

## The Firm

**EVART, YOUNG & HOBBS**, an Investment Management Company registered with the Securities and Exchange Commission, provides investment services for *individuals, trusts, businesses and qualified pension plans*.

Founded in 1982 as Emery/Evart Portfolio Management, Leo H. Evart and Rosalee Young became partners to establish the firm in 1992 currently known as, **EVART, YOUNG & HOBBS INVESTMENT MANAGEMENT**. We manage approximately \$85 million of assets for our clients.

We have built our reputation in the Bay Area by meeting the specialized needs of our clients through responsive service and years of investment expertise.

**EVART, YOUNG & HOBBS** is an independent investment advisory firm. We are not selling a particular product, nor are we obligated to any particular service provider. Therefore, EYH advisors are objective and unbiased when it comes to investment decisions, so there is never a conflict of interest between our firm and the services we provide to our clients. Our clients' assets are held in accounts at Charles Schwab & Co., Inc.

## Our Mission

At EYH, our mission is to provide all of our clients with personalized investment counsel based on research, knowledge, experience, trust and a strong sense of dedication and commitment in order to assist them in meeting their financial goals.

## Let Our Experience Help Guide You



Whether you are saving enough money for a lavish retirement or putting away resources for a child to attend college, every investor invests with a purpose or a goal in mind. The problem investors face is that the future is never certain and choosing the right path is difficult.

Successful investing requires proper long-term planning. EYH advisors can assist you in helping you chart your course toward fulfilling your financial goals.

We help investors develop and implement prudent, effective and efficient long-term investment programs based on their unique circumstances. Our six step approach has been an effective means of helping clients achieve their respective financial goals.

## Our Investment Planning Process

This process ensures the design of a strategic investment plan that is customized to each client's unique goals and objectives, yet is flexible enough to respond to a client's changing financial circumstances.

**Initial consultation:** allows us to understand your financial circumstances and gather data to formulate a solution.

**Financial analysis:** from the data collected at the initial meeting, we establish an Investment Policy Statement (IPS). This becomes the roadmap by which we can measure your financial progress.

**Asset allocation modeling:** allocating your investment dollars to specific mutual fund asset classes (stocks, bonds, money market, etc.) based upon your given risk tolerance level.

**Investment Selection:** we implement your customized asset allocation model with carefully screened investment choices that will match your investment objectives.

**Portfolio Monitoring & Rebalancing:** we are continually monitoring the capital markets and the investments selected, making adjustments when we feel necessary to maintain an investment strategy that is consistent with your risk/return profile.

**Reporting:** our reporting system keeps you informed of your investment strategy, account positions and values, performance results, asset allocation, and taxable gains and losses.

Initial Consultation

Financial Analysis

Asset Allocation  
Modeling

Investment Selection

Portfolio Monitoring &  
Rebalancing

Reporting

## Investment Selection

We objectively screen all investment choices and identify the highest quality investments for your customized asset allocation model. We are not compensated by investment companies for recommending our clients to invest in any specific investment, thus our recommendations are without bias, not compromising our clients' best interests. The primary investment vehicles for our client's portfolios which we screen are exchange traded funds (ETFs), no-load institutional mutual funds, individual municipal and taxable bonds, as well as separate accounts.

**Screening the criteria:** we screen from a broad number of investments. Our purpose is to identify managers or management teams that can add value to their portfolio, versus a specified benchmark.

**Quantitative Screening:** this process involves analyzing performance (relative & absolute), risk, performance consistency, manager tenure, expenses and asset growth.



**Qualitative Screening:** this process seeks to identify a manager's "edge" and gain comfort that his/her process is repeatable. We are looking for managers who are independent thinkers and have a clearly articulated buy process, appropriate risk controls, a sell discipline and adequate personnel and committed resources.

**Our Investment Committee:** The final candidates are interviewed by our investment committee.

**Ongoing Review:** We are continually monitoring the progress of the managers to ensure they perform as expected.

## Tracking Your Progress



As your investment advisor, we provide the proper structure for your investments to grow, but over time your assets will be influenced by two important factors:

Capital markets are dynamic and your asset allocation model will require ongoing attention through both good and bad investment environments. Additionally, your personal circumstances will change over time, prompting more critical investment decisions. Typical questions might be, “What is the most tax-efficient means of taking retirement distributions?” or “Should I adjust my risk tolerance level as I begin retirement?” The changes in the stock market and your own personal circumstances can affect your investments in unexpected ways.

