

May 2025

Society of Professional Engineering Employees in Aerospace

Firm Overview



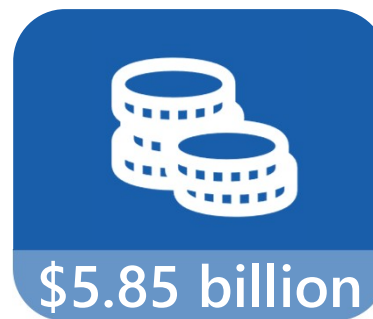
Founded

Based in Seattle, WA
100% unbiased



Team Members

Includes 12 CFA charterholders
5 CFPs, 1 CDFA, 1 ChFC,
and 1 CPWA



AUM

Total Assets Under
Management



Relationships

Individuals, Families,
Corporations, Endowments
and Foundations

Custom Solutions

- Comprehensive financial & investment planning
- Complex tax issues, estates, charitable planning
- Tailored and team-oriented service

Investment Styles

- Balanced Management – Bottom-Up/Fundamental
- Growth, Value, International, Small/Mid Cap Stocks
- Taxable, Municipal, and Short-Term Bonds
- Multi-Strategy

A Relationship with Badgley Phelps

We advise our clients on all facets of their financial lives. We feel client centered communication provides the best opportunity for clarity within the complex nature of wealth management.

Communication

- + Direct access to your team
- + Quarterly written reviews
- + Relevant and timely economic and market information and education

