



**Knightsbridge**

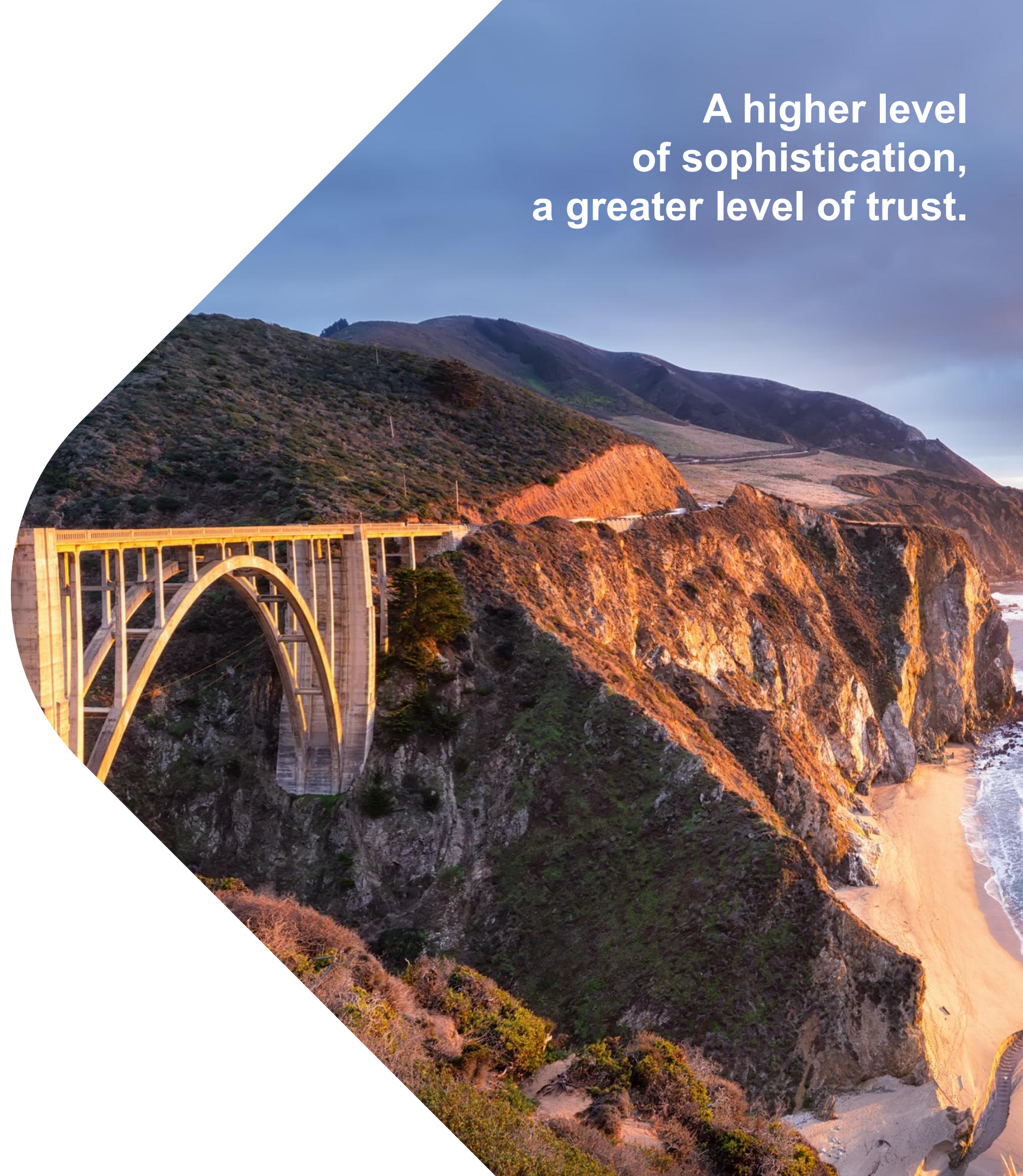
WEALTH MANAGEMENT

## World of Investments

### It's Your Money

*May 12<sup>th</sup>, 2026*

A higher level  
of sophistication,  
a greater level of trust.



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



# 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.



# Ask First – John Prichard

## “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):

<input type="checkbox"/> Some High School	<input type="checkbox"/> High School Diploma	<input type="checkbox"/> Bachelors Degree
<input type="checkbox"/> GED	<input type="checkbox"/> Some College	<input checked="" type="checkbox"/> Masters or <u>other</u> 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):

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:

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:

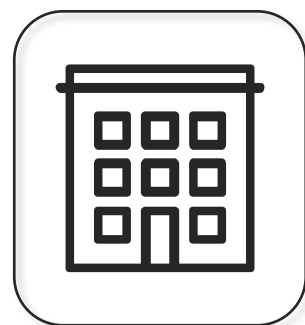
True /  False: I offer or sell annuities, insurance, mutual funds or other financial products; or I am, or my employer is, affiliated with a person or organization that offers or sells annuities, insurance, mutual funds or other financial products.

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: <i>John Prichard</i>	Address: 450 Newport Center Drive #630, Newport Beach CA 92660
Print Name: John Prichard, CFA	Telephone: (949) 644-4444

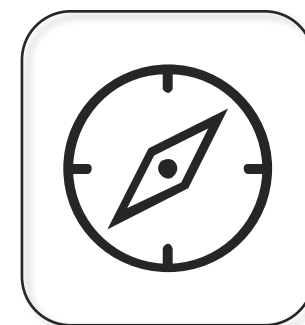


# Knightsbridge Wealth Management



## Firm Overview

- Independent, Fee-Only Registered Investment Advisor (RIA)
- Over \$1 Billion Assets Under Management
- 25+ Year History
- 100% Employee-Owned



## How We Work With Clients

- Fiduciary duty to place client interests first
- We are always invested alongside you
- Investment solutions specific to your objectives and tax situation
- Dedicated service team to provide tailored guidance



# Agenda

- 1. Investment Outlook**
- 2. Why Stocks**
- 3. Why Bonds**
- 4. How to Get Ahead on Your Investments**



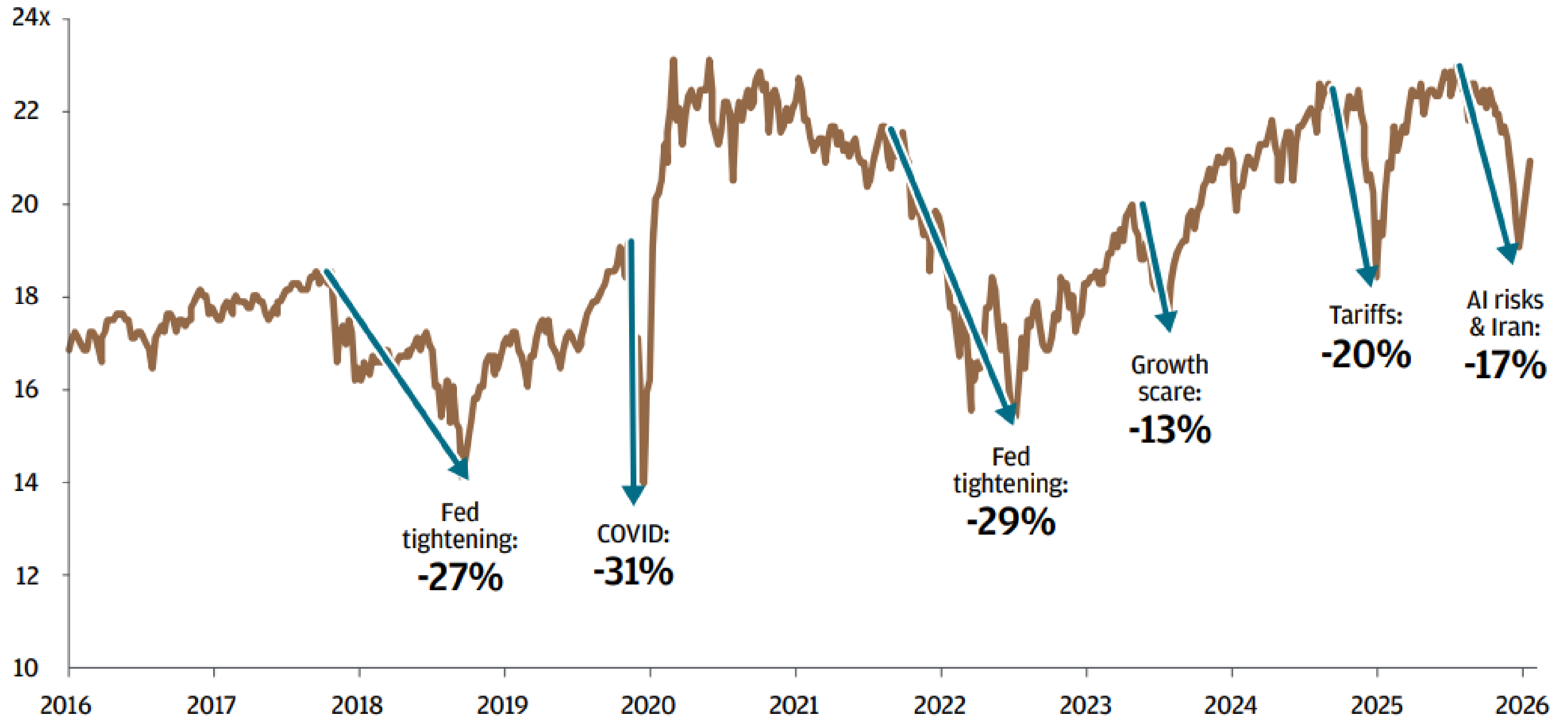
# Investment Outlook



# Stocks are a Little Less Expensive Now

VALUATIONS HAVE CORRECTED TO MORE COMPELLING LEVELS

S&P 500 next-12-months P/E ratio

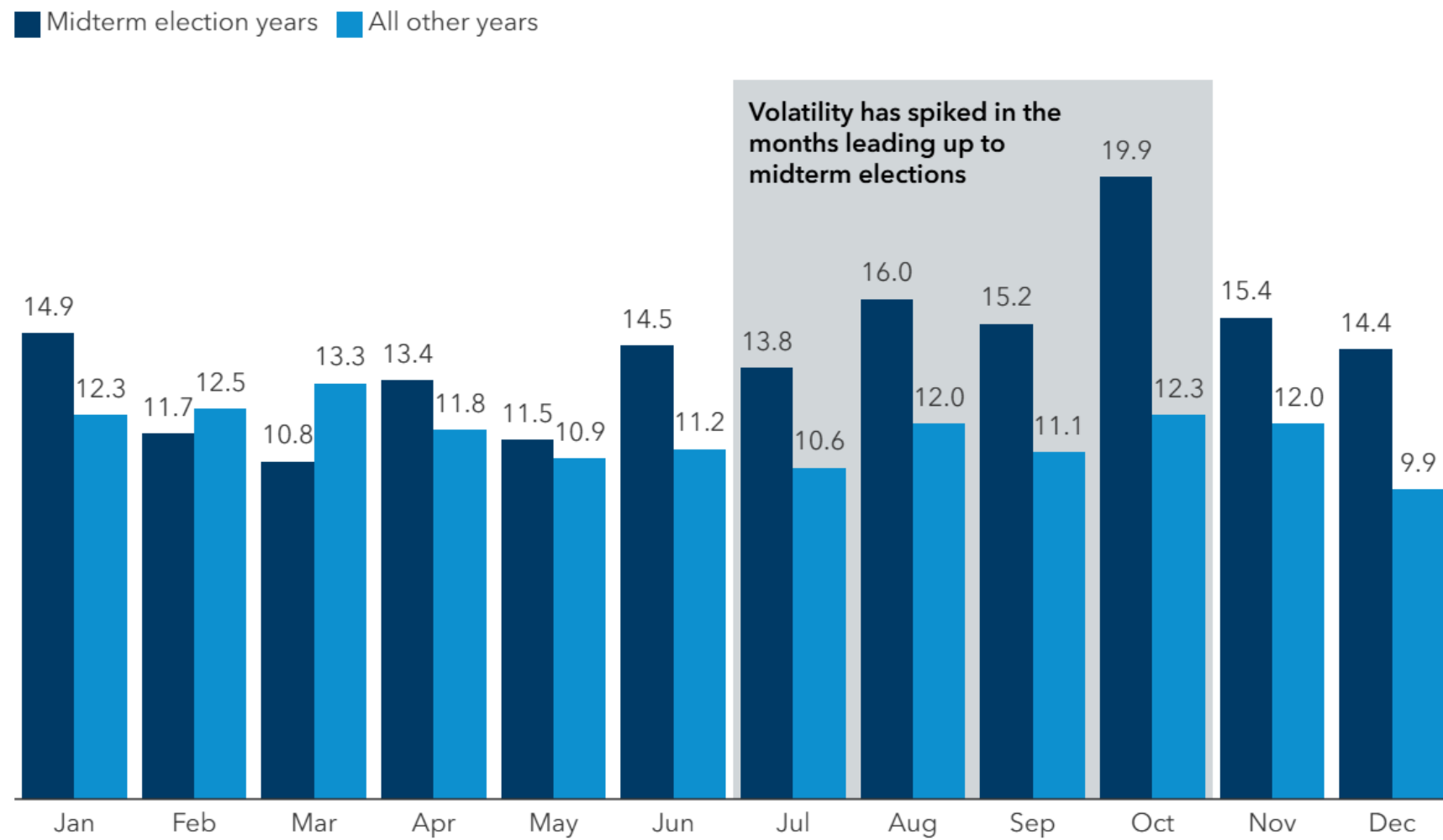


Source: Bloomberg Finance L.P. Data as of April 20, 2026.



# Midterm Elections = More Stock Market Volatility

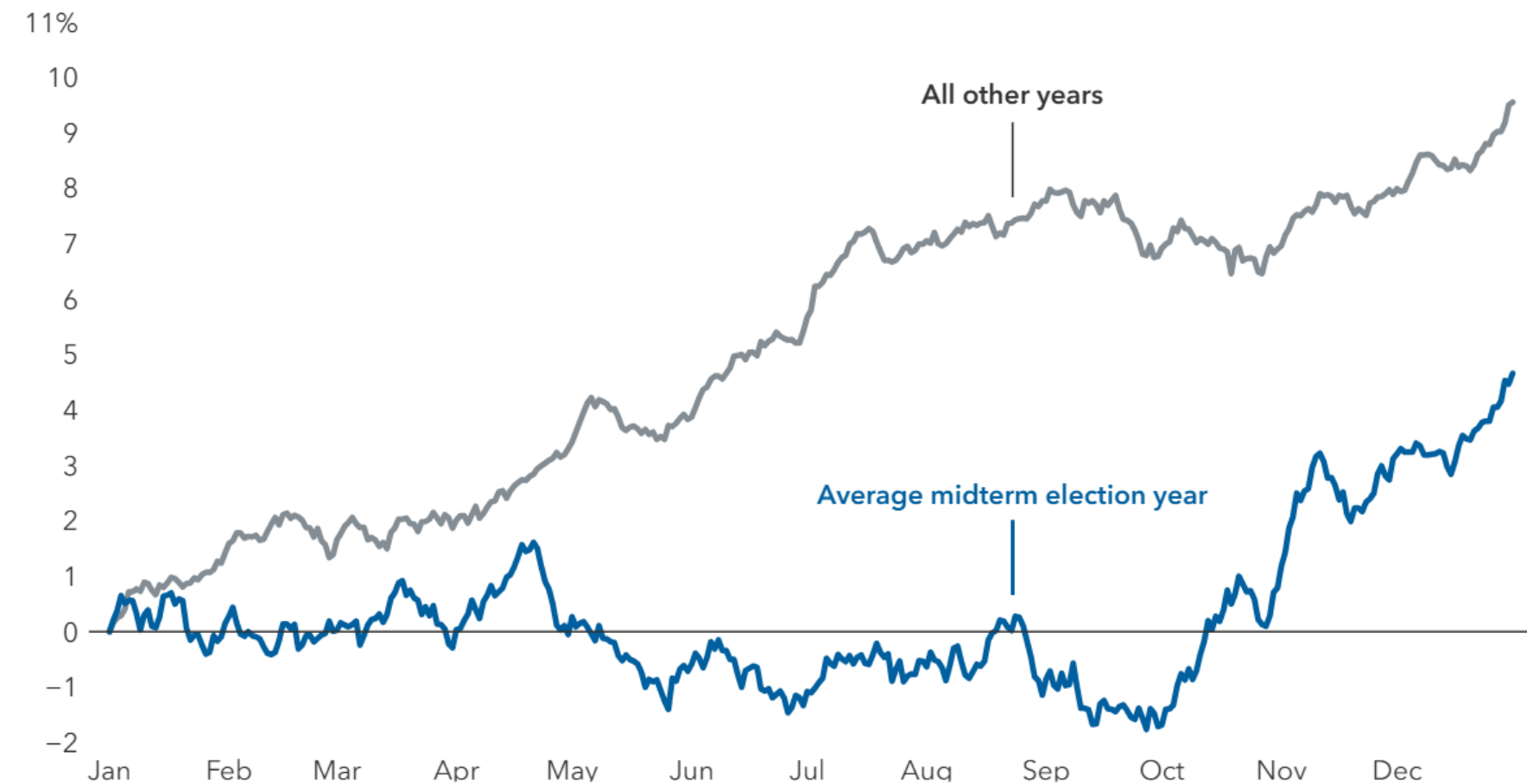
## Midterm election years have come with higher volatility



Sources: Capital Group, RIMES, Standard & Poor's. Volatility is calculated using the standard deviation of daily returns for each individual month. The median volatility for each month is then displayed in the chart on an annualized basis. Standard deviation is a measure of how returns over time have varied from the average. As of 31 December 2025.

