

Solutions for Concentrated Positions

Common Ways Clients Create a Large Single-Stock Position

- Accepted different share types as payment or salary
- Exercised various types of stock options
- Received the position through inheritance
- Created the position by saving over time

Common Reasons to Divest

- Clients see their retirement ahead and know the concentrated position isn't appropriate
- Clients feel concerned about the volatility and risk of holding so much of one investment
- Clients need to use the money to create income
- Clients situation creates a tax advantage to selling all or part of the position
- Client needs immediate liquidity to meet a payment obligation

General Services Offered

- Executive Trading Plans (also known as 10(b)5-1 plans): For Section 16 Insiders, or other individuals who run the risk of trading using insider information, we analyze the client's single-stock position and create a plan to sell that is compliant with both the SEC and the client's General Counsel. As part of putting this plan in place, we offer the client specific guidance for how to manage possible media attention when shares start to sell. We properly report to all pertinent authorities any transactions that occur and help the client fit this activity into their overall individualized investment strategy.
- Debt to Diversity Tactics: On rare occasions, it makes sense to leverage the holdings in order to buy investments that greatly offset and compliment the risk profile of the single-stock position. In this approach, we use portfolio income and sales to methodically pay off the debt and ultimately create a strategically designed portfolio that caters to the client's individual needs.
- Covered Call Strategies: In certain markets, we may suggest the client sell rights to buy the stock at a higher price than currently traded. This options strategy raises money for income and assures the client a sale only occurs if the position advances to an approved level of profit.

Our Philosophy

Manske Wealth Management avoids the conflict-of-interest problems that arise from date-based trading plans. We use only market-based approaches to sell restricted, concentrated positions. Our sophisticated, individually-tailored trading plans execute sales at specific prices throughout the plan's life. We prefer this approach because no one can predict the exact time a stock will rise or fall according to specific set prices. This aligns our Section 16 clients with their shareholders and greatly protects them against accusations of improper trading. For more information, please reach Elijah Lopez who leads our team's efforts in this area using the information below.

This is intended to be informational and educational and DOES NOT constitute investment, tax or legal advice. We strongly recommend that you seek the advice of a tax, legal and financial services professional before making any investment or other financial decisions. Manske Wealth Management is not responsible for the consequences of any decisions or actions taken as a result of this information.

Our Team

Manske Wealth Management helps clients successfully meet their lifelong objectives and effortlessly control their assets by offering consistent monthly communication.

Total Assets Under Management: approx. \$400 million

Client to Advisor Ratio: approx. 37 to 1

Total employees: 9

Names and Roles:

Lien Busby

Business Manager & Compliance

Jordan Fandry, CFP®

Senior Financial Advisor, Consultants

Elijah Lopez, CFP®, CRPC®, CFS®

Senior Financial Advisor, Investment Committee Member

Zachary Welborn, CFP®, CRPC®, CFS®

Senior Financial Advisor, 401(k) plans

Chance Burroughs, CDFIA®, CRPC®, CFS®

Financial Advisor, Attorneys

Christopher Manske, CFP®

President

Mona Zegarelli, M.S., CRPC®, CFS®

Financial Advisor, Medical

Natalie Leiner

Executive Assistant, Hospitality & Supply

Melanie Crowell

Software Administrator

Manske Wealth Management offers seven specific investment services:

- **Financial Planning and Windfall Investing:** Assisting individuals with major life changes, we excel where clients receive life insurance; lawsuit/divorce settlements; cash value created by an IPO; consolidations at retirement; inheritance; sale of a business; and 401K rollovers due to job changes.
- **Company Retirement Plans:** We work directly with business owners and their HR teams to create Owner-Only 401k plans, SEP plans, defined benefit plans, and large, multi-platform 401(k) plans. We're often selected by clients to provide better service on existing company retirement plans.
- **Athlete Asset Management:** We offer expert oversight of professional athlete's financial well-being for the long term. In addition to sophisticated management of their investments with disciplined focus on stability after their sports career, we serve as the athlete's primary point of contact for any third parties requesting money or suggesting "sure thing" business opportunities.
- **Committee-based Investment Guidance:** Our firm assists boards and committees responsible for an endowment or charitable funds. We provide formal minutes to meetings, strategic advice on Investment Policy Statements, and sophisticated investing tailored to the organization's specific requirements.
- **Partner-level Consultant Services:** We focus on solutions within the complex compliance requirements of the upper echelons of professional consulting (such as KPMG, Ernst & Young, and PWC) to ensure a more sophisticated and personalized investment approach.
- **Executive Single Stock Management:** We create personalized 10(b)5-1 plans for Section 16 insiders so they may buy or sell their illiquid asset at an opportune time. In addition to coaching clients on how to address the media about a transaction, our team finalizes all the resulting notifications, public/SEC communications, and regulatory filings that follow each transaction.
- **Asset Valuation:** We offer Divorce Attorneys clear strategies for the division of complex investment assets such as stock options, grants, warrants, insurance policies, and, most commonly, annuities.