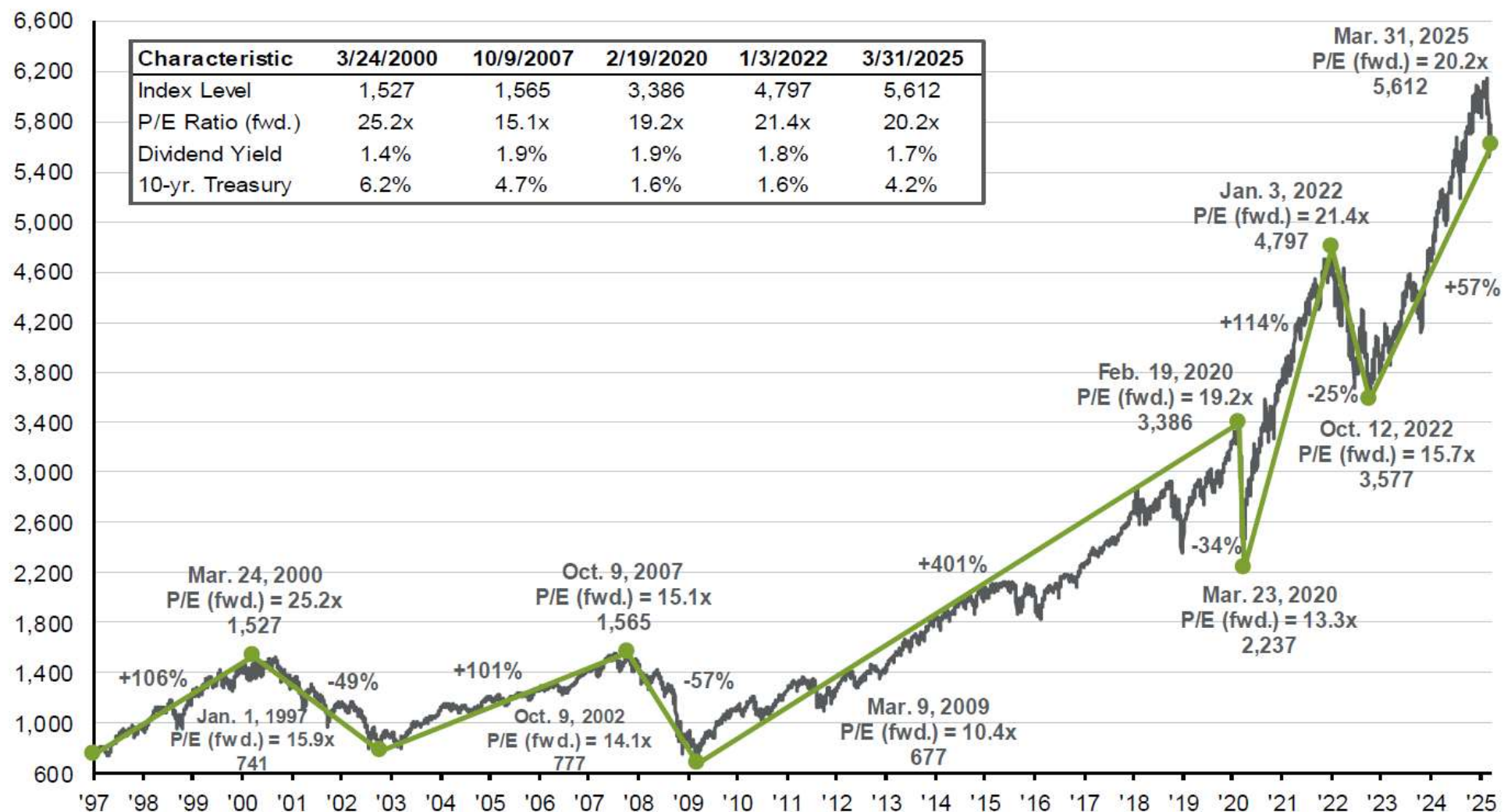
Professional Advisory Team

- + Partner in hiring and monitoring the best outside providers: Trustee, legal, tax, bill pay
- + Work directly with partners in providing the best advice possible

Balanced Fee Schedule	Annual Fee
First \$5,000,000	0.90%
Next \$5,000,000	0.70%
Amount over \$10,000,000	0.50%

S&P 500 Index at Inflection Points

S&P 500 Price Index



Source: Compustat, FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.

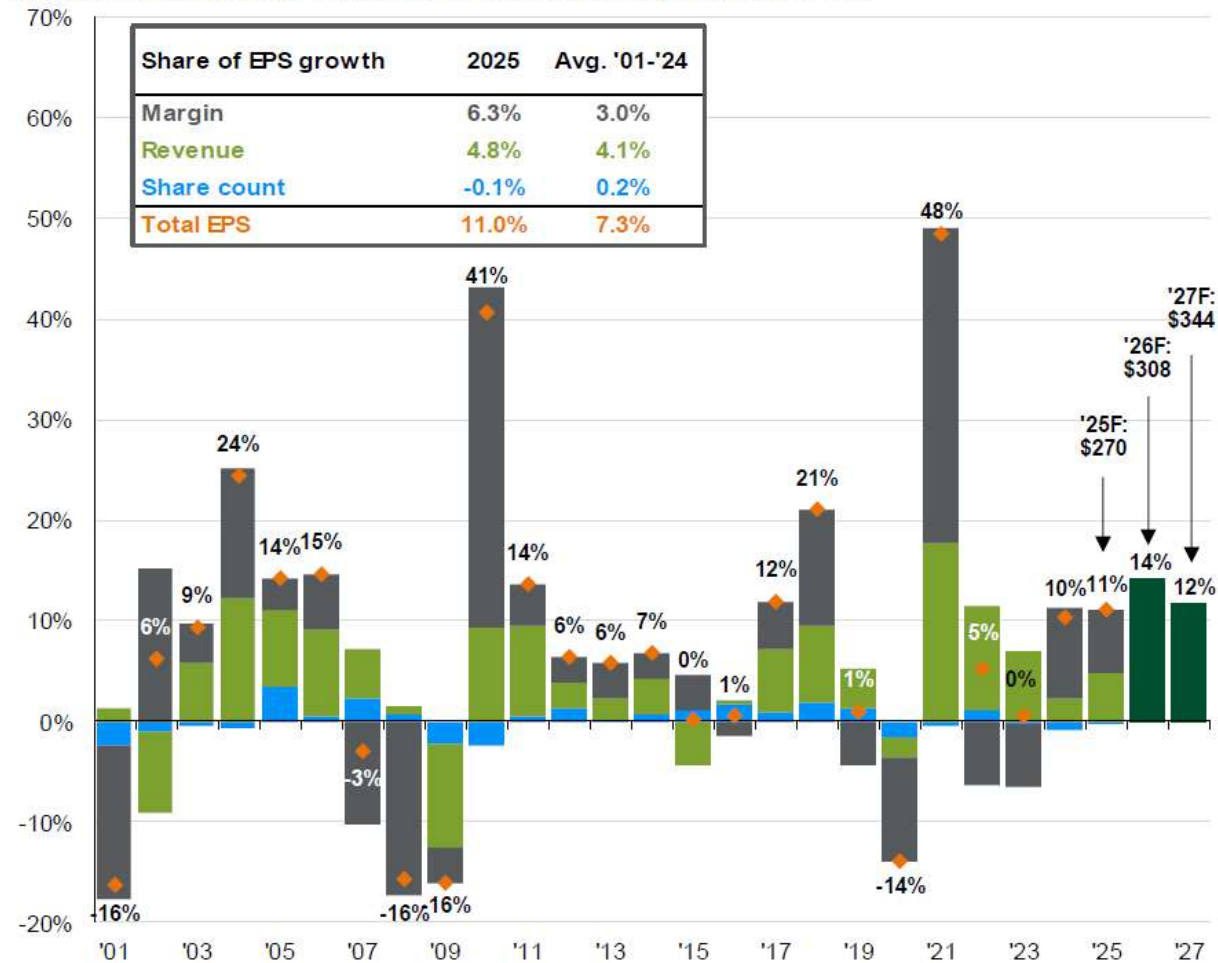
Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on IBES estimates and FactSet estimates since January 2022. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of March 31, 2025.