## Political uncertainty has dampened returns in midterm years

S&P 500 Index average returns since 1931

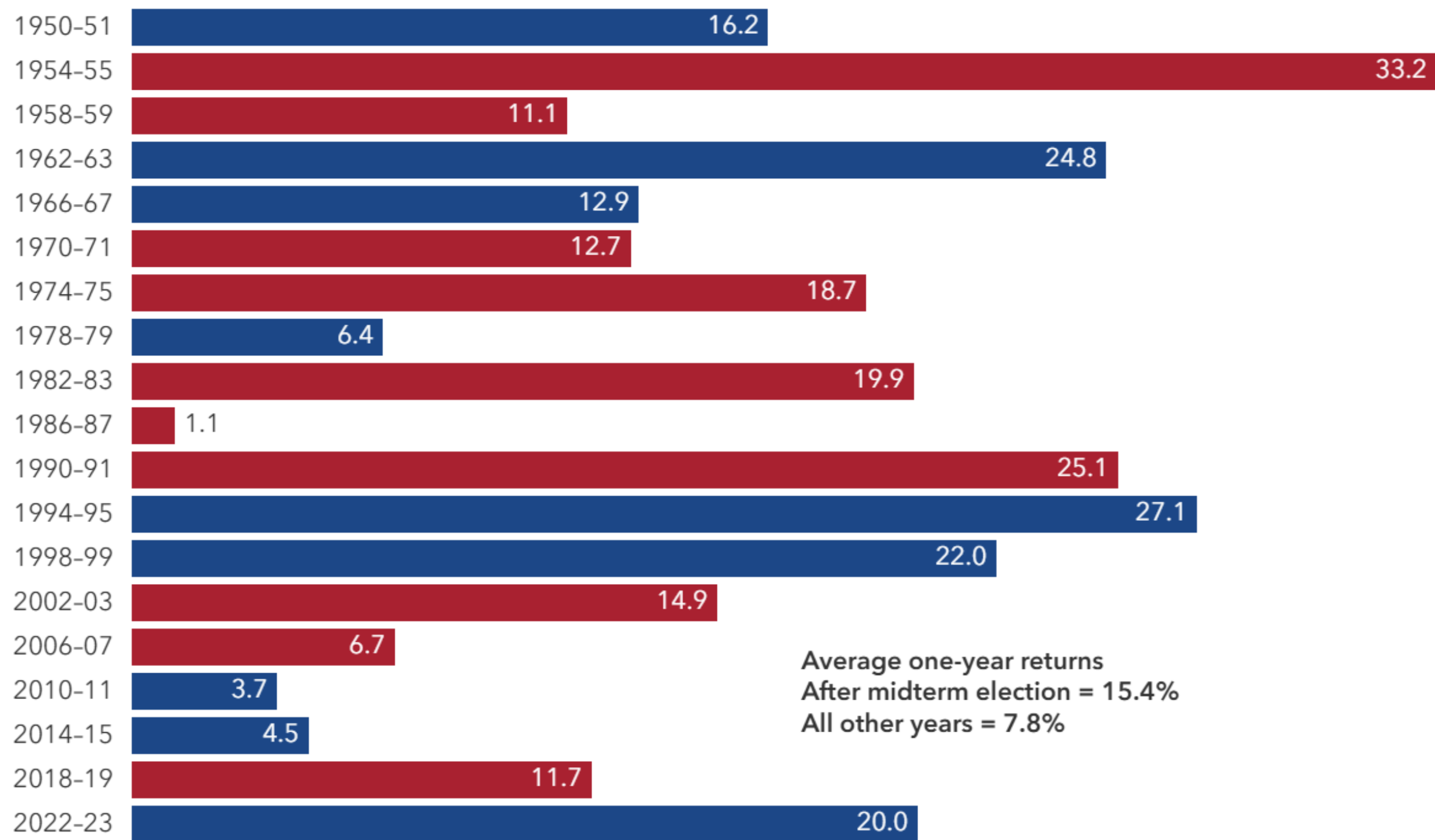


Sources: Capital Group, RIMES, Standard & Poor's. The chart shows the average trajectory of cumulative price returns for the S&P 500 Index throughout midterm election years compared to non-midterm election years. Each point on the lines represents the average year-to-date return as of that particular month and day, and is calculated using daily price returns from January 1, 1931, to December 31, 2025.



# The Post Midterm Stock Market Bounce

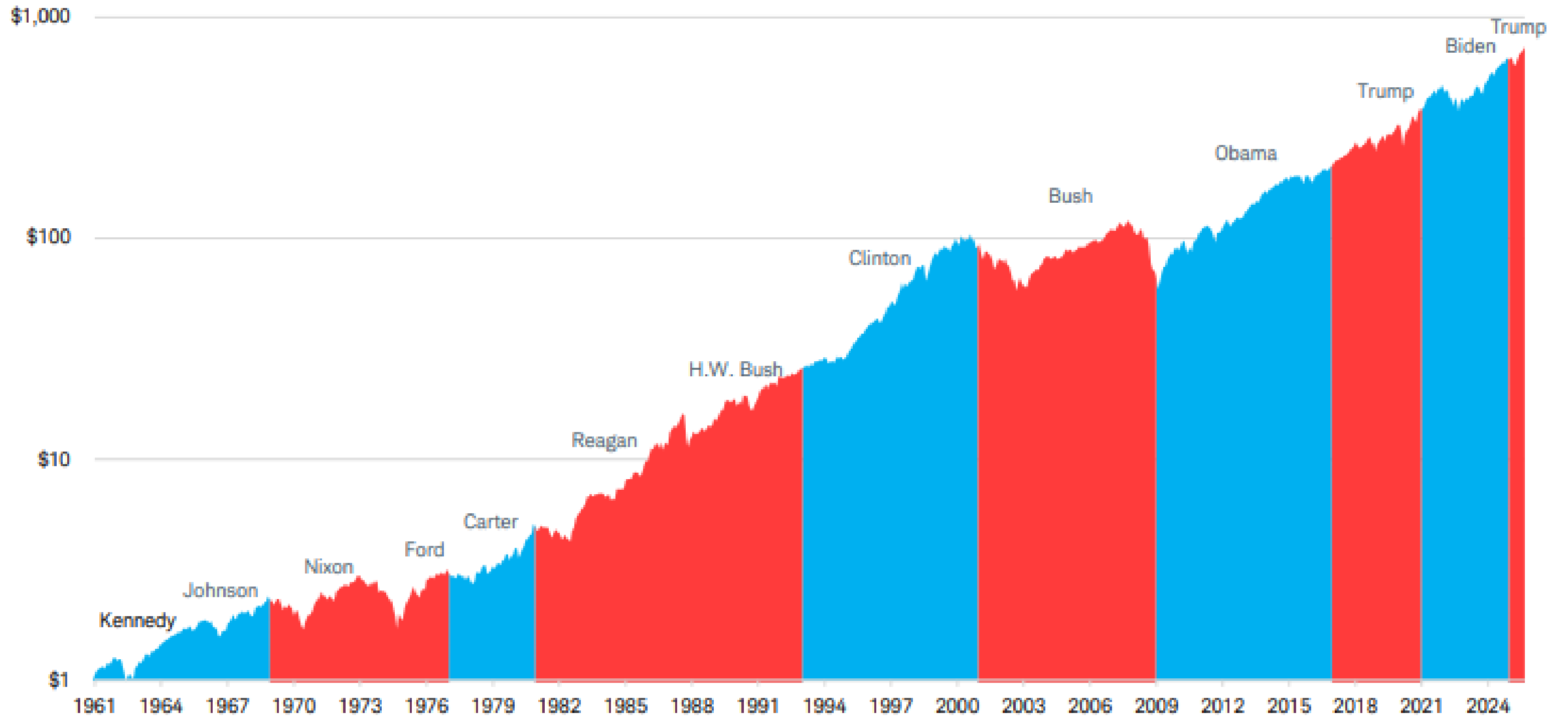
## S&P 500 Index price return one year after midterm election



Sources: Capital Group, RIMES, Standard & Poor's. Calculations use Election Day as the starting date in all election years and November 5th as a proxy for the starting date in other years. Only midterm election years are shown in the chart. As of January 15, 2026.

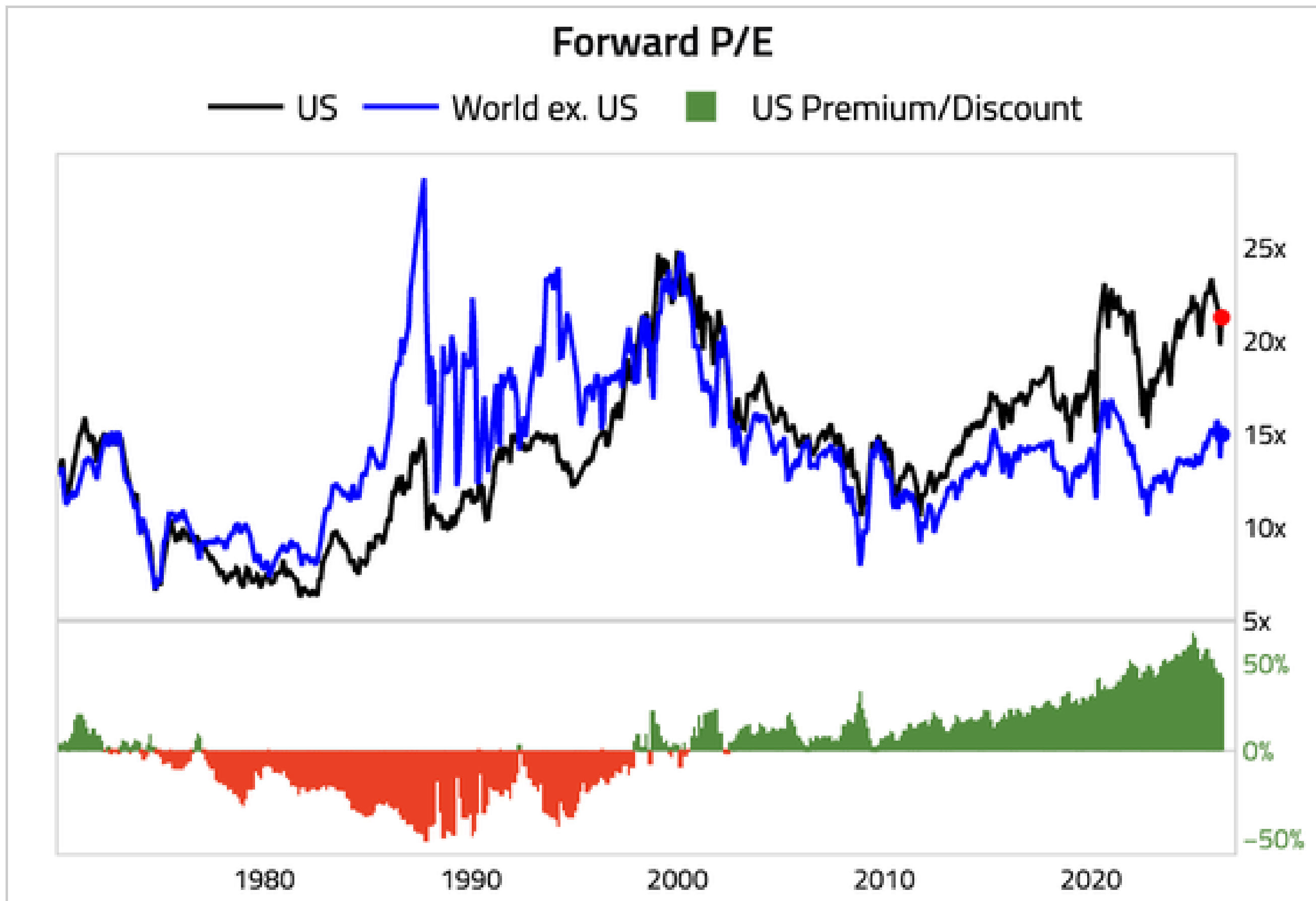


# Don't be Partisan





# Don't Limit Yourself to U.S. Stocks





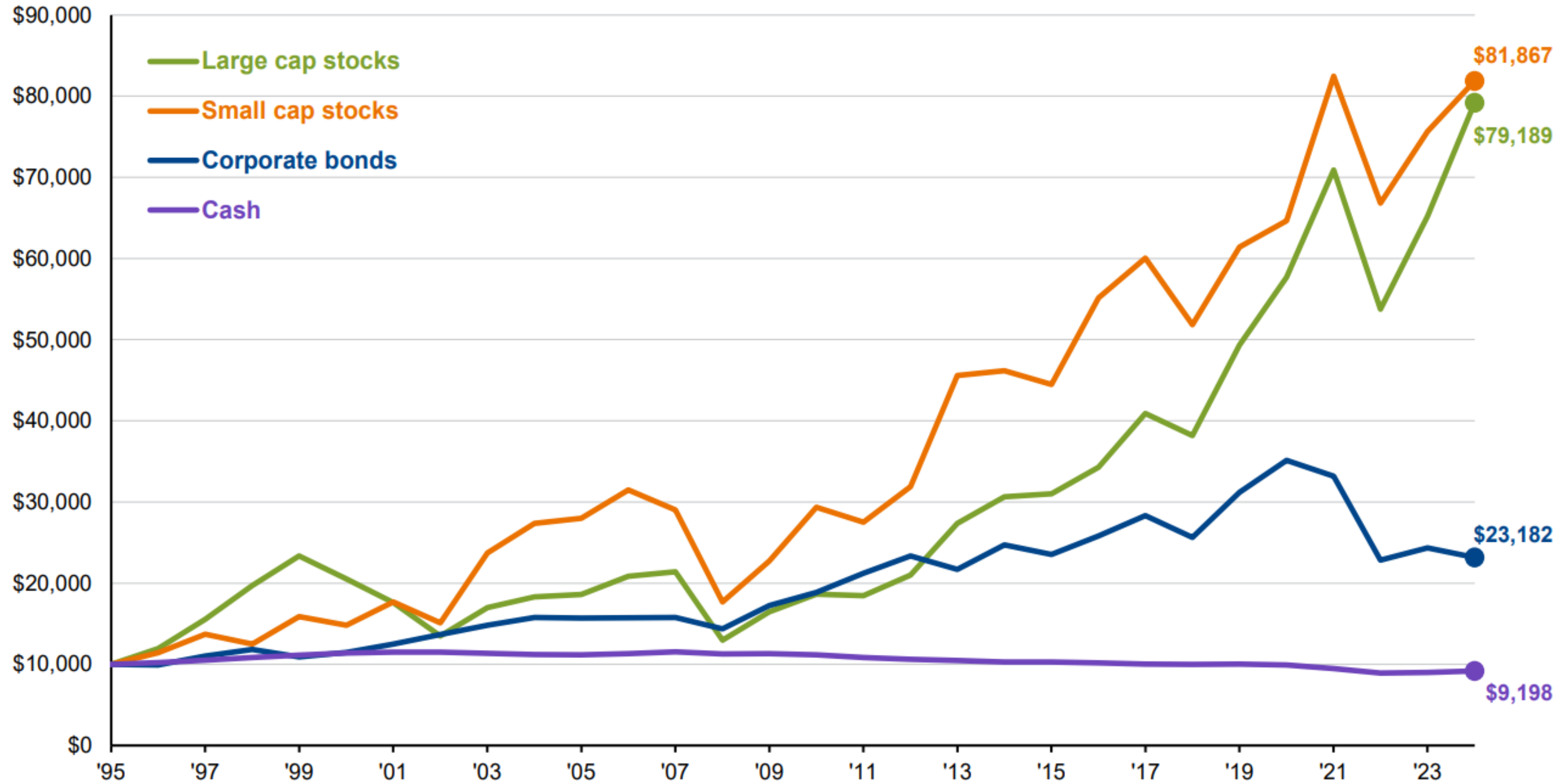
# Our Friend the Stock Market



# Stocks for the Long Term

## Change in purchasing power by investment in major asset class

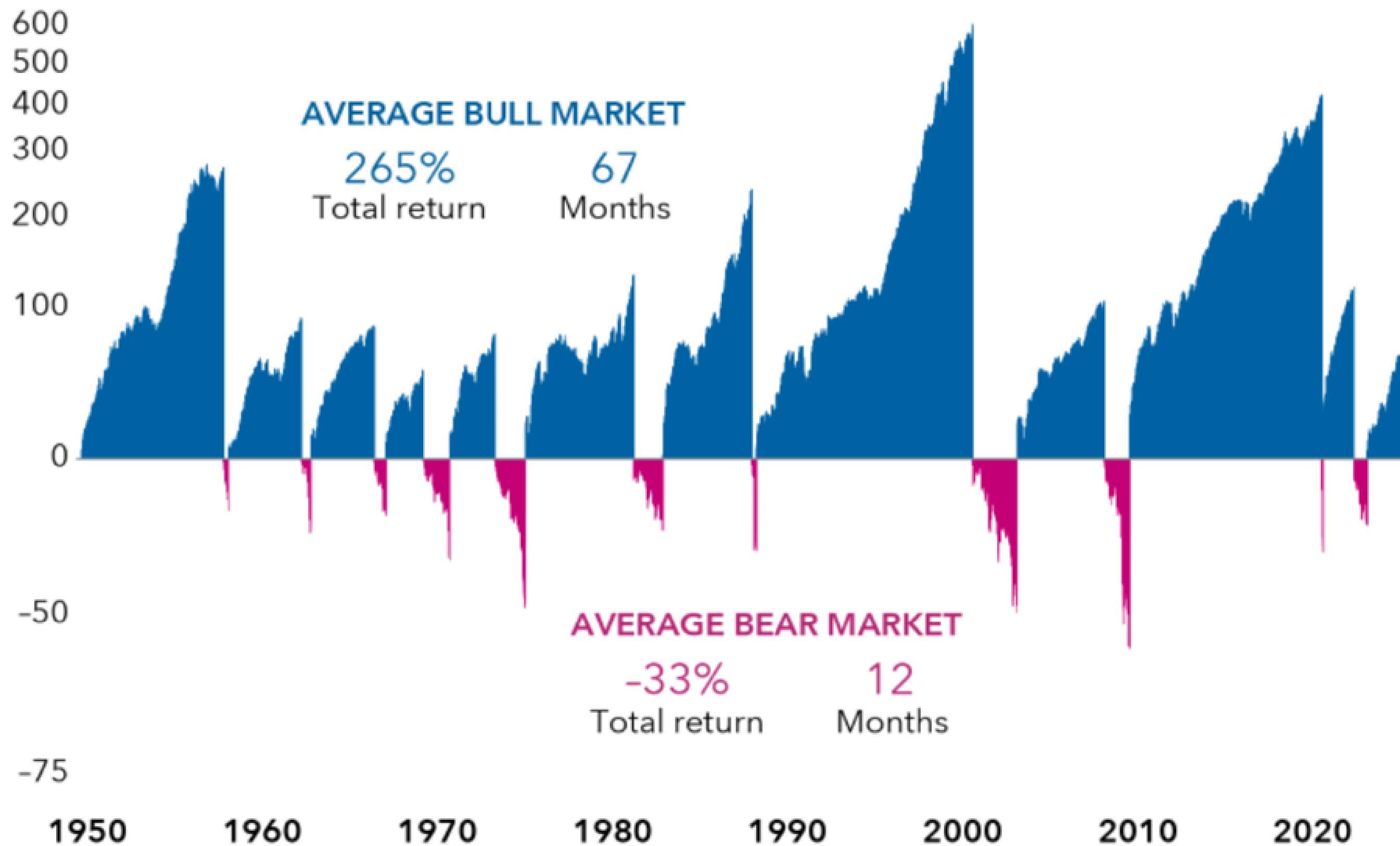
Growth of \$10,000, adjusted for inflation, from 1995-2024, annual returns





