up on your tax reports

Minimizing Fees

- Buy individual stocks and bonds to avoid extra fees
- Use the *lowest* cost, ultra-tax-efficient passive funds
- Optimize the share class on each of your investments
- Oversee donor advised funds without charging fees
- Advise on current employer-sponsored 401(k) and 529 plans without charging fees

Enhancing Returns

- Identify boutique funds with better investment terms
- Buy land-backed bonds for higher yield without extra risk
- Enable borrowing against or lending out from your portfolio for extra income
- Move cash to the best after-tax yield every two weeks

One Investment Advisor's Values

Comprehensive Wealth Management

Deep relationships & intelligent portfolios

Living our
Core Values

Duty to Clients
Always do what's best for the client

Excellence
Pursue excellence in everything

Progress
Continuously adapt and improve

Community
Treat our employees and each other well

Grounded in our
Mission

Build a firm where we'd be happy to have our family members as fee-paying clients

Knightsbridge Wealth Management

FIRM OVERVIEW

- Independent, Fee-Only Registered Investment Advisor (RIA)
- $900+ Million Assets Under Management
- 25+ Year History
- 100% Employee-Owned

HOW WE WORK WITH CLIENTS

- You work directly with the owners who make the investment decisions
- We are always invested alongside you
- Fiduciary duty to place client interests first
- Dedicated service team to provide tailored guidance

How Knightsbridge Can Help You

OUR TYPICAL CLIENT IS SOMEONE WHO:

- Wants to know there is a plan for their financial security
- Is questioning the sophistication of their existing investment portfolio
- Wants to talk with the people making their investment decisions
- Wants more than just a basket of mutual funds and ETFs
- Wants to know their specific tax bracket is being taken into account
- Wants their investment plan designed specific to their situations and goals

WE ARE:

- **Fiduciaries**. We are legally required to put your interests first
- **Analysts**. We offer in-house security selection
- **Investors**. We invest our money alongside yours
- **Independent**. We are 100% employee-owned

Knightsbridge
WEALTH MANAGEMENT

Thank you!

Contact us for a commitment-free portfolio review:

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Disclosures

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A copy of Knightsbridge’s current ADV Part 2 discussing business operations, services, and fees is available upon request.

Knightsbridge
WEALTH MANAGEMENT

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