Earnings Growth & Profit Margins

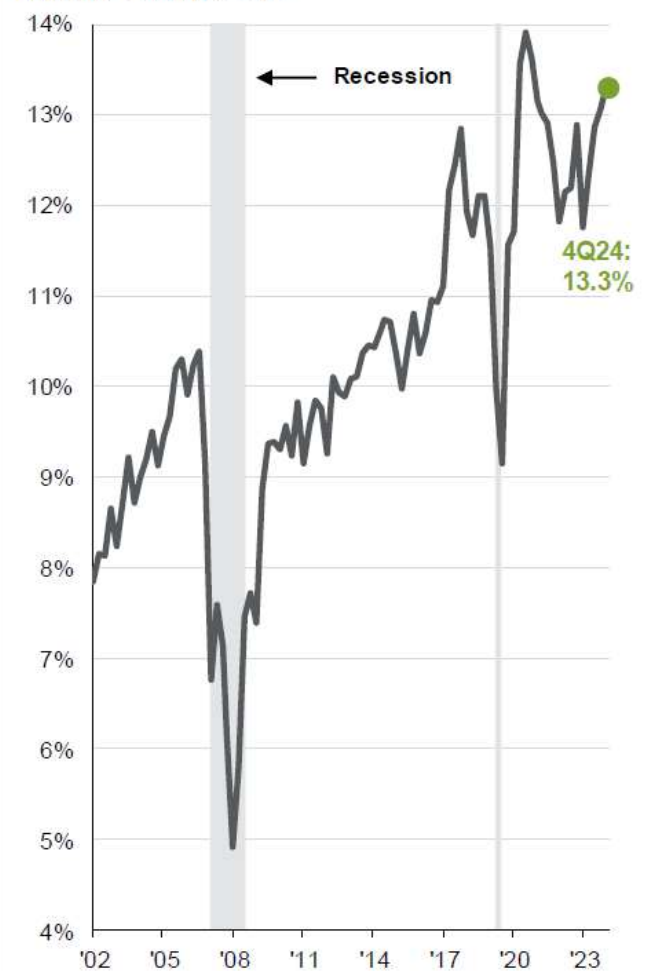
S&P 500 year-over-year pro forma EPS growth