# Never Surrender

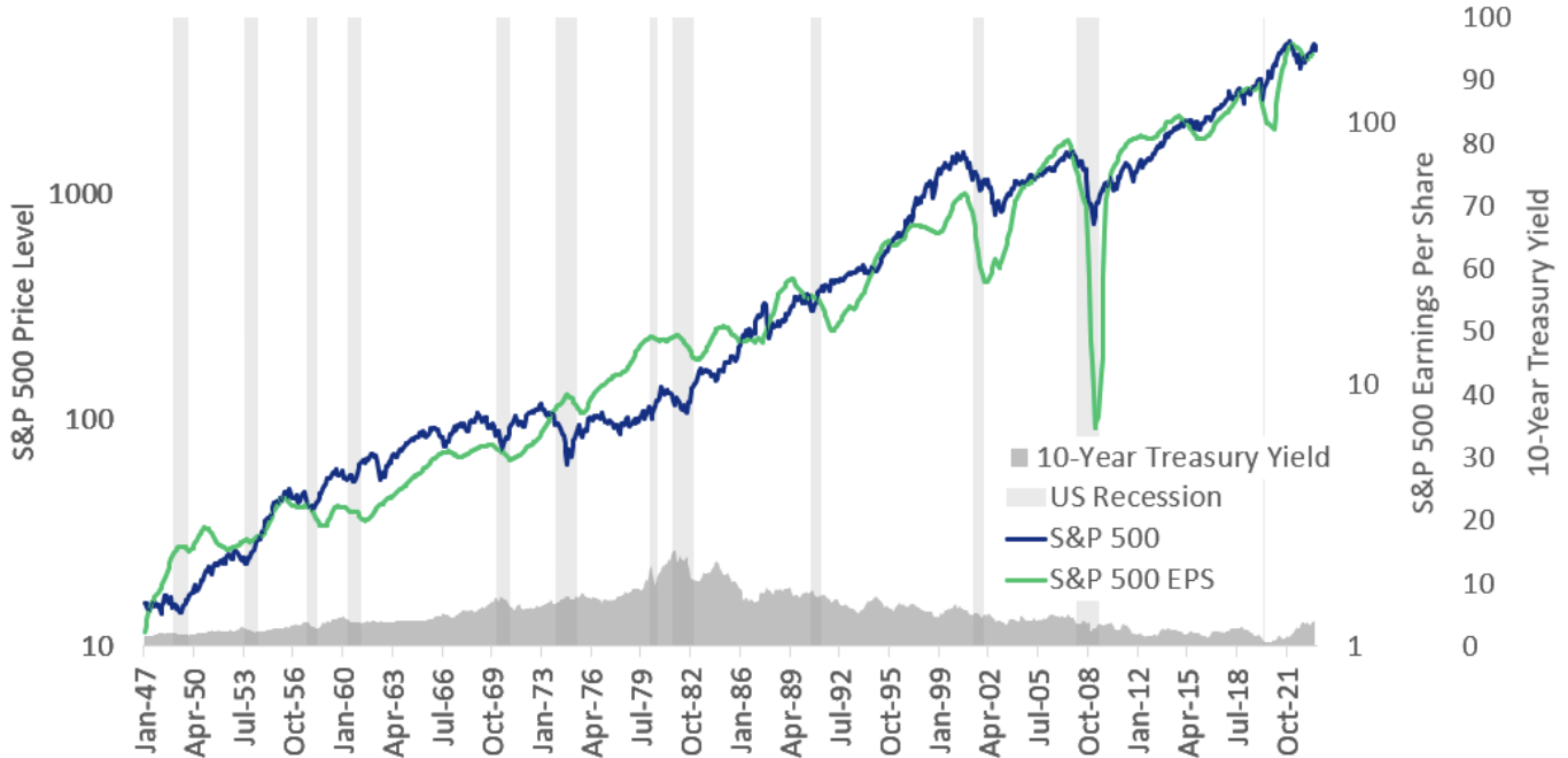
Cumulative price return for each S&P 500 bull and bear market (%)





# Why Stocks Go Up

### S&P 500 Price and Earnings Move Together



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



# Play the Odds





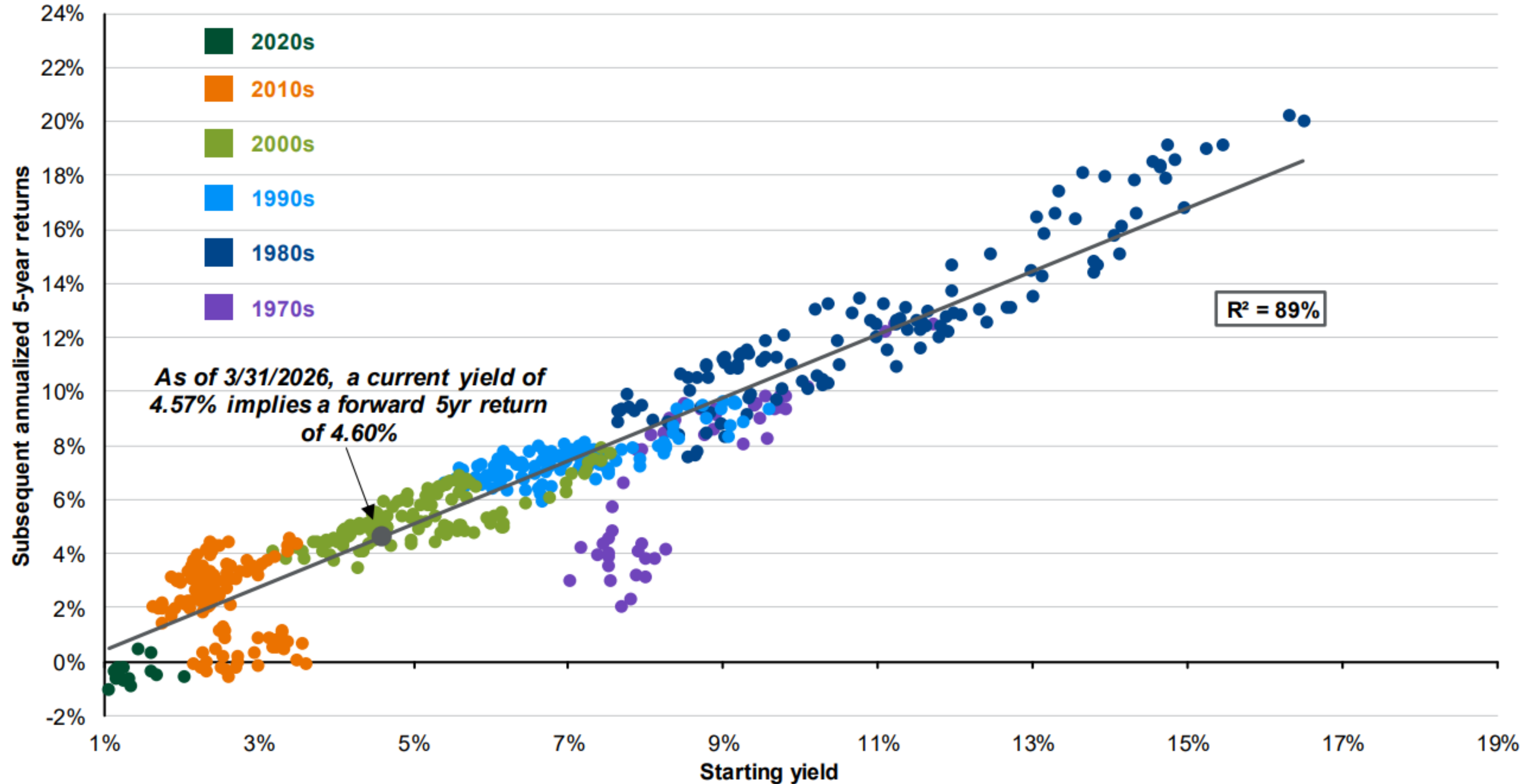
# How to Earn Income



# Bonds are Simple

## Yield to worst and subsequent 5-year annualized returns

Bloomberg U.S. Aggregate Total Return Index

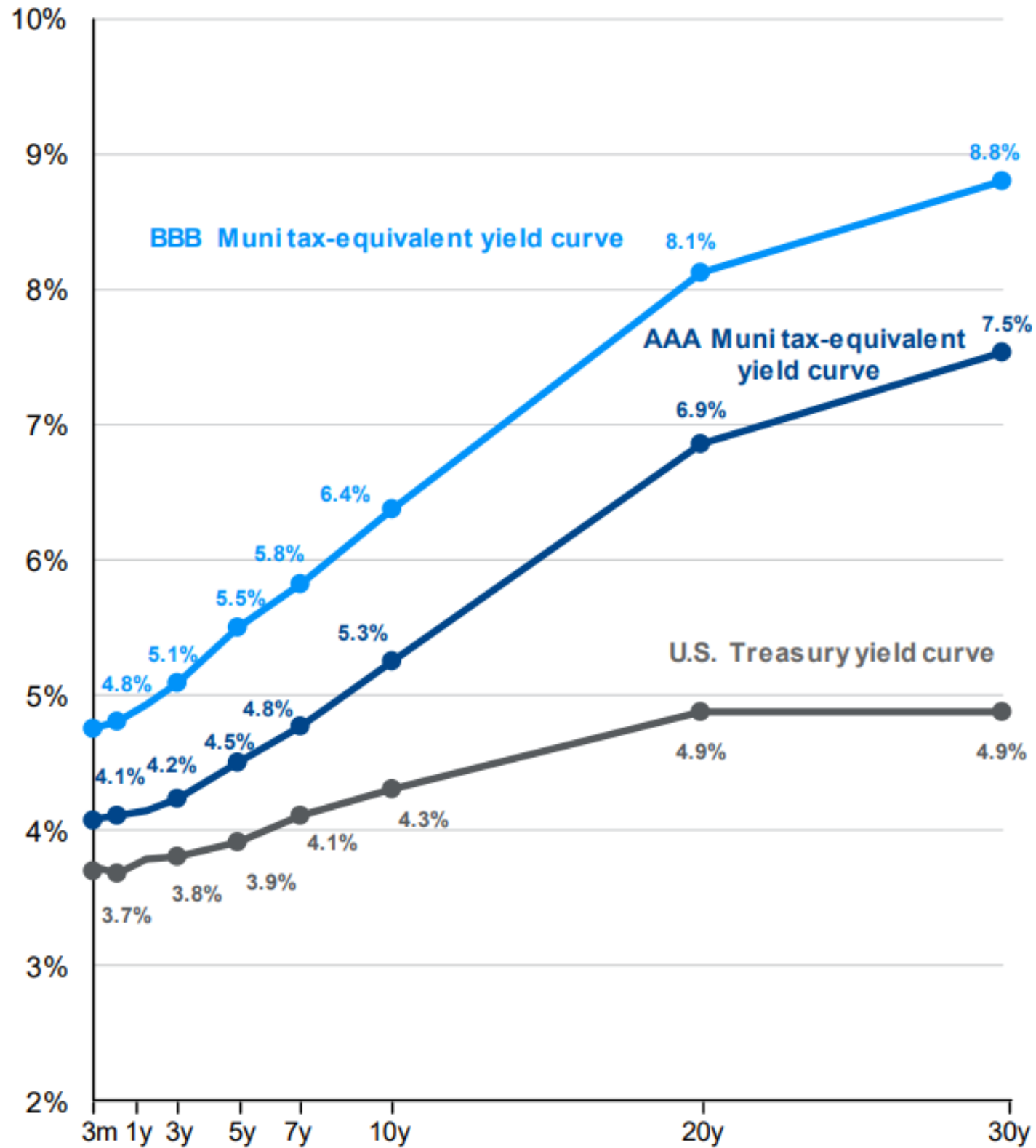




# Tax-Free Bonds are Attractive

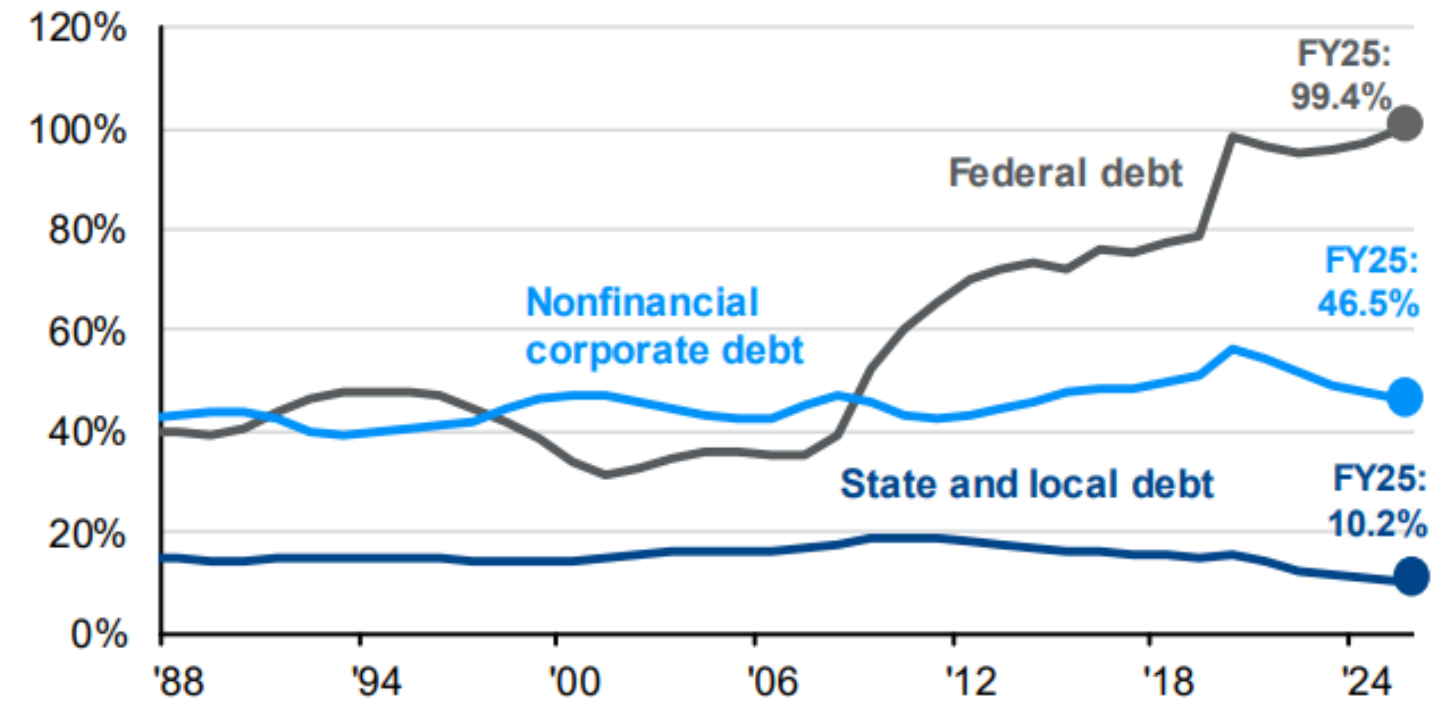


### Muni tax-equivalent and Treasury yield curves



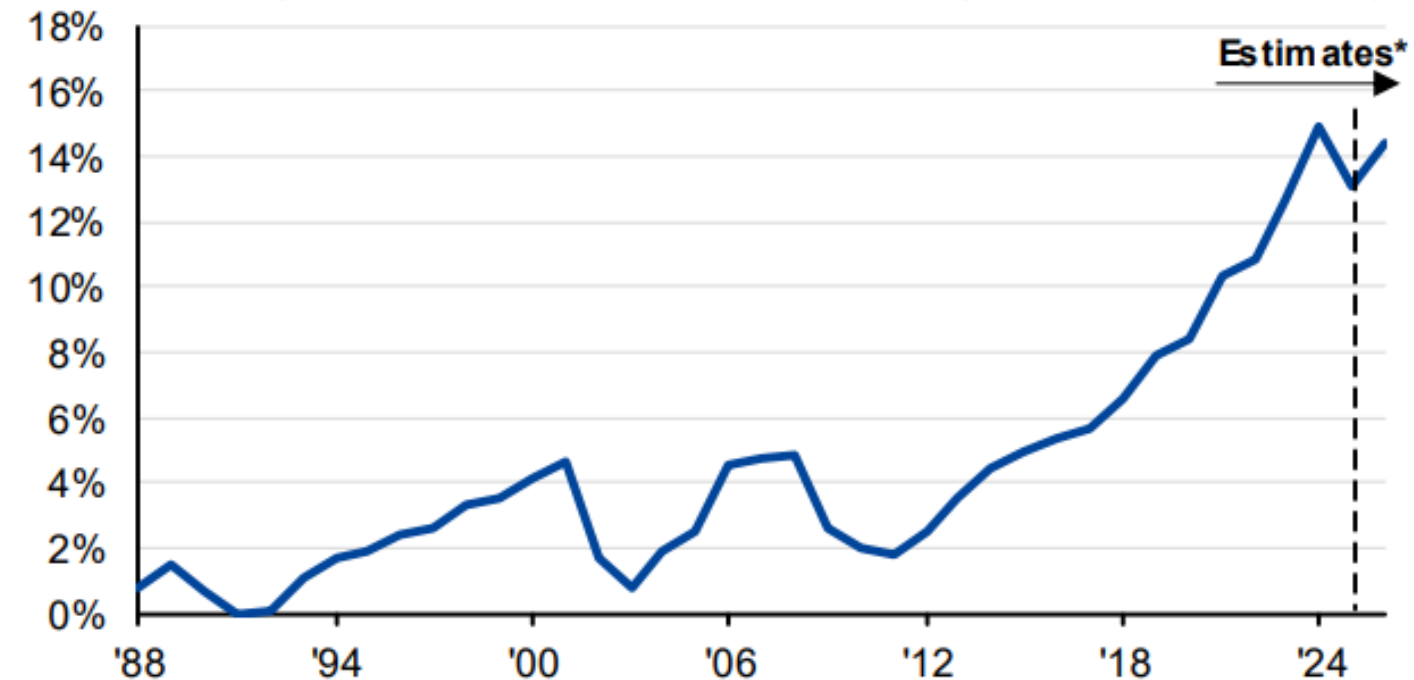
### State and local, federal and corporate debt

