



# **The *Relaxing* Retirement Coach, Inc.**

## **Form ADV Part 2A**

### **Investment Advisor Brochure**

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**March 2023**

This Brochure provides information about the qualifications and business practices of The Relaxing Retirement Coach, Inc. If you have any questions about the contents of this Brochure, please contact John (Jack) Phelps, President and Chief Compliance Officer at (781) 235-7550 or Jack@TheRetirementCoach.com.

Additional information about our firm is also available at <http://www.adviserinfo.sec.gov>. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are a registered investment adviser. Please note that use of the term “registered investment advisor” and a description of the Firm and/or our employees as “registered” does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

## **Item 2 - Material Changes**

In this item of The Relaxing Retirement Coach, Inc.'s (RRC or the Firm) Form ADV Part 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment dated March 2022.

The Form was updated to include information regarding our fiduciary role when providing services to retirement investors and retirement accounts. Please see Item 4: Advisory Business for more information.

This Form was updated to include disclosure of our conflict of interest related to the financial incentive we have in recommending the transfer of retirement plan assets to accounts that we manage. Please see Item 5: Fees and Compensation for more information.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of RRC's Firm Brochure, please contact John (Jack) M. Phelps, President and Chief Compliance Officer, by telephone at: (781) 235-7550 or by email at: [info@TheRetirementCoach.com](mailto:info@TheRetirementCoach.com)

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## **Item 4 - Advisory Business**

The Relaxing Retirement Coach, Inc. (hereinafter referred to as RRC or the Firm) was founded in 2003 by John (Jack) M. Phelps, President.

Through The *Relaxing Retirement Coaching Program™*, RRC provides personal retirement coaching and investment advice to individuals and couples as described below.

### **The Relaxing Retirement Coaching Program™**

There are two phases to The *Relaxing Retirement Coaching Program™*:

1. Retirement Blueprint Development
2. Retirement Blueprint Management

#### **PHASE ONE: Retirement Blueprint Development**

##### **Step One: The Retirement Strategy Assessment™ meeting**

Given your unique circumstances and priorities, your Retirement Strategy Assessment™ helps you objectively determine if you are on the right track by helping you identify costly mistakes you may be making and opportunities you may be missing out on.

It provides the foundation and stimulus to help you develop and maintain the supreme financial confidence you need and deserve to make the educated decisions necessary for a successful and relaxing retirement experience.

##### **Step Two: The Retirement Confidence Preparation System™**

The Retirement Confidence Preparation System™ provides you with the essential tools and resources to assist you in securing and preparing the relevant personal information necessary for you to make accurate, rational decisions about your financial future based on your unique circumstances and priorities. To assist you, The Retirement Confidence Creator™ includes:

1. The Retirement Timeline™
2. The Retirement Bucket™
3. The Retirement Income Predictor™
4. The Lifestyle Cost Estimator™
5. The Retirement Resource Quantifier™

##### **Step Three: Retirement Blueprint Development**

A seven-point process is used to create your custom designed Retirement Blueprint™ utilizing the relevant personal information you have assembled in The Retirement Confidence Preparation System™.

A Retirement Blueprint™ is a custom designed plan which consists of:

**1. The Retirement Resource Forecaster™**

An in-depth set of forecasts based on your lifestyle priorities and agreed upon assumptions, which illustrates (1) how much you may withdraw from your Retirement Bucket™ of investments each year without the anxiety of running out of money during your lifetime, and (2) the long-term investment rate of return you must earn in order for your Retirement Bucket™ of investments to keep pace with your rising lifestyle costs (*due to inflation*).

**2. The Retirement Bucket Strategy™**

A customized investment strategy and system designed to increase your probability of capturing the long-term investment rate of return and liquidity you need in order to reach your goals, while experiencing acceptable market price volatility and paying lower taxes.

**3. The Present Bucket Evaluator™**

An independent, objective evaluation of your present investment holdings to ensure that they are in line with your custom designed Retirement Bucket Strategy™.

**4. The Retirement Income Synchronizer™**

A strategy outlining which combination of accounts to draw income from each year of retirement in an effort to reduce your taxes and increase your net cash flow.

**5. The Income Tax Diminisher™**

An evaluation of the positioning of your assets, and the way you are generating needed cash flow, in an effort to reduce your income tax burden while maintaining liquidity.

**6. The Possessions Protector™**

A system and strategy to protect your family's desired lifestyle from life's potential catastrophes: (long-term illness, death, accidents, lawsuits, etc...)