Annual growth broken into changes in revenue, profit margin and share count



S&P 500 profit margins

Quarterly earnings/sales



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

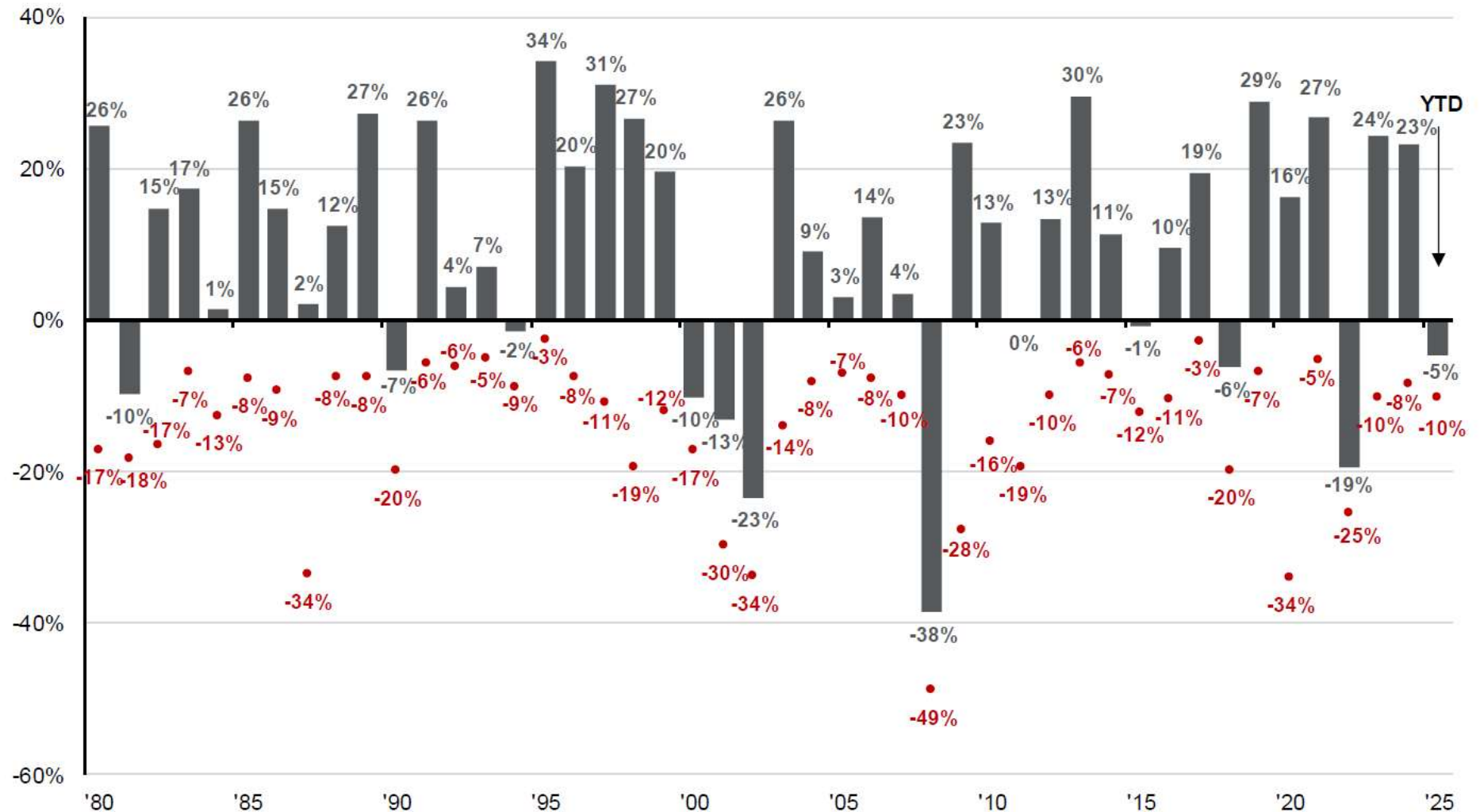
Historical EPS levels are based on annual pro-forma earnings per share. 2025, 2026 and 2027 EPS growth are based on consensus analyst estimates for each calendar year. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of March 31, 2025.

Annual Returns and Intra-Year Declines

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

Despite average intra-year drops of 14.1%, annual returns were positive in 34 of 45 years