% of GDP, 1988 - 2025, end of fiscal year



### State rainy day fund balances

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





# If You Own Stocks + Bonds

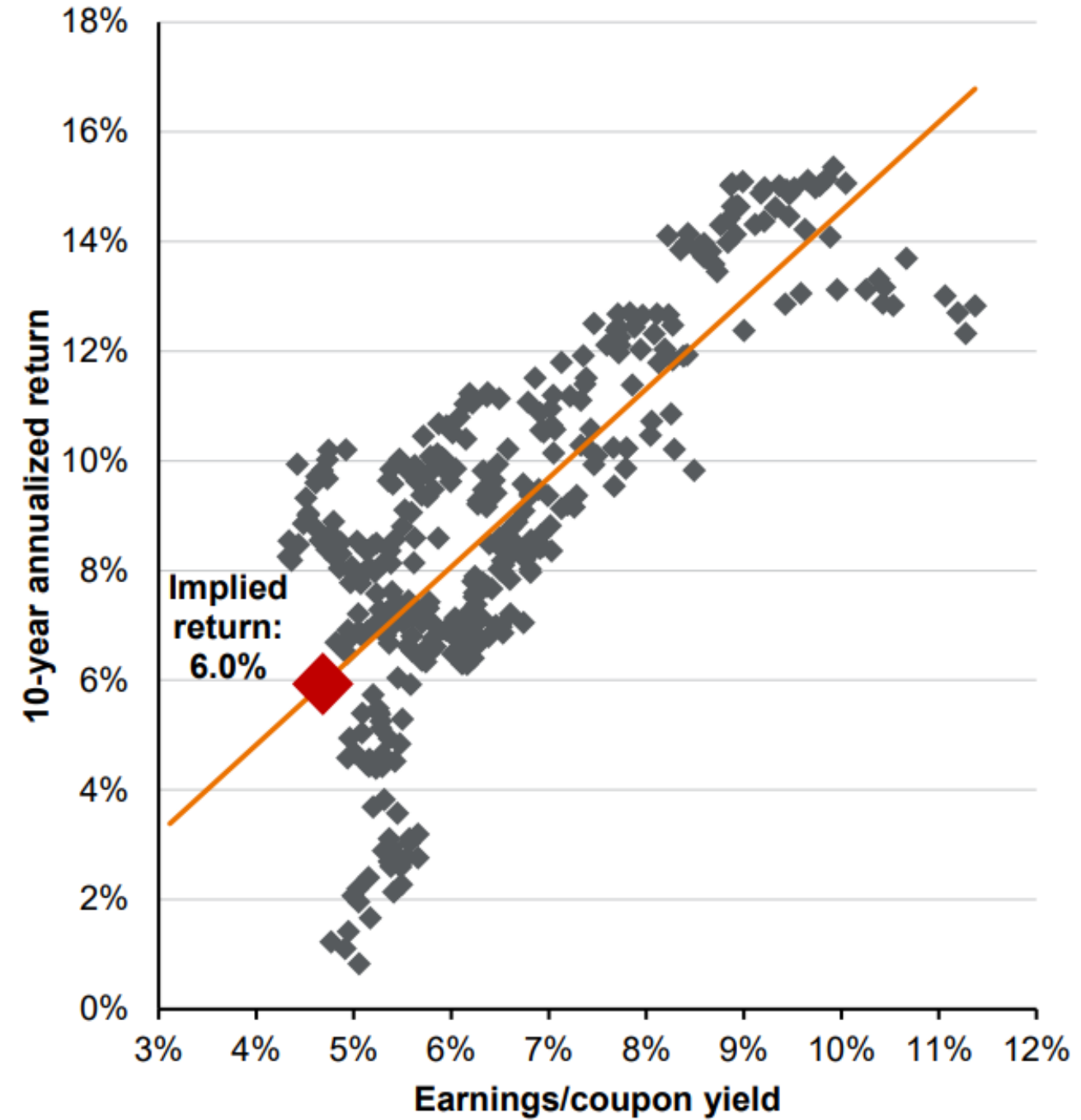


# Expect Lower Returns

**Earnings/coupon yield on a 60/40 portfolio**  
Blended S&P 500 forward E/P ratio and Bloomberg U.S. Agg. YTW



**60/40 earnings/coupon yield and subsequent returns**  
10-year annualized returns, January 1985 – April 2016





# How to Get Ahead

## *Improving Your Investment Income*



# How to Maximize Your Income

<b><u>Investment Objective</u></b>	<b><u>How We Do It</u></b>
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