Your Search For A Financial Advisor

1. What is your full name and last four of your social security number? www.nasd.com
2. How often do you expect we'll see each other face-to-face?
3. How often do you expect we'll speak with each other?
4. How quickly do you respond to a phone call that you missed?
5. How does my CPA fit into all of this?
6. What is your account review like? May I have a copy of your typical Account Review Agenda?
7. How often do you expect you'll come to my home or office?
8. May I have a list of references?
9. Are you a Certified Financial Planner?
10. How many people directly support you or are on your staff?
11. What type of investments do you use most often for your clients?
12. How are you compensated?
13. If your office found out that I had a death in the family, what would you do?

Document Checklist

Please be sure to use this checklist and gather all applicable items. Many of my clients have greatly benefited from having these documents to assist our discussion, as it ranges from general ideas to their specific questions and situations. I strongly encourage you to take the few minutes required to gather the necessary documents in order to make the time you spend with me as productive and worthwhile as possible.

Bring With You:

- Current federal and state tax return
- Most recent bank account statements
- Most recent employee benefit statement
- Most recent mortgage statements
- Most recent auto/home insurance policies
- Most recent mutual fund statements
- Any current Certificate of Deposits
- All life/disability insurance policies
- Trust and Will documents
- All IRA or pension account statements
- Most recent brokerage account statements
- All annuity contracts and policies
- Any unit investment trust statements
- List of all common stocks personally held
- List of all municipal bonds personally held
- List of all U.S. Treasuries personally held

Possible Questions:

- Retirement planning, IRA's/Roth IRAs, 401(K)s
- Controlled & restricted stock sales & lending
- Employee Stock Option Plans (ESOP)
- Estate planning services
- How rebalancing increases return
- How dollar cost averaging lowers risk
- Lowering the cost of your current loans
- Trust services
- Business insurance, succession planning
- College planning services
- Long-term health care, insurance needs
- Equities, preferred stock
- Corporate bonds, tax-free bonds
- Tax-deferred annuities
- Mortgages and credit management
- Home equity credit lines
- U.S. Treasuries

What Makes Us Different?

Normal

- Average 1.3% per year fees¹
- No formal commitment to regular communication
- 200-300 clients per advisor²
- “Suitability” standard
- Does newsletters, mass emails, birthday cards, Christmas cards as “client communication”
- No formal service commitment
- Client has to find a third party electronic vault
- Little or sporadic CPA interaction
- Close to retirement / Beginning career age
- Tries to do multiple services instead of mastering one (mortgage, credit cards, business loans, taxes, insurance policies)
- Does not make, store, or share notes from each client meeting
- Transaction costs are extra
- “Cookie cutter” portfolios for clients to fit into
- Principal/ Managing Director is not a Certified Financial Planner
- Principal/ Managing Director is not involved or is removed from investment selection

MWM

- Maximum 1.0% per year fees
- Every Client, Every Month™
- Around 100 clients per advisor
- “Fiduciary” standard
- Mass communication does not substitute for meaningful monthly contact
- Commits to weekly updates during transfers and at least one formal Annual Review
- Part of service
- Formal commitment to CPA involvement
- +10 years experience AND +10 years before retirement
- Registered Investment Advisor (focused!)
- Always creates, shares, and stores notes from every client meeting
- Transaction costs included in overall fee (“True” 1%)
- Individual portfolio design
- Certified Financial Planner
- Leads investment selection

¹ Wall Street Journal's *Rates Vary Widely As More Advisers Use Fees*

² WealthManagement.com's *Coverage of RIAs*

Capabilities & Methodology

Manske Wealth Management is a fully-staffed investment-focused wealth management firm. What we *don't* do defines us as well as what we regularly offer. We do not force clients into “cookie-cutter” portfolios based on how they feel about risk. Our sole offering is risk management and individual portfolio design for institutions and individuals. What sets our team apart from the rest of Wall Street is our systemic dedication to staying in touch with our clients, their Boards, Investment Committees, and other advisors.

After immediately hiring us in The First Meeting (Day 1), you could expect us to accomplish the following in less than eight weeks during which we'd offer ***weekly contact by phone and/or email***:

- Collect the various data, forms, and feedback we'd need to operationally begin our commitment
- We'd assist with using online access, the secure vault, and paper/electronic reporting
- We'd create a financial model to use as a baseline for future meetings/discussions
- Analyze and quality control documents and specific client/account information
- Verify all investment information and ensure the custodian receives your new account documents
- If necessary, we'd assist with setting up automatic money transfers, checks, ATM cards, etc
- We'd set up a second meeting to go over how to proceed investment-wise

After approving the investment plan in The Second Meeting (Day 60), you could expect us to accomplish the following over the next twelve months during which we'd offer ***monthly contact by phone and/or email***:

- Coordination with the client's tax advisor on the following schedule:
 - Q1 – provide tax documents
 - Q2 – service check-in
 - Q3 – provide financial reporting for CPA's records and CPA's feedback
 - Q4 – provide tax loss harvesting report and discuss gains prior to year-end
- Conduct an Annual Review covering the following:
 - Going over recent statements
 - Providing analysis on current and past diversification and performance
 - Offering projections of future cash flows
 - Revisit the financial model and client objectives
 - Discuss rebalance of portfolio with current goals
 - Formal solicitation for feedback on the evaluation of our services

In the first twelve months working together, clients can expect we'd have met with them three or four times as outlined above. During the first eight weeks, our communication would be weekly and then monthly thereafter. After the first year, clients can expect at least one meeting per year along with our monthly contact in accordance with our mantra, **Every Client, Every Month™**.