**7. The Probate and Estate Tax Exterminator™**

A strategy for you to pass on assets at death to whom you want, when you want, how you want, with less delay and cost from probate fees and estate taxes.

Your Retirement Blueprint™ comes with an Action Plan list of recommended steps to take. At the conclusion of your Retirement Blueprint™ Review meeting, we evaluate those steps and coordinate the implementation of your Action Plan.

## **PHASE TWO: Retirement Blueprint Management**

Once a custom designed Retirement Blueprint™ has been created in PHASE ONE: Retirement Blueprint Development, members enter PHASE TWO: Retirement Blueprint Management in order to implement each item in your Action Plan and Retirement Bucket Strategy™, track progress, and adhere to a disciplined strategy so that you can maintain your financial confidence in all market conditions.

Participating in PHASE ONE: Retirement Blueprint Development does not obligate you to

participate in PHASE TWO: Retirement Blueprint Management. However, members must participate in Retirement Blueprint Development and create a customized Retirement Blueprint™ in order to participate in Retirement Blueprint Management.

The Retirement Blueprint Management Program™ is a wrap fee program sponsored by RRC which includes the following steps:

### **Step One: The Retirement Bucket Selector™**

In order to fund each member's globally diversified Retirement Bucket Strategy™, RRC recommends cost-effective index mutual and exchange traded funds to capture market returns within their respective investment asset class.

### **Step Two: Retirement Bucket Selection Review and Implementation**

RRC meets with you and presents the carefully selected options from Step One - The Retirement Bucket Selector™. At the conclusion of the meeting, RRC coordinates the implementation of the entire program to completion, including all necessary paperwork, phone calls, and communications.

### **Step Three: The Blueprint™ Implementation Recap Meeting**

Once your Action Plan has been implemented, your Blueprint™ Implementation Recap Meeting summarizes all the steps you've taken to ensure that they are in line with your Retirement Blueprint™.

We review the statements you now receive so you are comfortable, and we establish on-line access for you to view your account holdings any time from any location.

Using The Retirement Income Synchronizer™, your supplemental income stream is established. You receive pre-scheduled direct deposits from your Retirement Bucket™ accounts held by your account custodian directly into your home checking account at your bank as often as you wish. Where applicable, RRC will arrange to have federal and state income taxes withheld so you don't have to make quarterly tax estimate payments.

### **Step Four: The Annual Retirement Blueprint Reassessment™**

As you have experienced over the course of your life, things have a way of changing: your personal life circumstances, your priorities, inflation, market prices, tax laws, etc.

On the anniversary month in The Relaxing Retirement Coaching Program™, RRC evaluates the effects of any of these changes by repeating the 7-point process used to create your original Retirement Blueprint™ so you can continue to make educated decisions and maintain the financial confidence you need and deserve to live the life you've earned.

## **Step Five: Retirement Bucket™ Review Meetings and Retirement Bucket Check-Ups™**

To help maintain your financial confidence during all economic climates, in addition to your Annual Retirement Blueprint Reassessment™, you will also experience reviews throughout the year in two formats.

Pre-scheduled Retirement Bucket™ Review meetings are conducted one-on-one with you in our office, via Zoom, or over the telephone.

Retirement Bucket Check-Up™ packages are sent directly to you periodically depending on your pre-arranged schedule.

In each review format, RRC evaluates your Retirement Bucket™ of investments from three different vantage points:

1. Lifestyle Cashflow Management: to support your desired lifestyle
2. Tax Efficiency Management: for improved cash flow support, tax loss harvesting opportunities, and asset location strategy
3. Retirement Bucket™ Rebalancing: to ensure a consistent level of risk exposure

During these reviews, Mr. Phelps reviews your allocation and progress with you with an “easy to read” consolidated summary of your Retirement Bucket™ holdings.

In addition to receiving recommendations to maintain disciplined diversification in spite of volatile and ever-changing markets, you are always provided with a perspective on market and economic activity and how it impacts your Retirement Bucket Strategy™.

## **Fiduciary Statement**

The Relaxing Retirement Coach, Inc. and its team are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act, (“ERISA”) and/or the Internal Revenue Code, (“IRC”), as applicable, which are laws governing retirement accounts.

We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. We must take into consideration your objectives and act in your best interest. We are prohibited from engaging in any activity that is in conflict with the interests of the you.