# 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:** 3-4%
- **Big, bad greedy banks:** 2-3%





# 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

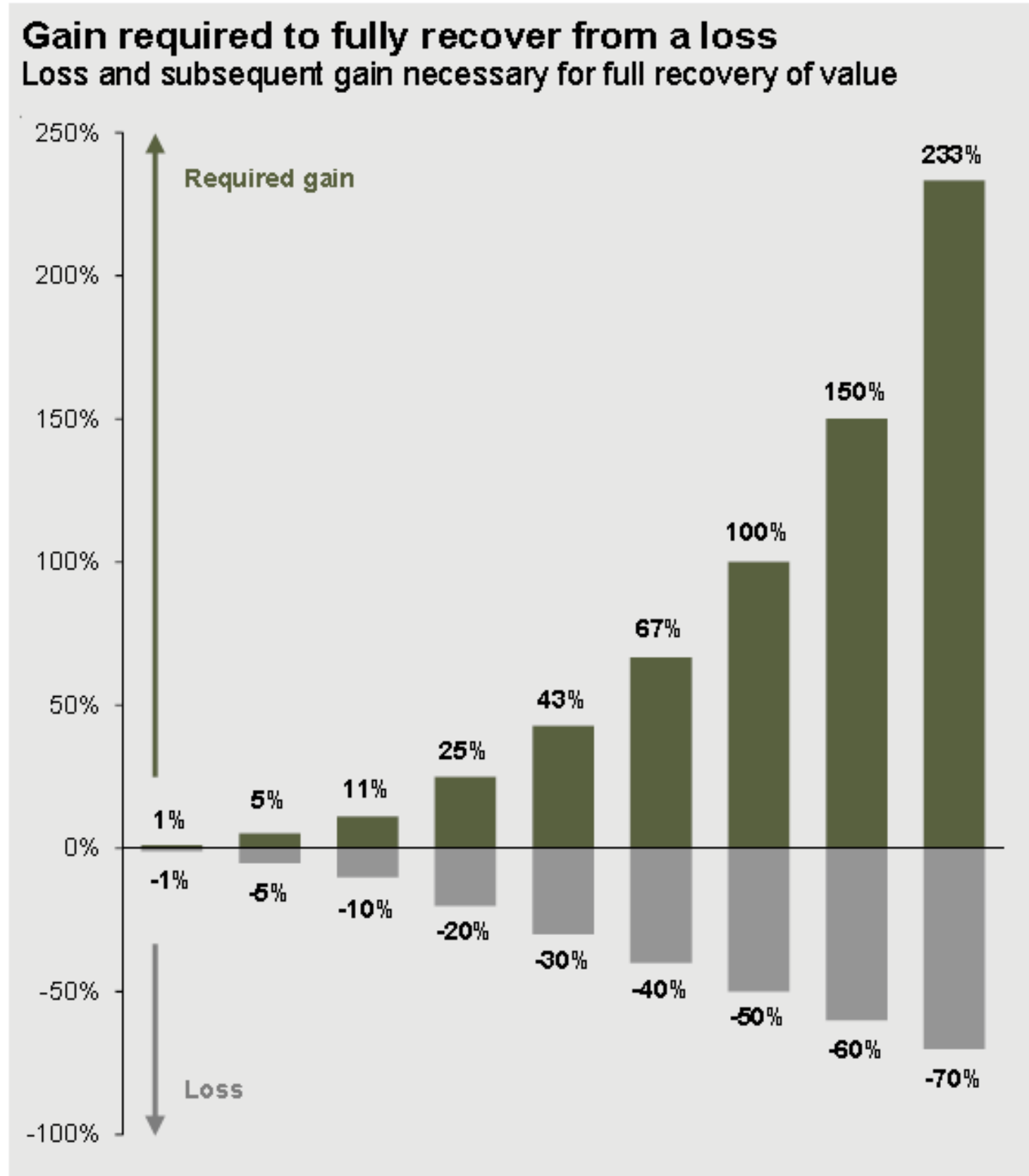


# How to Get Ahead

## *Improving Your Stock Market Returns*



# Do Not Speculate

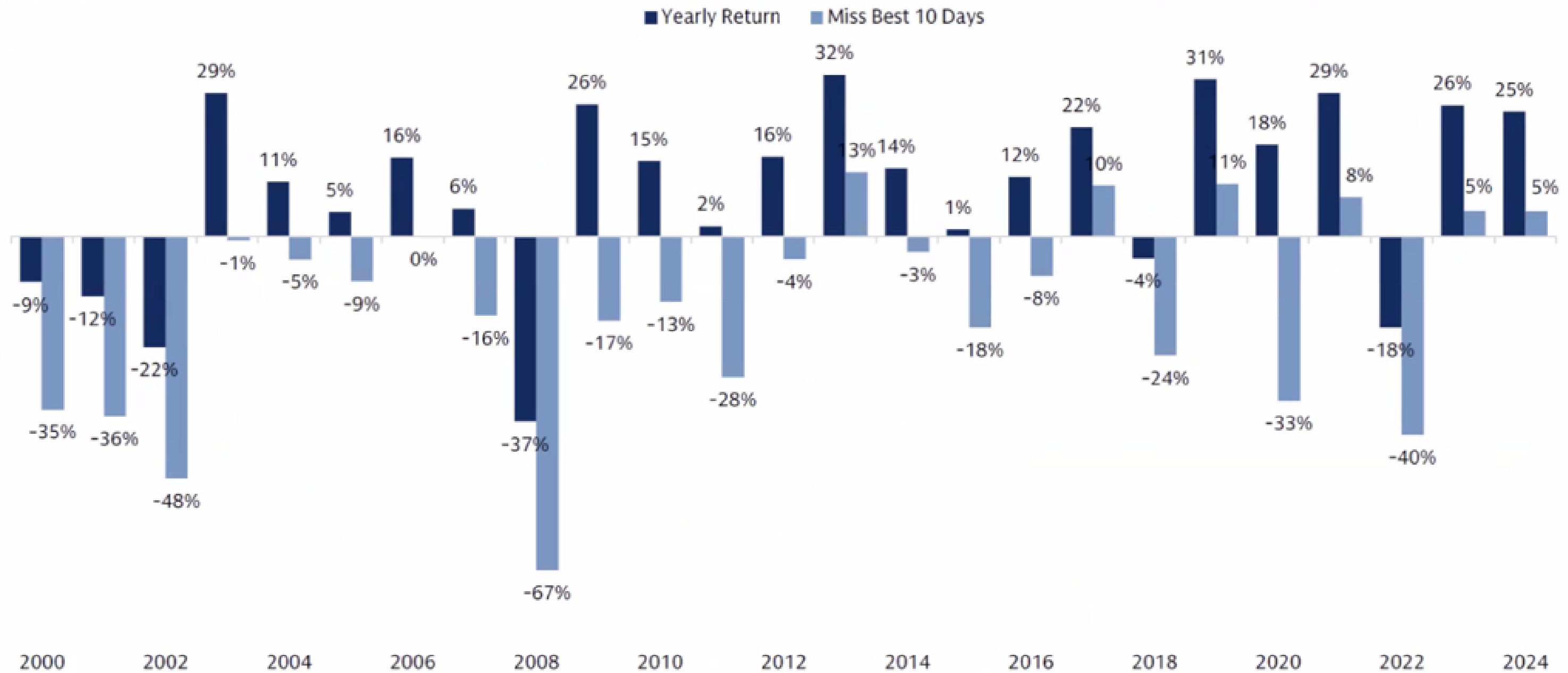




# Don't Time the Stock Market

## The 10 Best Days Could Make All of the Difference

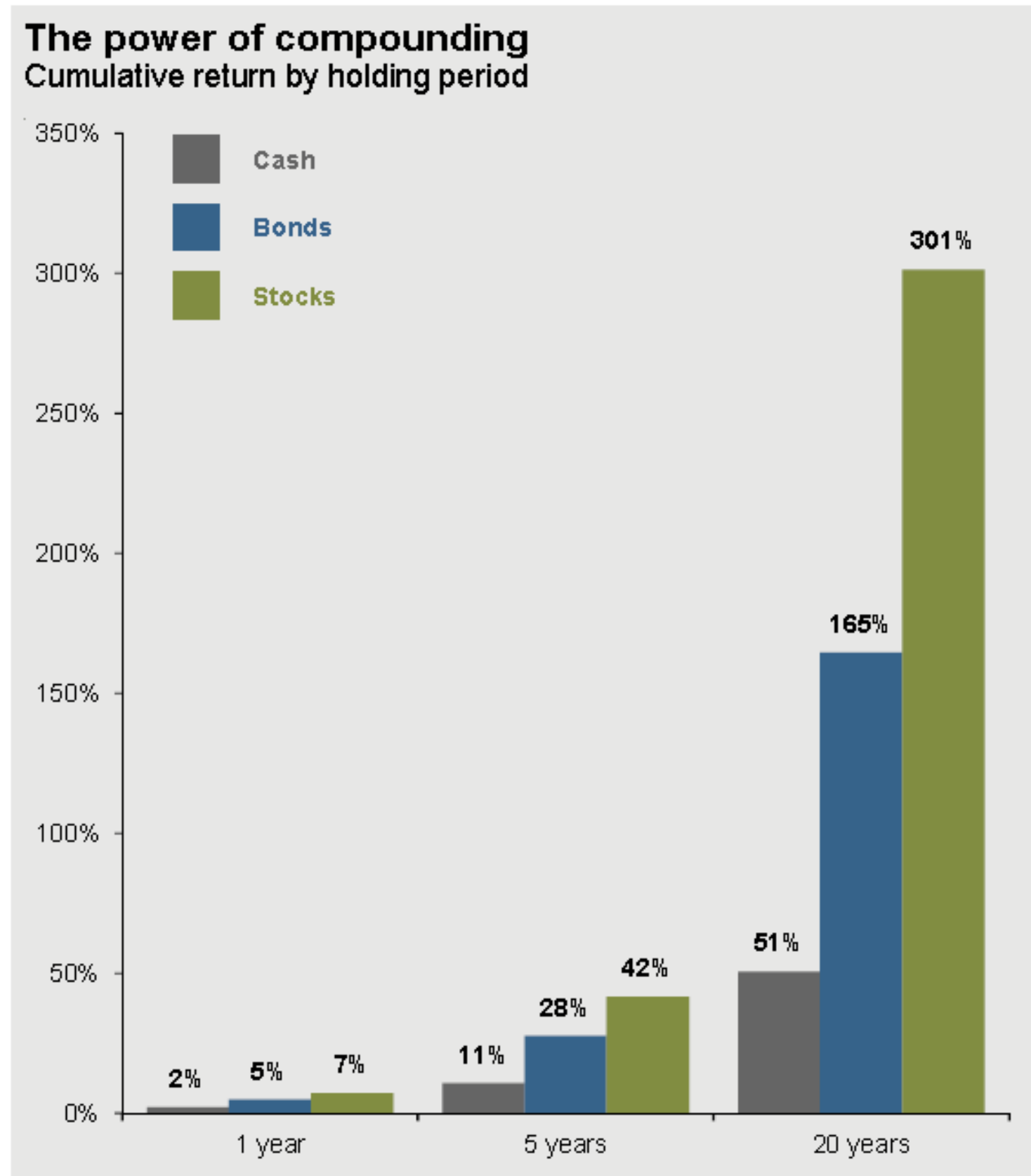
S&P 500 Annual Returns 2000-2024



**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.



# Make Money While You Sleep

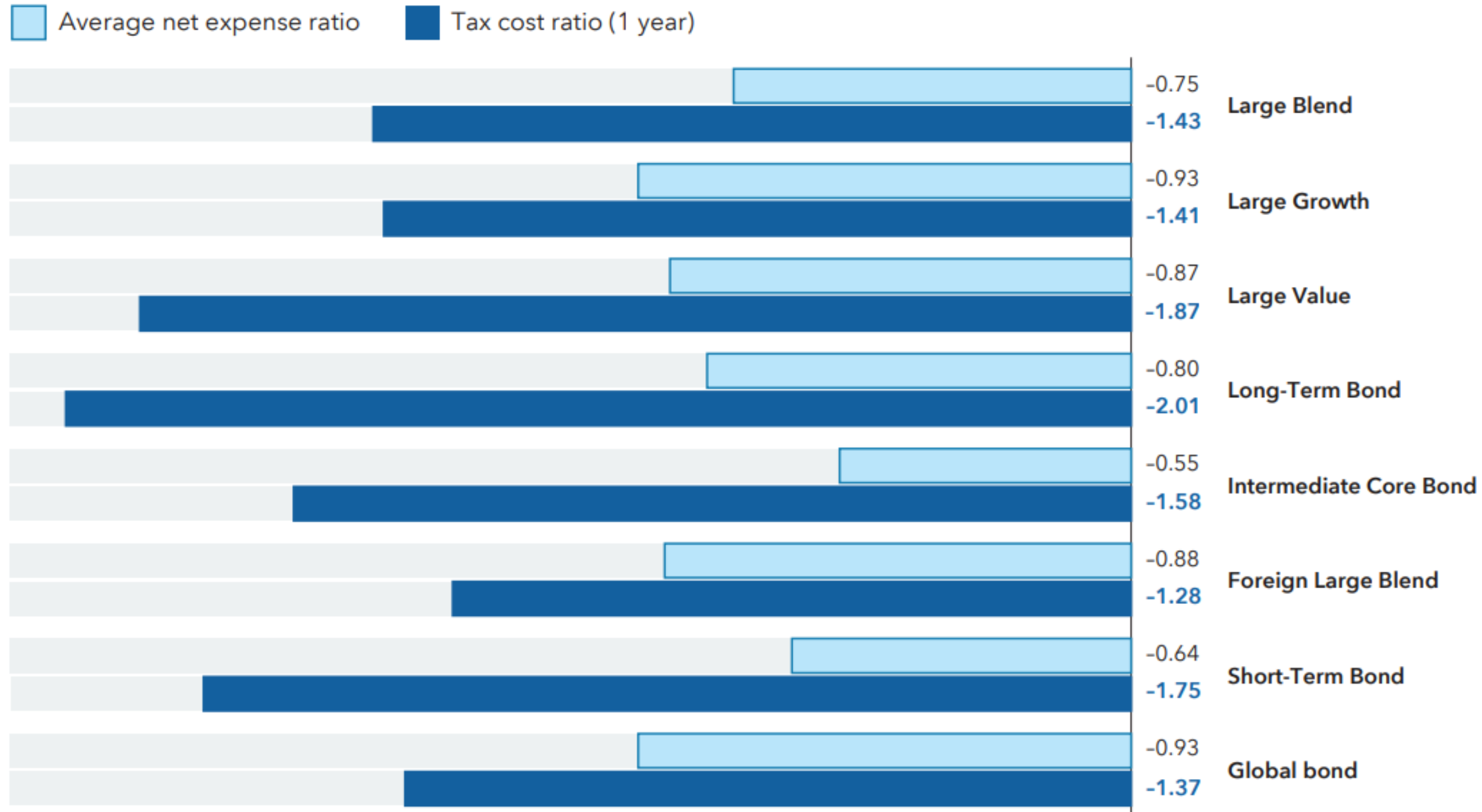


Source: J.P. Morgan Asset Management, BLS, FactSet, Standard & Poor's



# Don't Let Taxes & Fees Kill Your Results

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



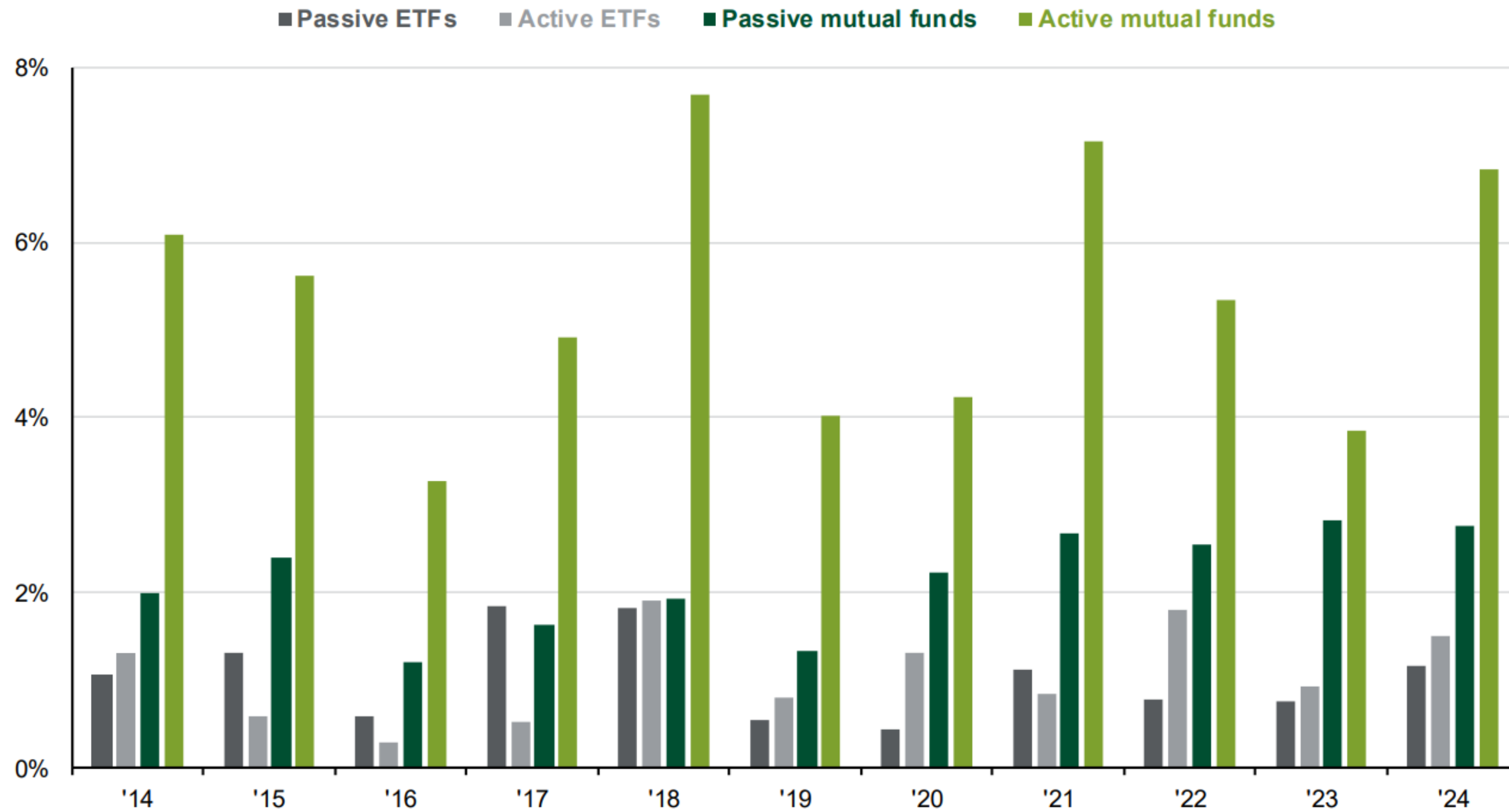
Source: Morningstar as of 4/30/25. Morningstar categories include mutual funds, index funds and exchange-traded funds (ETFs).

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.