Fees

In our relationship with our clients, an annual one percent fee or less is associated with the engagement and includes the following:

- Weekly updates via email/phone during initial transfer-in of monies
- Face-to-face annual review to ensure we're on track for the goals that are of importance to the client
- Monthly communication in keeping with our mantra, **Every Client, Every Month™**
- All paperwork and/or mailing costs
- Ensuring all investments are properly held in client accounts
- Certifying all client accounts are properly titled
- Reviewing and correcting beneficiaries and/or account transfer instructions
- Assisting with accuracy of cost basis in client accounts
- Offer use of an individualized secure electronic vault for document and data sharing
- Online access through two separate portals
- Any assistance with all online tools
- All periodic reporting
- Research reports, portfolio design, and investment analysis
- All trading costs, all phone conversations, any additional meetings
- Provide meeting minutes for all get-togethers and distribute to interested parties
- Monthly reporting to all interested parties such as CPA or attorney
- Appropriate online access to all interested parties
- Guidance on portfolio and plan revisions
- Financial education when/if warranted or requested

In an effort to minimize fees, we often use stocks, bonds, REITS, etc. that have no internal investment expenses. For holdings with such expenses, we seek to minimize that cost by using no load, institutional grade funds and ETFs. We charge quarterly, in arrears, on or about the 15th of January, April, July, and October. All transaction costs are included in our annual fee so Manske Wealth Management actually keeps less than 1% from our clients in order to ensure a true maximum fee for our services at 1% a year.

Annual Review Checklist

We meet with our clients at least once a year for a formal Annual Review. During this time, the financial advisor re-evaluates their client's current financial situation to see how it aligns with their short-term and long-term goals. For your convenience, we've provided a fairly standard list below which we customize to each individual's particular needs.

Pre-meeting Work:

- Confirm appointment and assist with directions
- Update specific database items
- Print Client Information Sheet
- Print all client communication notes
- Print previous meeting minutes
- Print list of current beneficiaries
- Provide documents for administrative updates
- All account statements printed and stapled
- Print 2 copies of Portfolio Diversification Report
- Print Client Investment Review Report
- Print projected cash flows for all investments
- Provide past financial modeling
- Include external research report(s)
- Analyze recent account activity
- Prepare handout folder
- Provide relevant Morningstar research
- Prepare institutional account forms

Meeting Agenda:

- Review all client data fields
- Our number in your cell phone?
- What is your next big event?
- Review account beneficiaries
- Go over latest statement(s)
- Request 401(k) statement(s)
- Viewing accounts online and paperless delivery
- Mortgage
- Long term care
- Business valuation
- Employee benefits
- Electronic funds transfer service
- Signature documents
- Discuss investment changes
- Discuss CPA involvement
- Are you satisfied? Any improvements?

Seeking Connections

Phillips 66 - <https://www.phillips66.com/>

- Kevin J. Mitchell – Executive Vice President, Finance and Chief Financial Officer
- Timothy D. Roberts – Executive Vice President, Midstream

Sysco - <https://www.sysco.com/>

- Greg D. Bertrand – Executive Vice President, US Foodservice Operations
- Russell T. Libby – Executive Vice President, Administration and Corporate Secretary

ConocoPhillips - <http://www.conocophillips.com/>

- Kelly Brunetti Rose – Senior Vice President, Legal General Counsel & Corporate Secretary

Enterprise Products Partners - <https://www.enterpriseproducts.com/>

- Brent B. Secrest – Senior Vice President Commercial
- William Ordemann – Executive Vice President Operations and Engineering

Plains All American Pipeline - <https://www.plainsallamerican.com/>

- Harry N. Pefanis – President and Chief Commercial Officer
- Richard Mcgee – Executive Vice President, General Counsel and Secretary

Halliburton - <https://www.halliburton.com/>

- Lance Loeffler – Executive Vice President and Chief Financial Officer

Waste Management, Inc - <https://www.wm.com/us>

- Devina A. Rankin – Senior Vice President and Chief Financial Officer
- Jeff M Harris – Senior Vice President, Operations
- John J. Morris – Senior Vice President, Operations

Kinder Morgan - <https://www.kindermorgan.com/>

- Kimberly A Dang – President
- Dax A Sanders – Executive Vice President and Chief Strategy Officer

HCA - <https://hcahealthcare.com/>

- Jon M Foster – President (American Group)
- Charles J Hall – President (National Group)