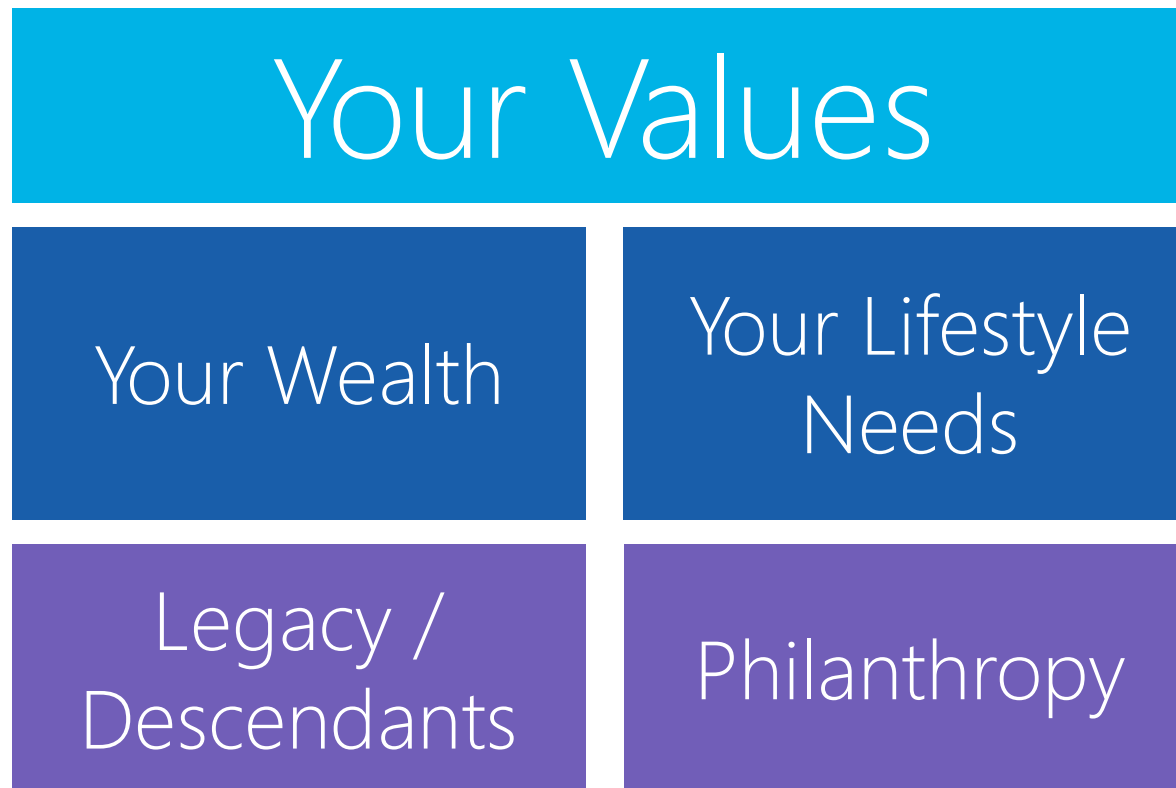


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2024, over which the average annual return was 10.6%. Guide to the Markets – U.S. Data are as of March 31, 2025.

What is Financial Planning?