# Mutual Funds Kill You on Taxes

**Capital gains paid by investment vehicle**  
Weighted capital gains/assets under management

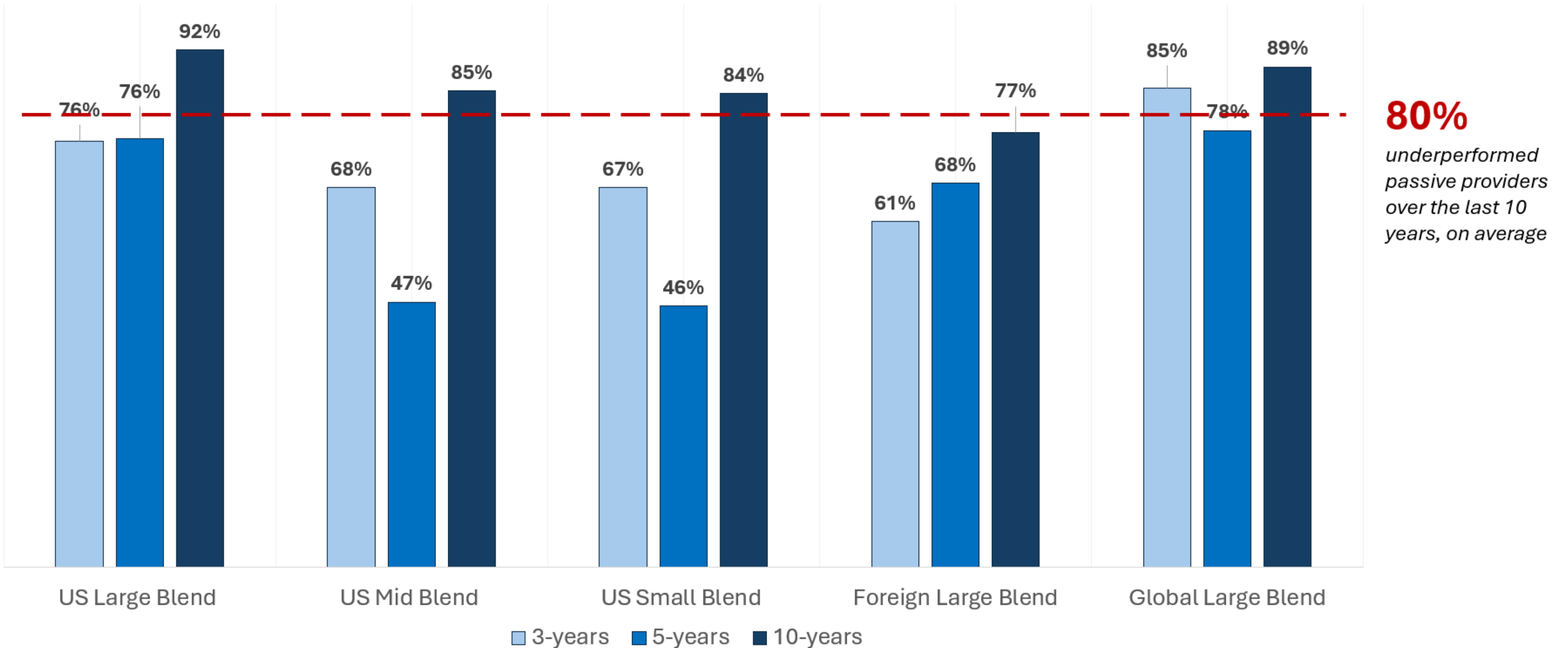




# Low-Cost, Passive ETFs are Winners

## Percentage of Active Managers Underperforming Benchmarks

As of December 31, 2025



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



# 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



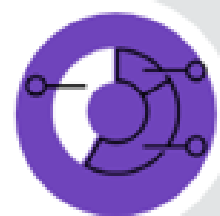
### Cost-effective

- 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*

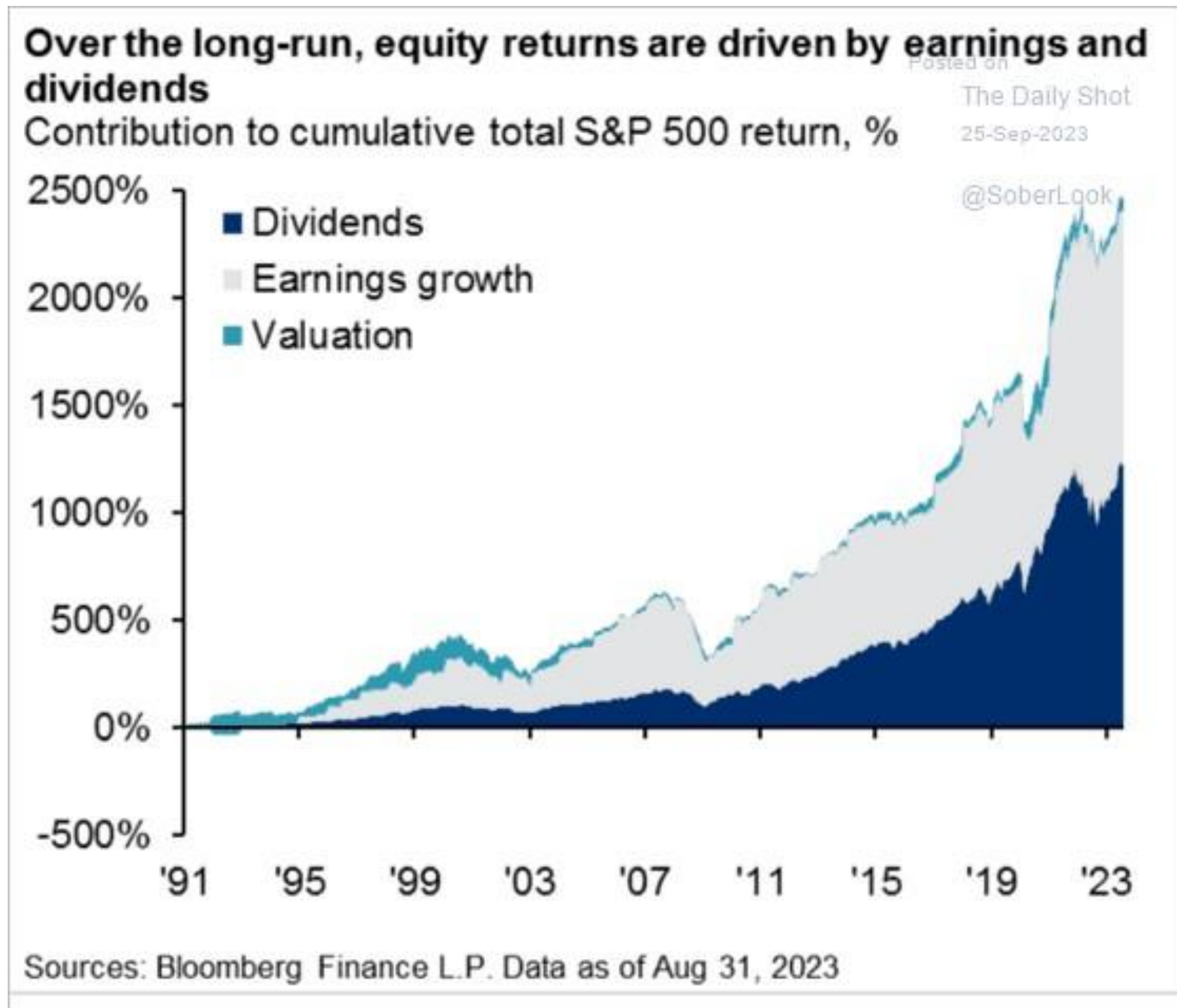


### Accessible

- 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*

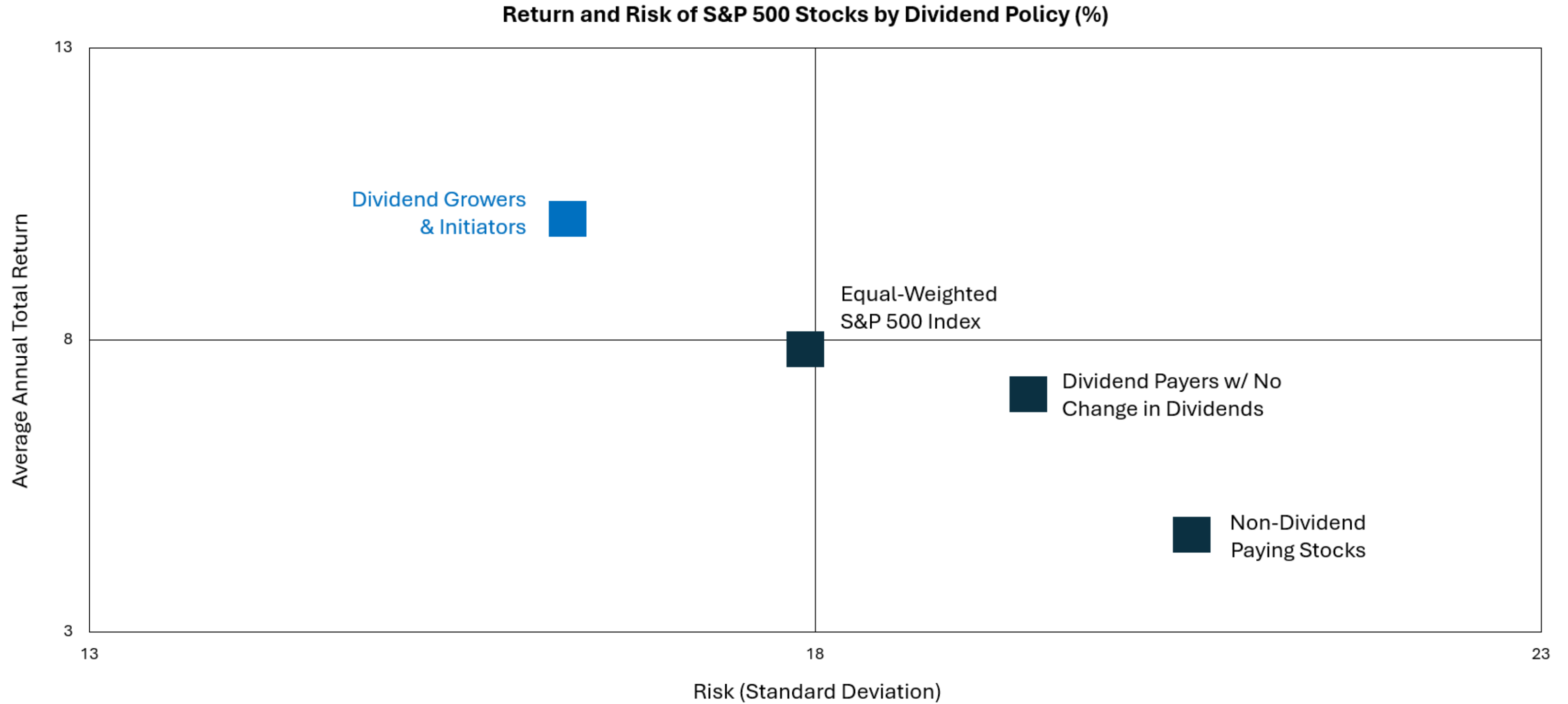


# Own Dividend Paying Stocks





# Own Dividend Paying Stocks

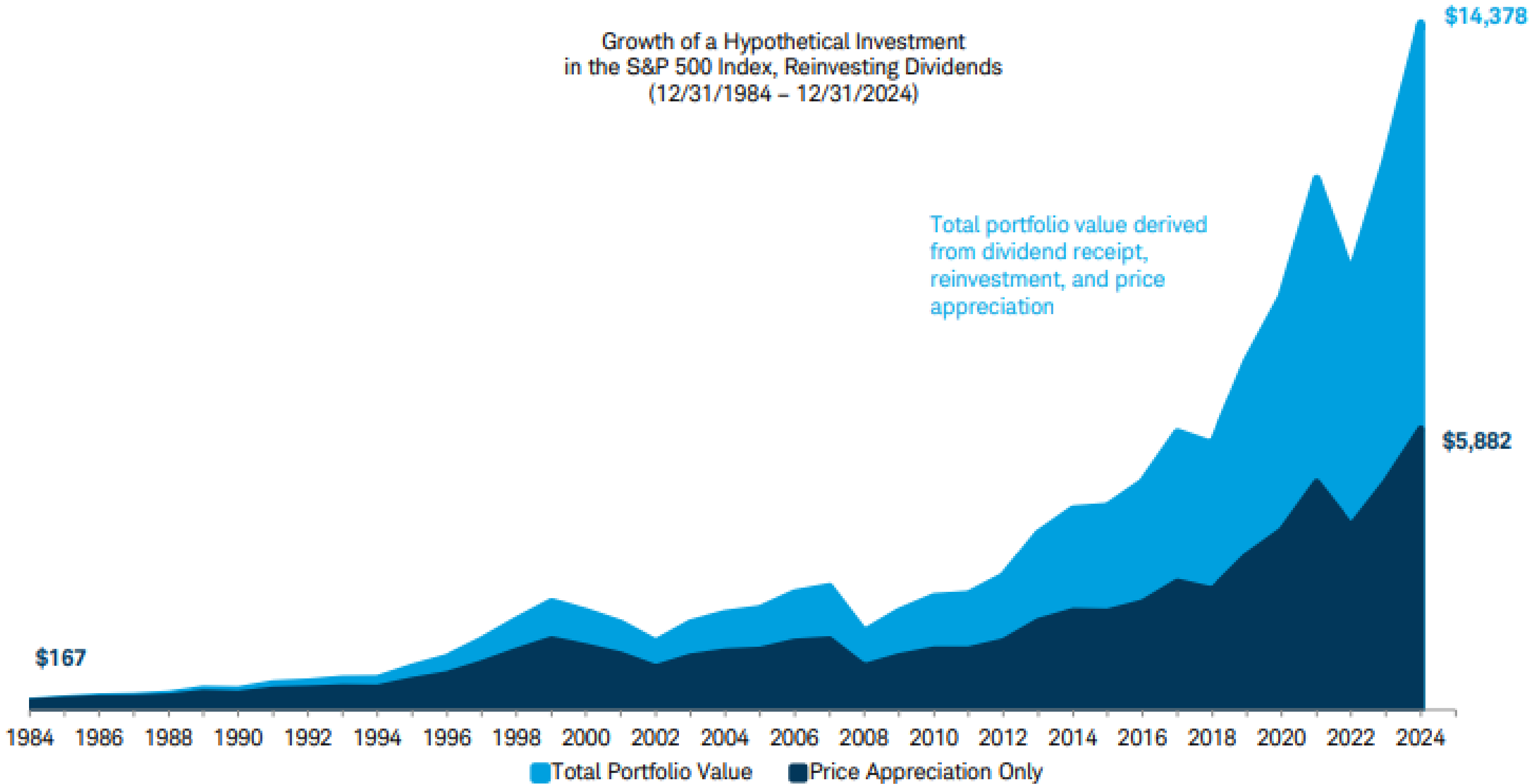




# Reinvest Your Dividends

Comprehensive Wealth Management

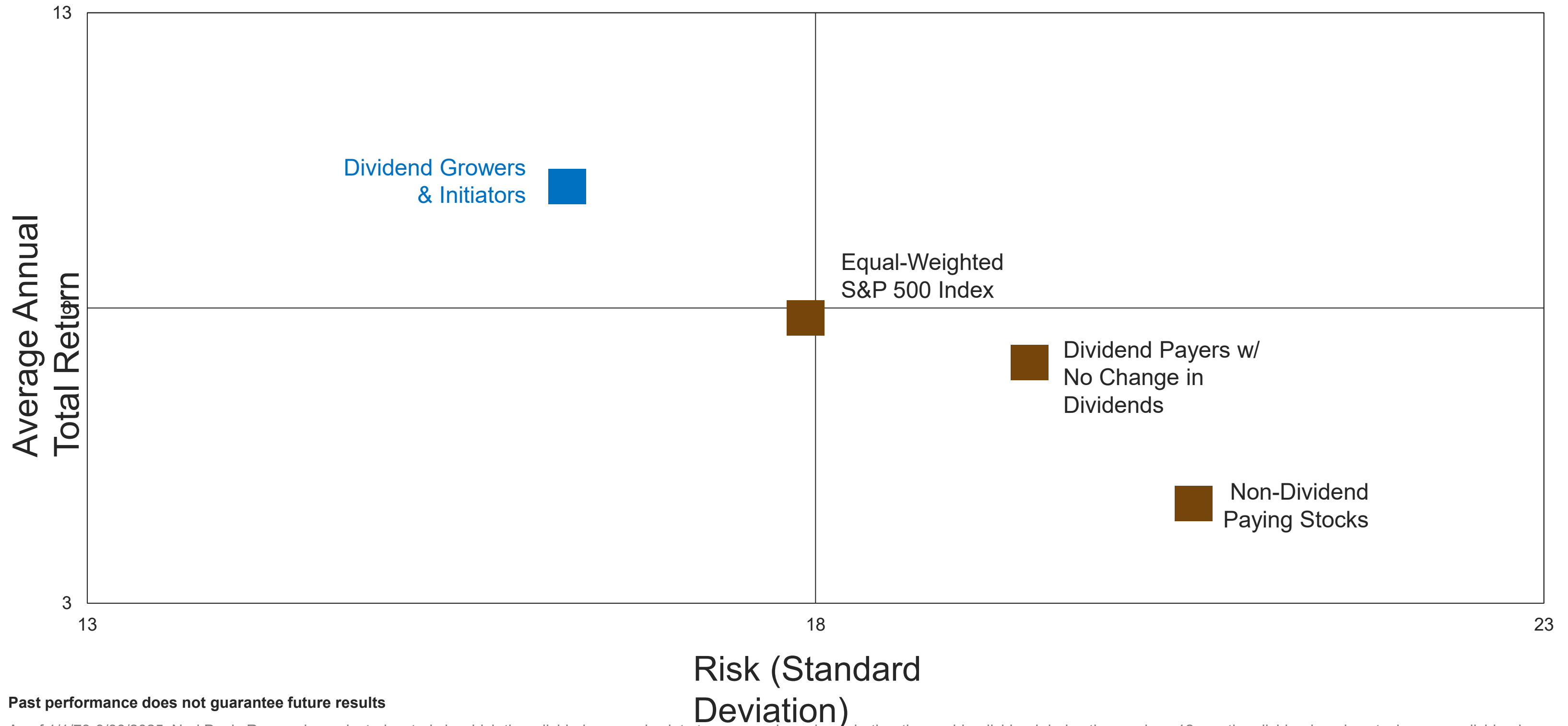
Knightsbridge Wealth Management 2026





# Why We Prefer Dividend Stocks

Return and Risk of S&P 500 Stocks by Dividend Policy (%)



**Past performance does not guarantee future results**

As of 1/1/73-9/30/2025. Ned Davis Research conducted a study in which they divided companies into two groups based on whether they paid a dividend during the previous 12 months: dividend-paying stocks or non-dividend-paying stocks. The dividend-paying stocks were then divided into groups based on their dividend payout behavior during the previous 12 months. Dividend Growers & Initiators include stocks that increased their dividend anytime in the past 12 months. Once an increase occurs, it remains classified as a grower for 12 months or until after another change in dividend policy. Dividend Payers with No Change stocks include stocks that maintained their existing indicated annual dividend for the past 12 months. Data Sources: Ned Davis Research and Hartford Funds, 10/25

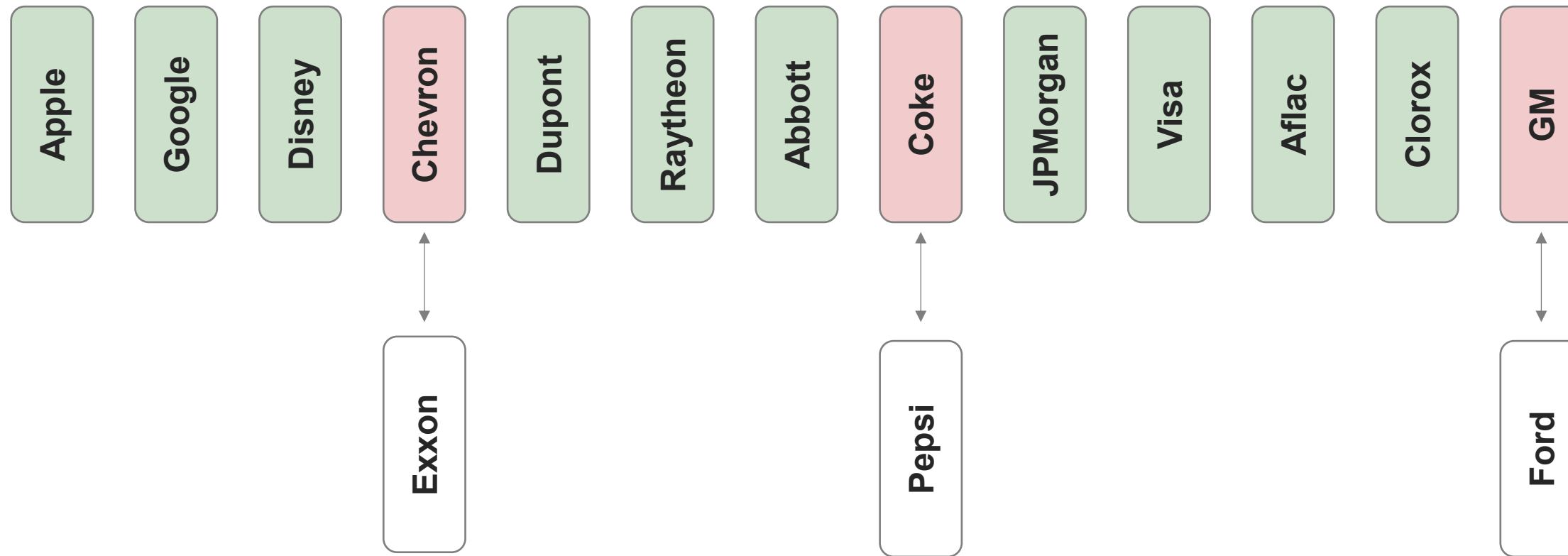


# You MUST Harvest Your Stock Losses



## How it works

*Hypothetical portfolio used for illustrative purposes only*



**Buy all**  
*the stocks rather than the index*

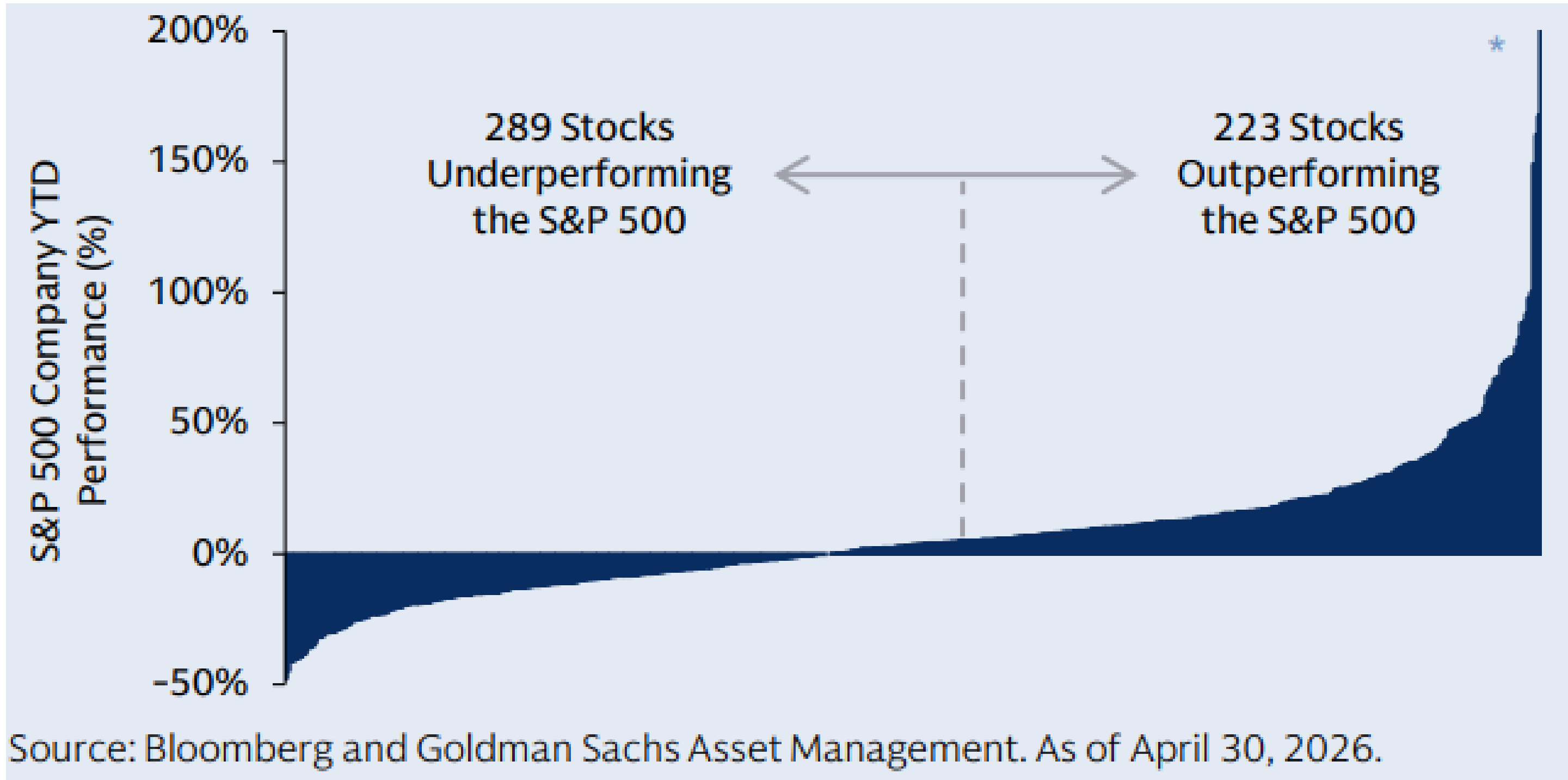
**Swap in**  
*similar stocks if the price drops*