We have the following responsibilities when working with you:

- To render impartial advice;
- To make appropriate recommendations based on your needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;

- To have a reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and,
- Treat you fairly and equitably.

Regulations prohibit us from:

- Employing any device, scheme, or artifice to defraud you;
- Making any untrue statement of a material fact to you or omitting to state a material fact when communicating with you;
- Engaging in any act, practice, or course of business which operates or would operate as fraud or deceit upon you; or
- Engaging in any manipulative act or practice with you.

RRC will act with competence, dignity, integrity, and in an ethical manner, when working with you. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

## **Assets Under Management**

As of December 31, 2022, the assets under management for The *Relaxing* Retirement Coach, Inc. are \$461,906,753. All assets are managed on a discretionary basis.

The Retirement Blueprint Management Program™ allows RRC to provide investment advice on a discretionary basis. However, virtually all investment decisions are reviewed by *Relaxing* Retirement Coaching Program™ members in the review meetings described above.

## **Item 5 - Fees and Compensation**

### **Retirement Blueprint Development™**

There is a fixed, flat fee of \$2,500 to participate in Retirement Blueprint Development™, which is broken down into two installments:

\$1,250 prior to development of the custom-designed Retirement Blueprint™

\$1,250 directly after the presentation of The Retirement Blueprint™

RRC will review and redesign the Retirement Blueprint™ for the next twelve months at no additional fee.

### **Retirement Blueprint Management™**

The annualized fee payable for Retirement Blueprint Management™ is a percentage of assets under management, including cash, as follows:

Under \$1,000,000 ..... 1.00%



Between \$1,000,000 and \$2,000,000.....	0.90%
Between \$2,000,001 and \$3,000,000.....	0.80%
Over \$3,000,000 .....	0.70%

The fee is calculated based upon the fair market value when the account(s) is established and is prorated to the end of the month. Thereafter, the fee is calculated based upon the fair market value of the account(s) as of the last business day of the previous month.

Program fees are not negotiable, and they are automatically deducted from an account you select each month.

Retirement Blueprint Management™ is a wrap fee program sponsored by RRC. RRC pays all transactional fees incurred for securities transactions other than the SEC fee on equity transactions.

Similar investment management services may (or may not) be available from other investment advisers for a lower fee. Investment management fees, which include investment management and transaction costs, may be more or less costly than paying for the services separately, depending upon the investment advisory fees charged, the number of transactions for the account, the mutual fund share class you purchase and the underlying 12(b)-1 fee, and the level of brokerage and other fees that would be payable if you obtained the services available under the program individually.

## **Retirement Plan Rollover Recommendations**

As part of our investment advisory services to our members, we may recommend that members roll assets from their employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will advise on the member's behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts.

If you elect to roll the assets to an IRA that is subject to our advisement, we will charge an asset-based fee as set forth in the advisory agreement that you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (i.e., receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA advised on by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interests and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;

- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than a reasonable fee for our services; and,
- Give you basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of a rollover. Note that an employee will typically have four options in this situation:

1. Leaving the funds in the employer's (former employer's) plan;
2. Moving the funds to a new employer's retirement plan;
3. Cashing out and taking a taxable distribution from the plan; or
4. Rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and document the basis for our belief that the rollover transaction we recommend is in your best interests.

### **General Information on Compensation**

All fees paid to RRC are separate and apart from any internal fees and expenses of exchange traded funds (ETFs), mutual funds, or variable annuity contracts and subaccounts which are ultimately borne by their shareholders.

Cost-effective index mutual and exchange traded funds are recommended to fund The Retirement Bucket Strategy™ and capture market returns within their respective investment asset class.

In situations in which they are recommended, the mutual and exchange traded funds utilized in the Program are either no-load, institutional shares, or funds purchased at NAV. A complete explanation of these fees and expenses is contained in each fund's prospectus.

Related accounts are linked for purposes of fee calculation. This means that certain accounts, approved by RRC, may be grouped (or aggregated) for fee calculations and, thus, potentially lower your fee rate.

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of your funds.

### **Cash Balances**

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees or to provide for asset protection during periods of volatile market conditions. Your cash and cash

equivalents will be subject to our investment advisory fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the investment advisory fees charged are higher than the returns you receive from your cash.

## **Termination**

RRC guarantees your satisfaction with every step of Retirement Blueprint Development. If you are not 100% satisfied, RRC will issue an unconditional full refund upon receipt of your custom designed Retirement Blueprint™.