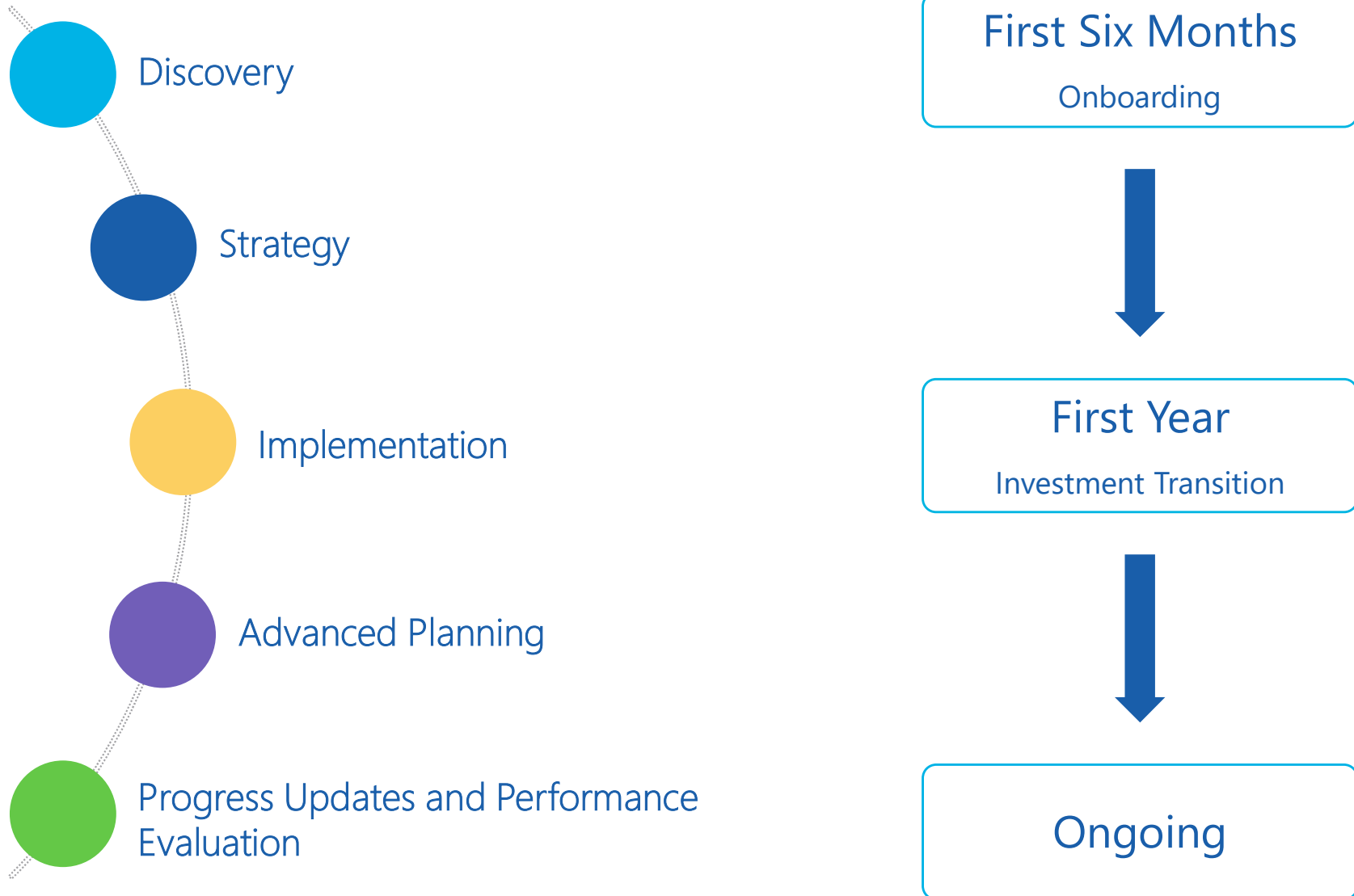
We understand your needs go beyond investment management.

We are deliberate in establishing and monitoring a plan that addresses all the important aspects of your financial life.



Financial Planning Road Map

Your plan is custom to your needs and goals. Its ongoing process is focused on your long-term success.



Financial Planning Services

Financial Plan

Plan Revisions
and Monitoring

Insurance Review

Estate Plan
Review

As Needed:

College Savings Analysis
Investment Policy Statement
Concentrated Stock Strategy

Social Security Maximization
Budget Worksheet
Dashboard

Preparing for Success

To make a confident decision, your probability of success is tested by adjusting several assumptions.

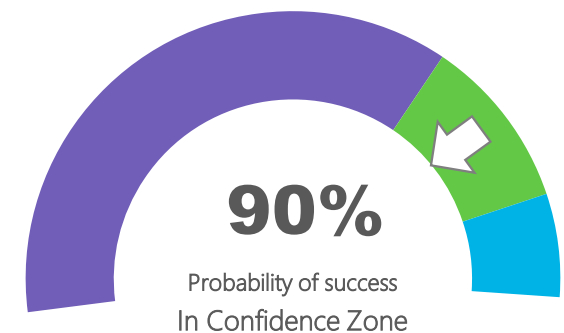
During our discovery process, we will discuss how scenario analysis can best be used in your situation.