## Why it works

**Market Volatility:** *Oscillations create opportunities even in positive years.*

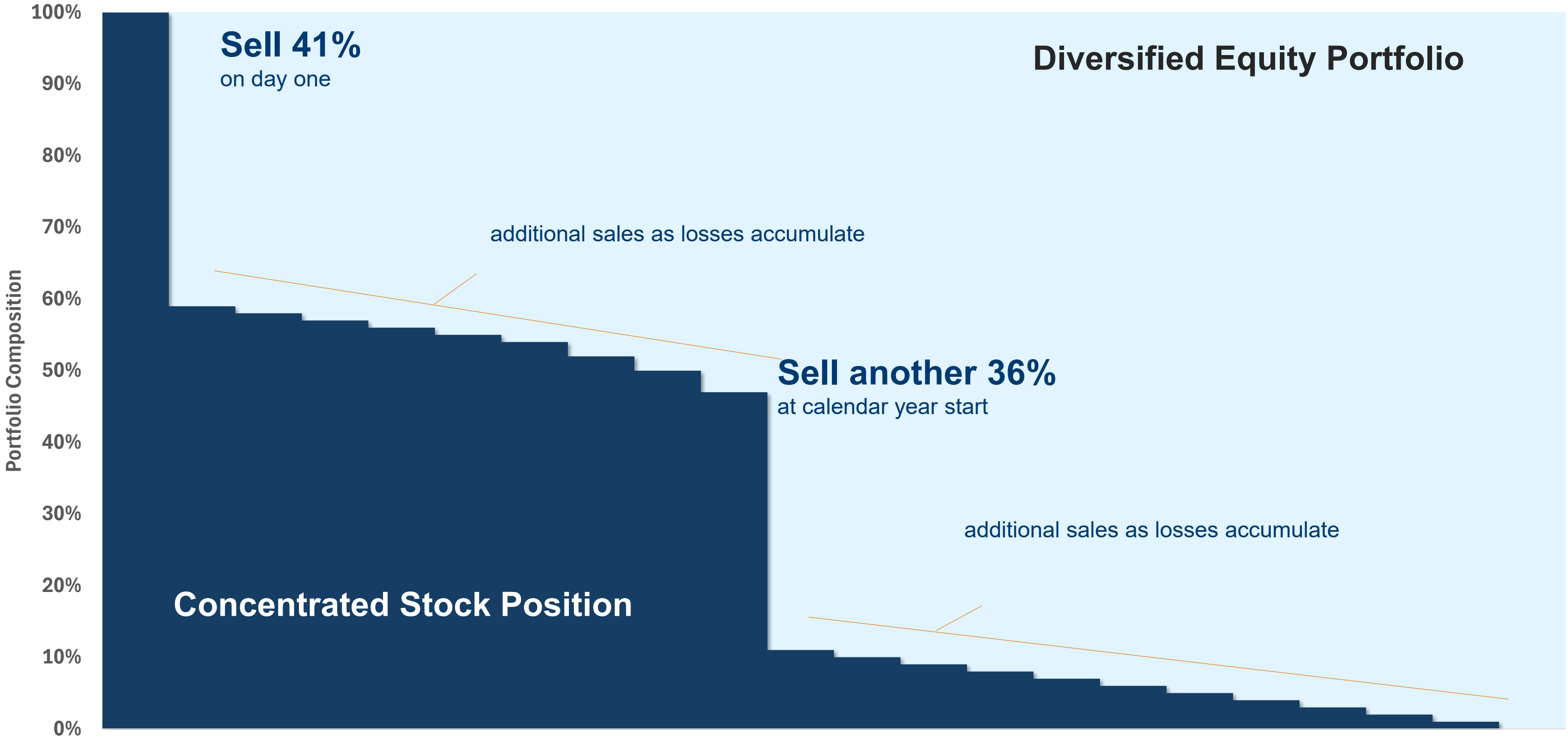


# 2026 Tax Reduction Opportunity





# How to Sell Your Stock That's Gone Way Up Tax-Free

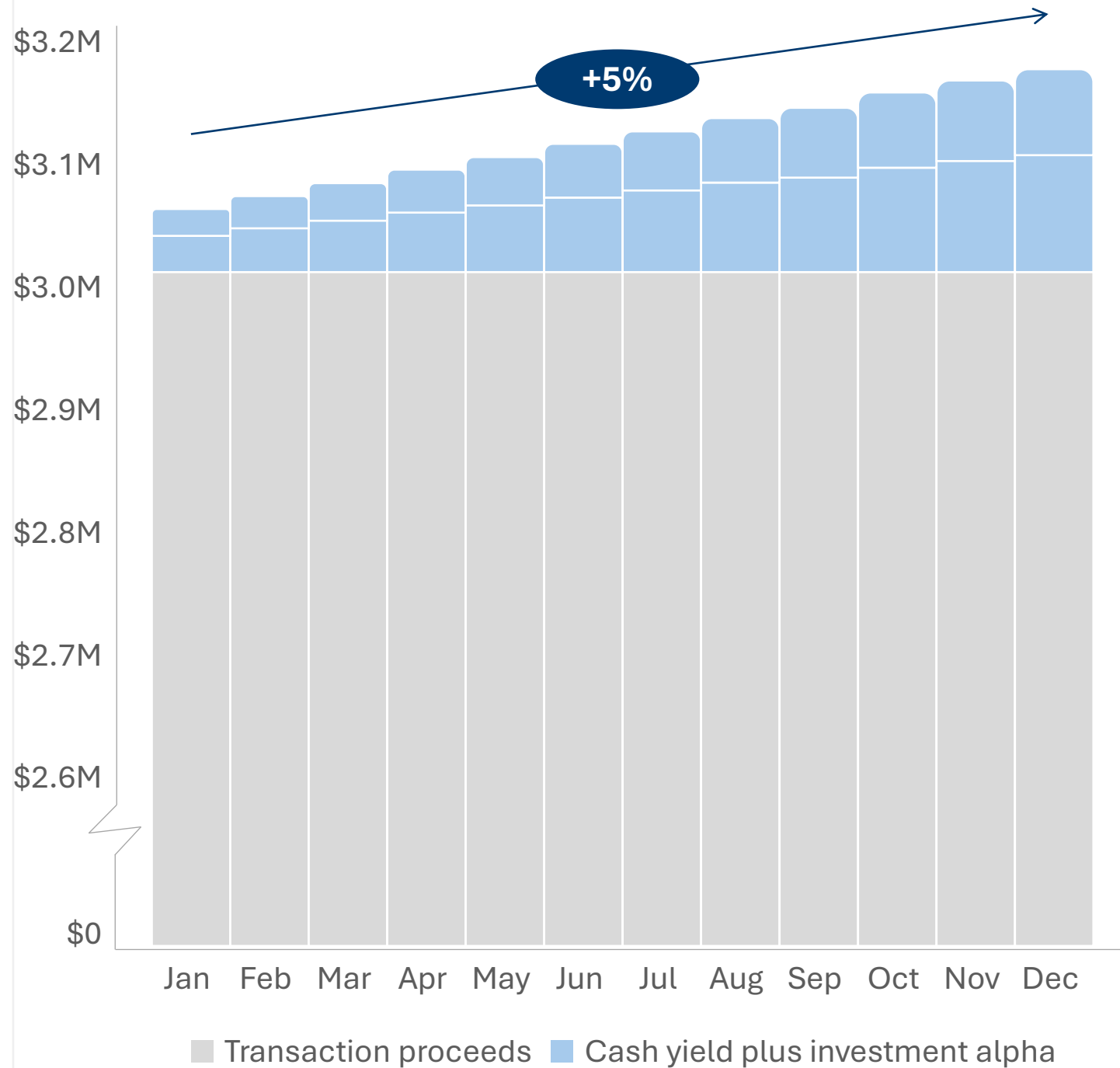




# Strategy to Offset Tax on Asset Sales

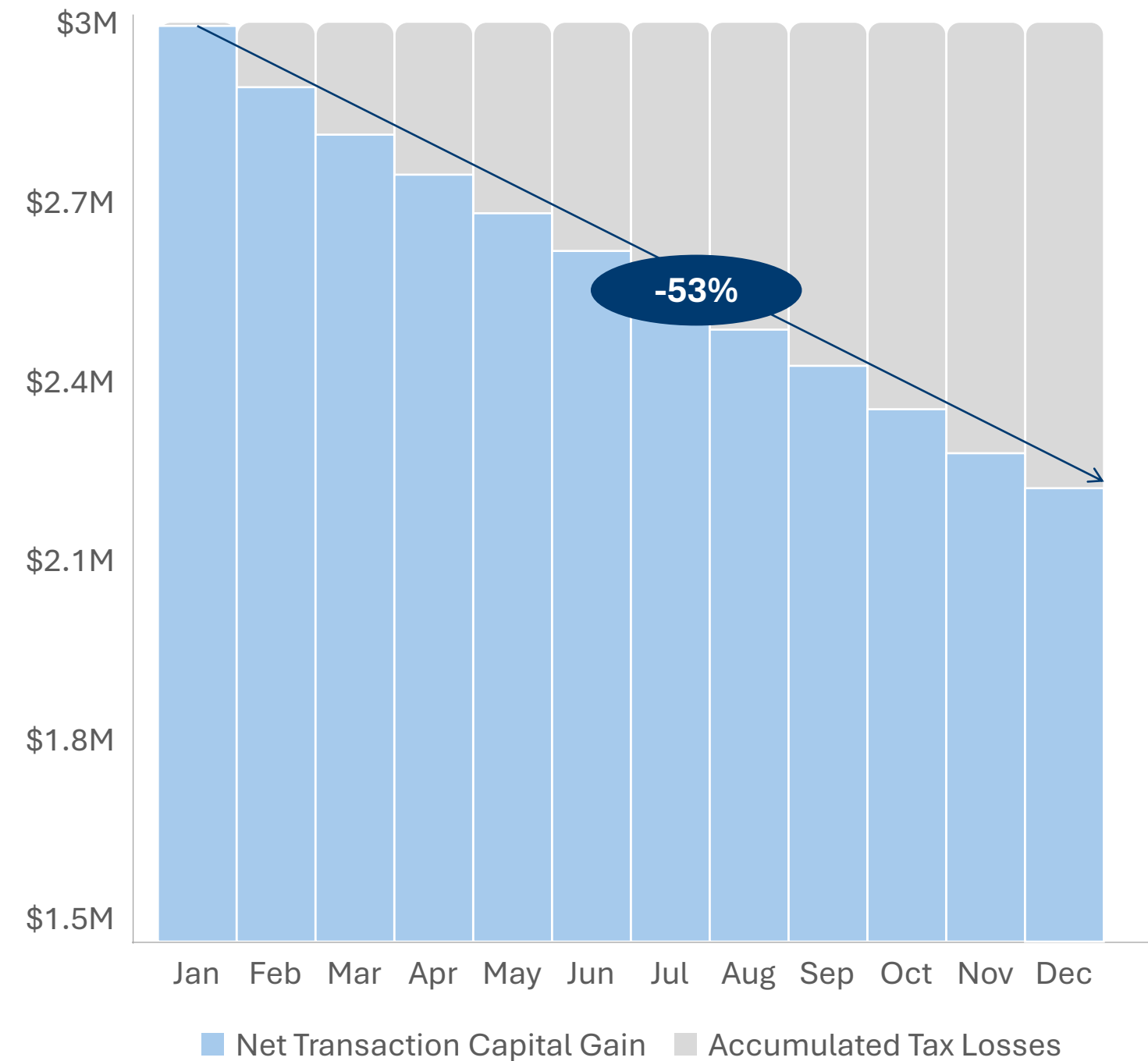
## PROCEEDS CAN GROW IN THE YEAR YOU SELL

Investment choice targeting cash yield plus 1-2%<sup>1</sup>



## TAX CAN BE ELIMINATED AT THE SAME TIME

Losses harvested throughout the year



Comprehensive Wealth Management

Knightsbridge Wealth Management 2026

<sup>1</sup>Expected returns assume a 3% cash yield and 2% investment alpha. The growth and tax benefits shown are projections based on past performance and included for illustrative purposes only. Actual results may vary due to changes in market conditions.



# A Knightsbridge Client Experience

## Takeaways

- The investment portfolio **has grown** while we **reduced the tax** our client will pay
- This strategy is **outperforming the stock market**
- **\$4.6M of tax reduction benefit** accumulated on \$3.7M starting portfolio

2025 – 2026 Calendar				
Jan 2025  Portfolio worth <b>\$3,728,648</b> as of 1/1/25	Feb	Mar	Apr	May
Jun	Jul	Aug Portfolio worth <b>\$4,154,643</b>  <b>\$2,874,689</b> in losses harvested	Sept	Oct
Nov	Dec	Jan 2026	Feb	Mar Portfolio worth <b>\$4,592,350</b>  <b>\$4,620,440</b> in losses harvested



# How to Get Ahead

## *Get Your Investments Organized!*



# Place Your Investments in the Right Account



- The intersection of tax efficiency & expected return





# Solve Your Tax Problem with Asset Location

*Place income-generating assets in IRA and tax-advantaged elsewhere*

<b>Account Status</b>	<b>Tax-Deferred</b>	<b>Taxable</b>
<b>Ideal Investment Attributes</b>	No taxes paid until withdrawal, taken during retirement	Pay tax on income and capital gains upon sales annually
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• High distribution rates</li> <li>• Less liquidity</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Distributions are income tax sheltered</li> <li>• Illiquidity aligns with age restrictions on accessing funds</li> </ul>	<ul style="list-style-type: none"> <li>• Tax-exempt/advantaged distribution</li> <li>• Low turnover, holding at least one year</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Retain and compound pre-tax returns</li> <li>• Pay long-term capital gains, the lowest possible rate</li> </ul>
<b>Knightsbridge Approach</b>	 <b><i>Private Income Funds</i></b>	 <b><i>Tax-Advantaged Investments</i></b>



# How to Make Your Grandkids Rich

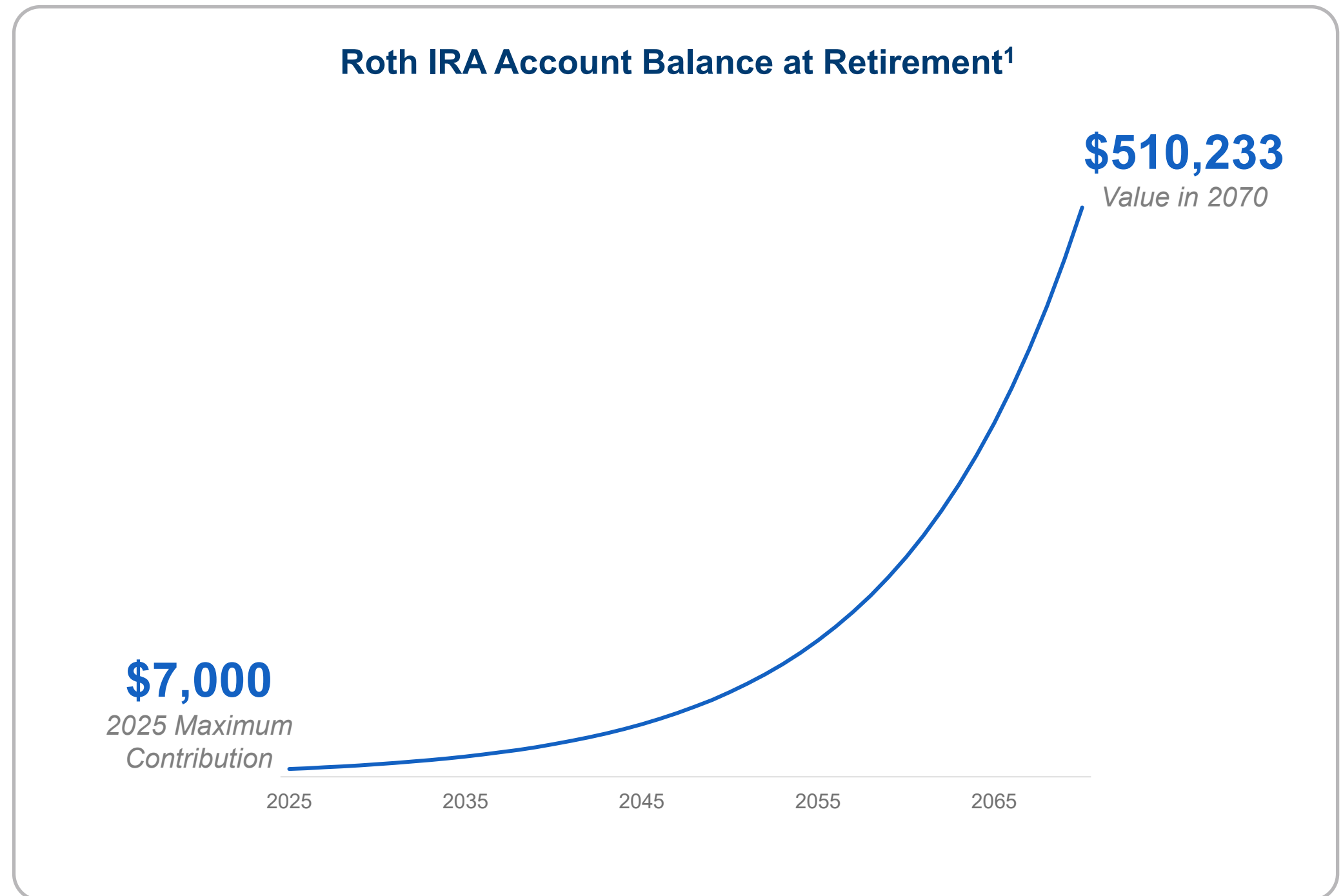
*A single \$7,000 contribution can grow to \$500,000+ with total tax avoidance*

## 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



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



# Managing RMDs – Smart Withdrawal Strategy

**Roth advantage:** Roth accounts have no Required Minimum Distributions (RMDs), making conversions an effective way to shrink future mandatory withdrawals.



**Harvest low-income years:** Consider strategic withdrawals from traditional IRAs during modest-income years (e.g., early retirement) to:

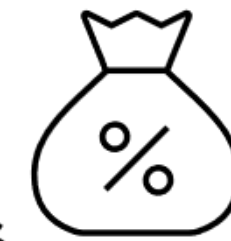
- |                      |  |
|----------------------|--|
| Reduce the RMD base. | Take advantage of lower brackets and OBBBA deductions. |
|----------------------|--|



# Roth IRA Conversions – Leverage Permanent Lower Tax Brackets

- **Locked-in lower rates & broader brackets:** OBBBA made the TCJA-era lower brackets permanent, making Roth conversions more attractive and predictable for long-term planning.
- **Tax reduction opportunities:** Expanded SALT deductions (up to \$40K), tip/overtime exclusions, and the new \$6K senior deduction can all lower taxable income, reducing the tax cost of conversions.

Pre-Tax Accounts  
(SEP, 401k, IRA)



Tax Paid



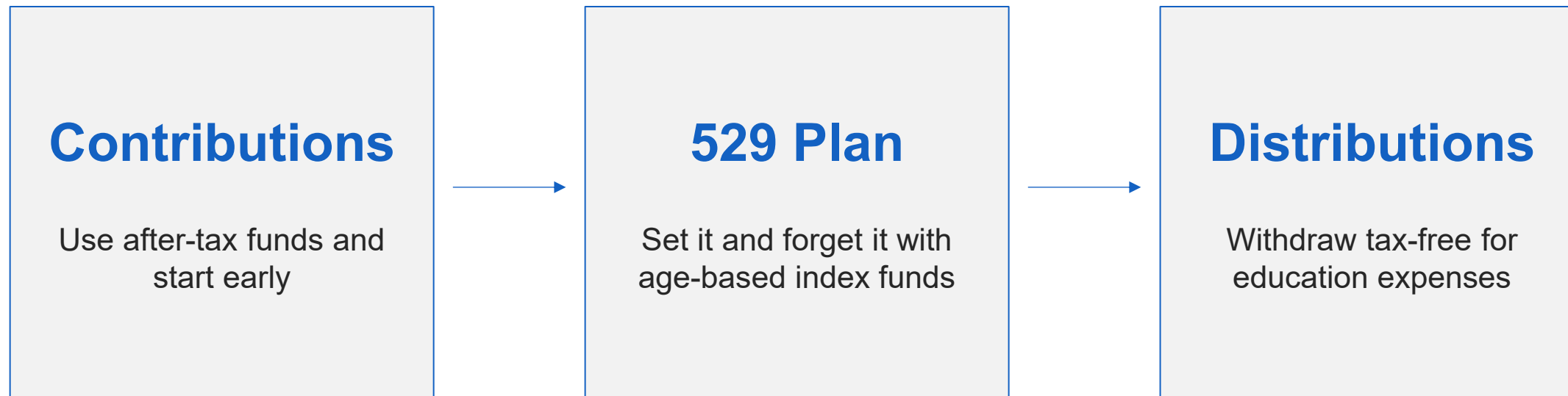
Roth (Post-Tax)



# 529 Plan features and advantages

*The best way to save for college*

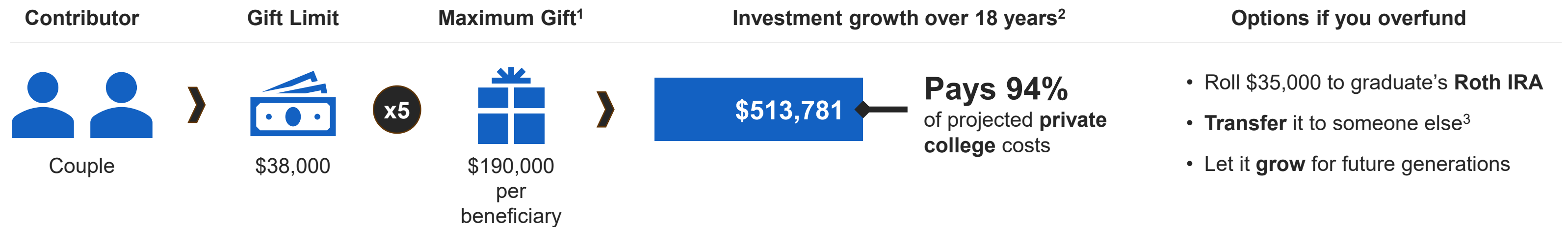
## How it works



## Use it to

- Set aside money for college to compound and grow tax-free
- Move funds outside taxable estate

## Super-funding



Source: J.P. Morgan Asset Management. A hypothetical example is used for illustrative purposes only.