As experienced investment advisors, we are accustomed to the changes that take place and we will be there for you when those changes occur to help you navigate the proper course.

Our objective is to maintain an investment portfolio that has the greatest probability of meeting your financial goals.

## Our Value Added Advisory Services

- Personalized investment advice from registered investment advisors with years of investment experience. (No hourly charges.)
- Customized investment portfolios to meet our clients' objectives.
- Retirement planning analysis.
- Tax managed investment strategies designed to reduce costs.
- Employee stock option planning and diversification strategies.
- Inherited wealth and trust management.
- Continual monitoring of our clients' investment portfolio.
- Institutional research services and state-of-the-art reporting.
- Quarterly performance reports which include year-to-date figures.
- Annual tax reports (capital gain/loss, cost basis) for individuals.
- Quarterly newsletters covering investment topics of current interest.
- Investment transactions (buys and sells and exchanges) are carried out and tracked for each client.
- Investment seminars on relevant portfolio issues.
- Monthly summary reports on request for pension fund administrators.

## Who We Are

### Derek M. Hobbs, MBA

Investment advisor, EVART, YOUNG & HOBBS Investment Management: Prior to joining EYH, Derek started his career with John Hancock Financial Services as an investment planner in 1987. He later became a budget analyst for Lifetouch NSS for seven years. Derek has been registered with the Securities and Exchange Commission (SEC) as an investment advisor for over 15 years. At EYH he oversees the investment research for the firm and is actively involved in the investment strategy for client portfolios. Derek has been quoted in publications such as *CNN Money* and *Investment Advisor Magazine*. He became a partner of EYH in 2002. Derek holds a Bachelor of Science degree in Political Economics from the University of California at Berkeley and an MBA degree in Finance from California State University at Hayward. Born in 1963.

### Rosalee F. Young CFP

Investment advisor, EVART, YOUNG & HOBBS Investment Management: Rosalee began her career with EYH nineteen years ago. She became president of the firm in 1998 and continues to work closely with clients, as well as managing portfolios. As a CFP for over 17 years, she oversees investment strategies, paying close attention to tax issues. Rosalee is registered as an investment advisor with the Securities and Exchange Commission (SEC), is a Certified Financial Planner (CFP) and holds a Bachelor of Arts degree in Secondary Education from Marycrest College, Davenport, Iowa. Born in 1945.

### Carlos A. Perez, MBA

Investment advisor, EVART, YOUNG & HOBBS Investment Management: Carlos has twenty-eight years investment management experience. Equity Market/Manager Analyst, RCB Inc. and Portfolio analyst for \$688 million corporate pension plan. He authored papers on *Portfolio Insurance*, *Incentive Fees*, and *Quantitative Portfolio Management*. Carlos is a registered investment advisor with the Securities and Exchange Commission. Carlos holds and an MBA from Harvard University and a BS degree in Economics and Statistics from the University of California at Davis. Born in 1963.

## How We Are Compensated

1.00% per annum of the first \$1,500,000  
.75% per annum of the next \$1,500,000  
.50% per annum of the next \$2,000,000  
.25% per annum of amount over \$5,000,000

**Fees are paid in advance on a quarterly basis.**

Fees are based on the value of the portfolio at the end of each quarter. Some fees are negotiable. Fees are refundable on a prorated basis if investment management services are terminated prior to the end of the quarter.

### **Fee Calculation Example:**

Portfolio value at the end of the quarter = \$100,000

**Fees paid to EYH for managing the clients' investment portfolio:**

\$250 for the quarter = (1/4 of 1% of the investment)

The above illustrated fee schedule highlights the only method of compensation for EYH investment management. Our entire fee is for advisory services. We are not affiliated with any specific mutual fund company. All mutual funds charge management fees in addition to the advisory fees charged by Evart, Young & Hobbs.