Sample Summary

Cash Used To Fund Goals	Estimated % Funded	2022	2023
- Health Care	100%	\$20,000	\$22,000
- Retirement - Basic Living Expenses	100%	\$140,000	\$145,000
- Travel	100%	\$29,000	\$30,000
Total Goal Funding		(\$189,000)	(\$197,000)
Total Tax		(\$35,000)	(\$36,000)
Total Outflows		<u>(\$224,000)</u>	<u>(\$233,000)</u>

Adjusted Portfolio Value	\$4,171,000	\$4,244,000
Portfolio Withdrawal Rate	3.6%	3.7%

Likelihood of Meeting Goals



Assumptions

Bad Timing Testing	2022: -21%	2023: -8%
Average Return (conservative portfolio)	6%	
Standard Deviation	9%	
Inflation	4%	

Planning Challenges

- + Withdrawal Strategies – Replacing that paycheck in Retirement
- + Tax Optimization
 - + RMD Management
 - + Roth Conversions
- + Healthcare/Insurance Optimization
- + Social Security Maximization

Required Minimum Distribution

- + Age 72 for those born in 1950 or earlier
- + Age 73 for those born in 1951-1959
- + Age 75 for those born in 1960 or later

Roth Conversion

- + Putting Pretax money in a Roth Account
- + Fill potentially lower tax brackets now for future benefits
- + Money then grows tax free indefinitely
- + Benefits beyond your life

Healthcare Optimization

Before 65 Options: www.wahealthplanfinder.org/



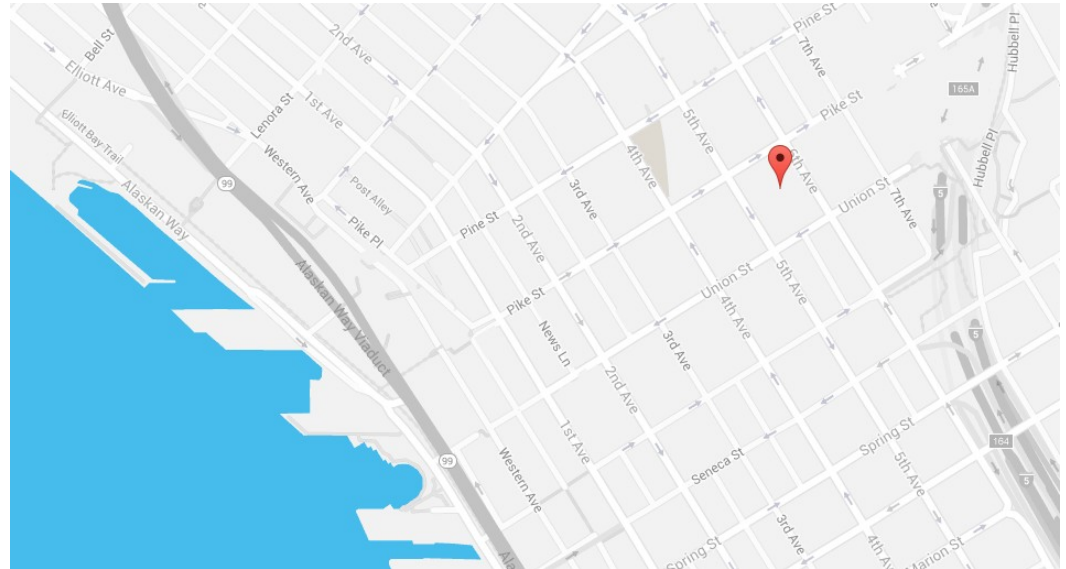
Healthcare Optimization - Medicare

2025 Medicare Premiums			
2023 MAGI Single	2023 MAGI Joint	Part B	Part D
\$106,000 or less	\$212,000 or less	\$185.00	Plan Premium
\$106,000 - \$133,000	\$212,001 - \$266,000	\$259.00	\$13.70 + plan premium
\$133,001 - \$167,000	\$266,001 - \$334,000	\$370.00	\$35.30 + plan premium
\$167,001 - \$200,000	\$334,001 - \$400,000	\$480.90	\$57.00 + plan premium
\$200,001 - \$500,000	\$400,001 - \$750,000	\$591.90	\$78.60 + plan premium
\$500,000 or more	\$750,000 or more	\$628.90	\$85.80 + plan premium

Contact Information



Ben Duncanson, CFP®, CWS®
BenD@badgley.com



BADGLEY+PHELPS

WEALTH MANAGERS

1420 Fifth Avenue, Suite 3200
Seattle, WA 98101

badgley.com
t (206) 623-6172 / f (206) 623-2042



Katie Wham, CFA®
KatieW@badgley.com