<sup>1</sup> No additional gifts can be made to the same beneficiary over a five-year period. If the donor does not survive the five years, a portion of the gift is returned to the taxable estate. <sup>2</sup> Illustration assumes 6% annual investment returns, compounded monthly.

<sup>3</sup> A beneficiary change to the next generation is a taxable gift.



# Charitable Contribution Deduction



- **Non-itemizer benefit (2026–2028)**
  - Allows deductions of up to **\$1,000 / \$2,000** (MFJ)
- **New floor for itemizers (2026+)**
  - 0.5% of AGI must be exceeded before charitable deductions can be claimed.
  - AGI of \$500,000 = charitable floor of \$2,500

## Noncash Donations

You can deduct the **fair market value** of items you donate to a qualified charity, like:

- Clothing
- Furniture
- Household goods
- Electronics
- Appliances

The key is that the donation goes to a 501(c)(3) charity.



# Donor Advised Fund (DAF)



*The simplest, most tax-advantaged way to give to charity.*

## How it works



### Give

- Make **tax-deductible** contributions<sup>1</sup>
- Contribute public or private assets<sup>2</sup> held for longer than one year

### Grow

- **Avoid capital gains** on what's contributed
- Diversify and allow contributions to grow<sup>3</sup>

### Grant

- Donate to any **501(c)(3)**<sup>4</sup>, church, school, hospital, or park
- Maintain control over your giving timeline

## Use it to

- Avoid capital gains
- Pull future tax deductions forward
- Offset large income years

## Consideration

- Only beneficial if you already intend to give to charity



# Donor Advised Fund (DAF) Tax Benefits



**Situation:** Client in the top tax bracket<sup>1</sup> owns \$50,000 of Apple stock with \$30,000 in embedded long-term capital gains.

## Donate cash proceeds

## Contribute Apple to DAF

Capital gains taxes paid <sup>1</sup>	(\$7,140)
Net charitable donation	\$42,860
Federal income tax savings <sup>1</sup>	\$15,858

Capital gains taxes paid <sup>1</sup>	\$0
Net charitable donation	\$50,000
Federal income tax savings <sup>1</sup>	\$18,500

**+\$7,140**  
more to the cause you're supporting

**+\$2,642**  
in additional income tax savings

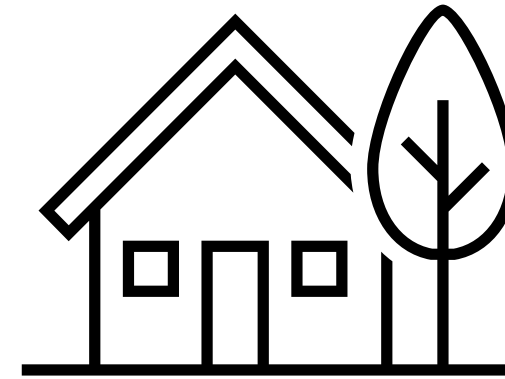
Source: Fidelity Charitable. The example on this slide is for illustrative purposes only and reflects several assumptions. It is not intended to provide tax advice, and the circumstances of your situation may vary.

<sup>1</sup> Assumes 20% capital gains tax rate on sale with the 3.8% Medicare surcharge and the 37% Federal Income tax bracket for donation deduction.



# Principal Residence Exclusion & Inheritance Planning

## “Should I sell?”



### Yes...

- If you need liquidity during retirement OR
- Have capital losses in taxable accounts that can offset capital gains OR
- Your spouse has passed and you want to maximize principal residence exclusion.

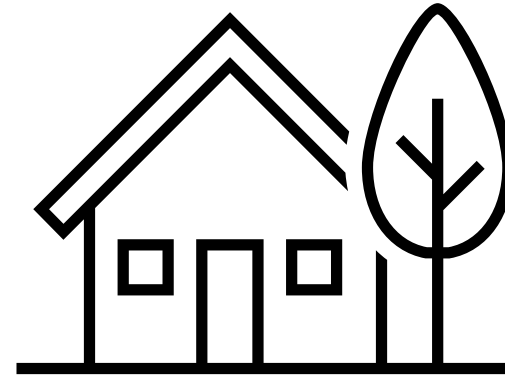
### No...

- If the home has significant appreciation AND
  - you don't need the equity for retirement OR
  - don't have large capital losses to offset the taxable gain...

(It's often more tax-efficient to hold until death so heirs receive a step-up in basis.)



# Principal Residence Exclusion & Inheritance Planning



To qualify for the exclusion, you must have **owned and lived in your home for at least 2 of the last 5 years** before the sale.



Exclusion limits:

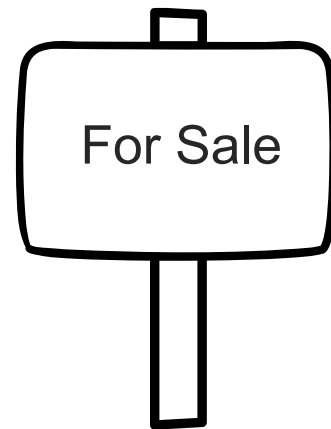
**\$250,000** of gain (single)

**\$500,000** of gain (married filing jointly)\*

\* Selling in the year of death of spouse, you will still qualify for \$500,000; in year following death it drops down to \$250,000.

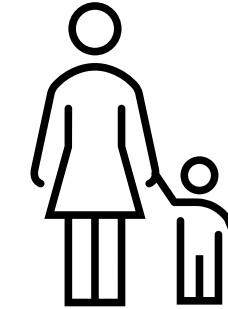


# Principal Residence Sale vs Inheritance Example



## Selling During Lifetime

- Sale price: \$1,200,000
- Purchase price: \$200,000
- Gain: \$1,000,000
- Married couple exclusion: \$500,000
- **Taxable gain = \$500,000**
- If taxed at 20% long-term capital gains = **\$100,000 in tax owed (federal only).**



## Passing to Children (Step-Up in Basis)

- Instead of selling, if you pass away and your children inherit, their **basis is stepped up to \$1,200,000**
- If they sell immediately at \$1,200,000 = **\$0 taxable gain.**
- If they hold and later sell at \$1,300,000:
  - Gain = \$100,000 (difference between \$1,200,000 stepped-up basis and \$1,300,000 sale).
  - Taxed at LTCG rates, not on the \$1,000,000 appreciation during your lifetime.



# Social Security



- Each year you delay claiming SS increases your benefit by 7-8%. The longer you live, the better off you are delaying. (Breakeven age ~80 years old.)
- If you claim before full retirement age (FRA), every dollar you earn above ~\$24k reduces your benefit by \$0.50.
- Retiring in your 60s and delaying SS until age 70 can open up a multiyear runway for Roth conversions.

What is your combined income?

- Your adjusted gross income, minus Social Security benefits
- ⊕ Nontaxable interest
- ⊕ ½ of your Social Security benefits

---

- ⊖ Your "combined income"

Your AGI includes typical forms of income such as wages, interest, dividends, pension payments, and taxable distributions from traditional 401(k)s and IRAs (less adjustments).

Tax Rate	Single	Married (Joint)
0%	\$0 - 25,000	\$0 - 32,000
50%	\$25,000 - 34,000	\$25,000 - 44,000
85%	> \$34,000	> \$44,000



# Medicare: Beware the IRMAA Tax



- IRMAA acts like a tax. It's based on MAGI (AGI + tax-exempt interest) with a two-year lookback.
- Any Roth conversion analysis should account for the impact the additional income will have on your Medicare premiums.

File Individual Tax Return	File Joint Tax Return	You Pay Each Month (2026)
\$109,000 or less	\$218,000 or less	\$202.90
More than \$109,000, up to \$137,000	More than \$218,000, up to \$274,000	\$284.10
More than \$137,000, up to \$171,000	More than \$274,000, up to \$342,000	\$405.80
More than \$171,000, up to \$205,000	More than \$342,000, up to \$410,000	\$527.50
More than \$205,000, and less than \$500,000	More than \$410,000, and less than \$750,000	\$649.20
\$500,000 and above	\$750,000 and above	\$689.90



# How I Can Most Help You Today

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

- Do you own mutual funds?
- What are the total fees you pay?
- How much did you keep vs. pay in taxes?
- Are your investments yielding > 5%
- Is your cash sitting in a bank?



# How to Get Ahead

## 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



# Investment Tips



- 1. Asset Allocation:** Enough bonds to cover 5 years of expenses
- 2. Control Costs:** Know your all-in portfolio costs and keep them as low as possible.
- 3. Asset Location:** Managed retirement accounts differently than taxable accounts.
- 4. Taxable Accounts:** Choose investments based on your tax bracket.
- 5. Reduce Tax Drag:** Hold onto highly appreciated positions and actively harvest losses.
- 6. Tax-smart Giving:** Donate highly appreciated positions for tax deductions.
- 7. Exchange-traded Funds (ETFs):** Use the lowest cost, ultra tax-efficient passive funds.



# Historical Performance and Your Fees

## Performance

*Knightsbridge strategies net annualized return since inception*

### Opportunistic Value Equity (OVE)

**+12.9%**

*+2.5% higher than the S&P 500 Index*

### Managed Income (MNI)

**+7.0%**

*+2.8% higher than the Bloomberg U.S. Aggregate Bond Index*

## Declining Fee Schedule

*By starting asset value*

**\$1M**

**1.10%**  
*starting fee*

*declines*  
**0.05%**

**0.75%**  
*final fee*

**\$10M**

**0.85%**  
*starting fee*

*declines*  
**0.05%**

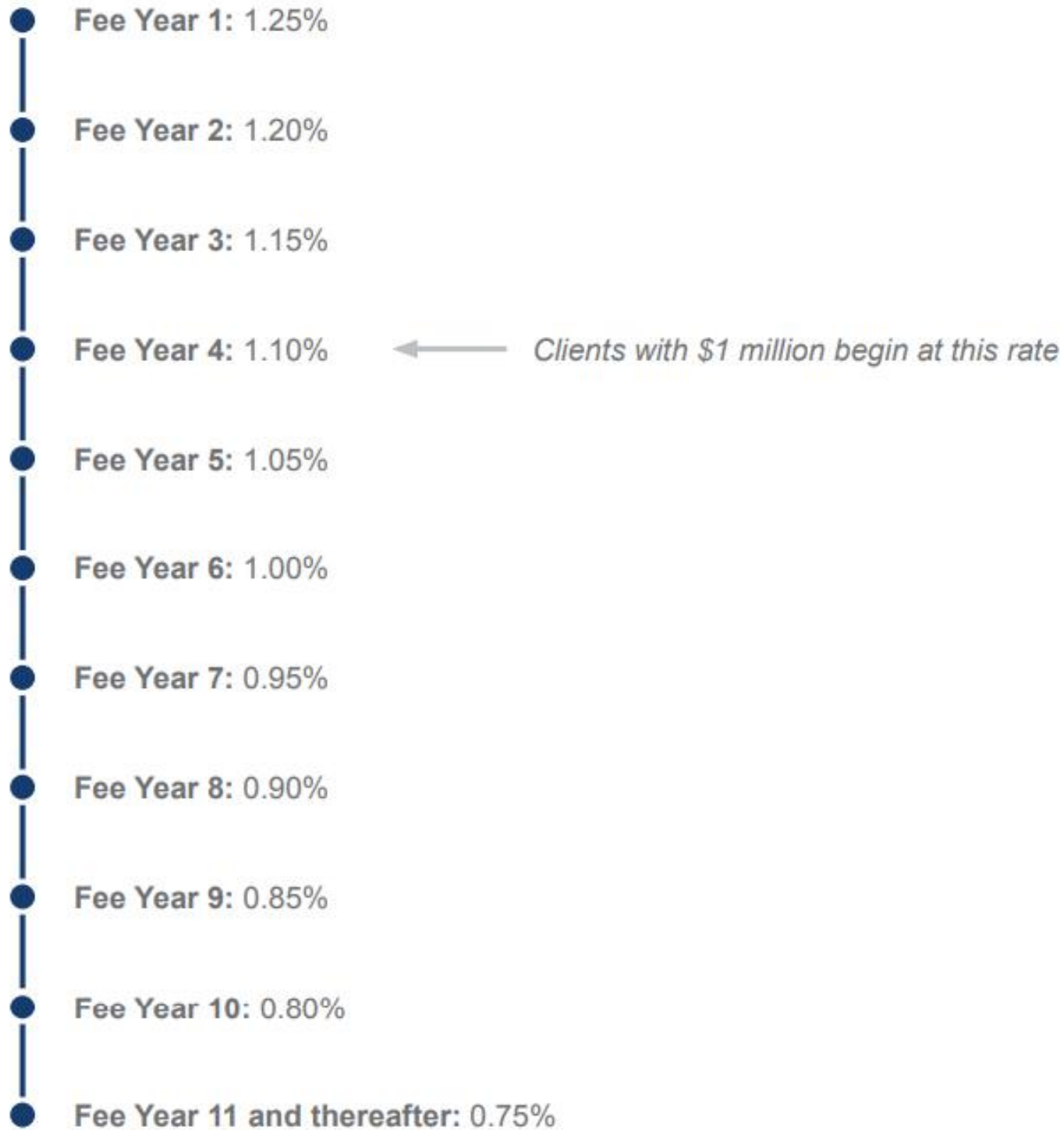
**0.50%**  
*final fee*



# Knightsbridge Fee Schedule

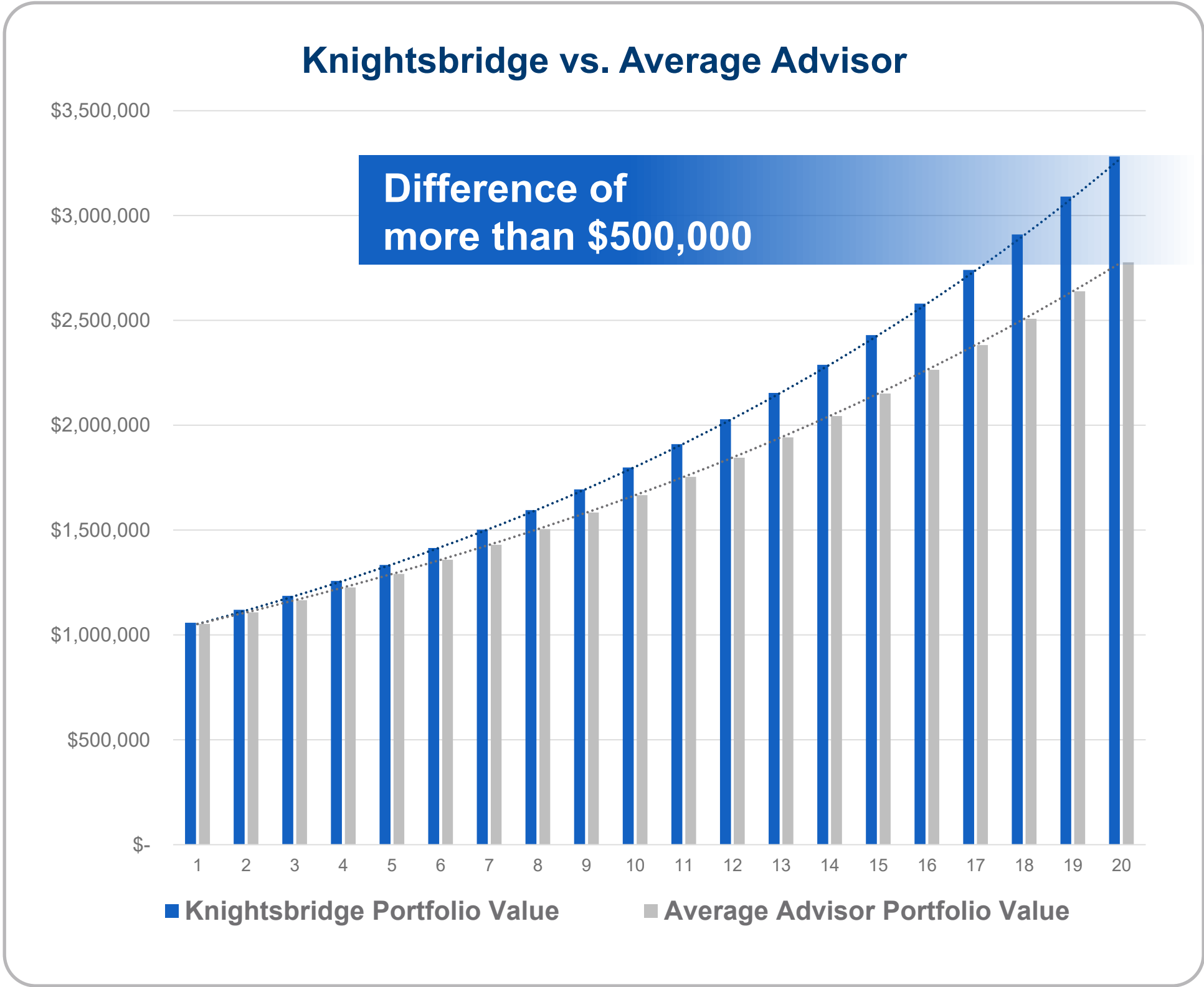
Our declining fee structure makes sense because:

- 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





# Knightsbridge: 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 Turnover = 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



# 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
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# Knightsbridge Firm Values




Deep relationships & intelligent portfolios

*Living our*  
**Core Values**



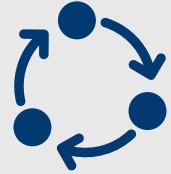
**Duty to Clients**

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**

# 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



# Thank you!

## Contact us for a commitment-free portfolio review:

John Prichard, CFA  
[jprichard@knightsb.com](mailto:jprichard@knightsb.com)

450 Newport Center Drive, Suite 630, Newport Beach, CA 92660  
(949) 644-4444  
[www.knightsb.com](http://www.knightsb.com)



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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

450 Newport Center Drive, Suite 630  
Newport Beach, CA 92660

PHONE (949) 644 4444  
EMAIL [knightsb@knightsb.com](mailto:knightsb@knightsb.com)