In Retirement Blueprint Management™, members may terminate the agreement at any time by written notice and receive a refund for any fees paid in advance and not yet earned.

## **Item 6 - Performance Based Fees**

Neither RRC nor any of its Supervised Persons (employees) accept performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a member).

RRC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the member.

## **Item 7 - Types of Members**

The *Relaxing Retirement Coaching Program*™ is for individuals and couples who are experiencing one of two situations in their lives:

1. You are approaching your retirement transition and you're looking to determine if
  - a) you are on track and have accumulated enough financial resources to support your desired lifestyle without income from work (whether or not you choose to stop working), and then b) specifically, how to manage your financial affairs and confidently make a seamless retirement transition. Or,
2. You have already stopped working (or have retired), and you are not financially confident. Your cash flow is not what you want it to be. You are very concerned about your savings lasting the rest of your life given market volatility and your investment experience. You are paying more taxes than you believe you should have to pay.

To participate in Retirement Blueprint Development, there is no minimum amount of investment necessary. However, given the very nature of the program, those who get the most out of the program have already done a very good job of saving and accumulating over the years.

To participate in Retirement Blueprint Management, RRC requires **new** members to have an aggregate household minimum investment value of \$1,000,000. Rare exceptions are made for friends and family of existing members and are determined on a case-by-case basis.

Existing *Relaxing Retirement* members are not subject to this minimum requirement.

RRC requires members to establish brokerage accounts at Charles Schwab Institutional where applicable. This allows RRC to efficiently service all member accounts.

## Item 8 - Method of Analysis, Investment Strategies and Risk of Loss

RRC firmly believes that it is critical to carefully design a comprehensive Retirement Blueprint™ prior to making any investment recommendations and decisions. To that end, in order to participate in investment management services of Retirement Blueprint Management, all members are required to first participate in Retirement Blueprint Development.

Two of the critical benefits of creating a custom-tailored Retirement Blueprint™, which takes into account all of your priorities and resources, are:

1. Carefully calculating the timeline of *when* funds will be needed for spending needs, and *how much* will be needed. And,
2. Carefully calculating the long-term real investment rate of return you need to earn in order to have your Retirement Bucket™ of investments keep pace with inflation and remain intact as you withdraw funds for spending needs in your retirement years.

Once a Retirement Blueprint™ has been created, the goals of Retirement Blueprint Management™ are to:

1. Help you avoid common mistakes and maintain the necessary discipline, in all market conditions, to capture the long term real investment rate of return you need to earn (*as established in your Retirement Blueprint™*),
2. Help you experience acceptable amounts of investment volatility while still achieving the long-term real investment rate of return you need to earn,
3. Help you reduce the amount of income taxes you pay during the phase of your life where you are withdrawing funds from your Retirement Bucket™ of investments to support your desired lifestyle, and
4. Help you maintain the Retirement Bucket™ investment liquidity you need in order to support your desired lifestyle.

In an effort to achieve these goals and fund each member's globally diversified Retirement Bucket Strategy™, RRC recommends cost-effective index mutual and exchange traded funds to capture market returns within their respective investment asset class.

### Risk of Loss

Like all investors, *Relaxing Retirement Coaching Program™* members should be prepared to bear the following investment risks of loss:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive causing their market values to decline.
- **Market Risk:** The price of a security, bond, exchange traded fund, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as

much as a dollar today because purchasing power is eroding at the rate of inflation.

- **Currency Risk:** Investments in companies headquartered outside the United States are subject to fluctuations in the value of the dollar against the currency of the investments originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, treasury bills are highly liquid while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or declining market value.
- **Cybersecurity Risk:** A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause an account to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.

## Item 9 - Disciplinary Information

Neither RRC nor John (Jack) Phelps has any disciplinary history to report.

## Item 10 - Other Financial Industry Activities and Affiliations

RRC is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither RRC, nor any of its management persons, is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

RRC does not recommend or select other investment advisors for RRC's members.

## Item 11 - Code of Ethics

RRC is dedicated to providing effective and proper retirement coaching and financial management services to RRC's members. RRC's success depends upon a high level of public and member confidence. That confidence can be maintained only if RRC's team members observe the highest standards of ethical behavior in the performance of their duties.

RRC has the obligation to exercise authority for the benefit of RRC's members, to place the interest of RRC's members first, and to refrain from having outside interests that conflict with the interests of RRC's members. RRC must avoid any circumstances that might adversely affect, or appear to affect, RRC's duty of complete loyalty to RRC's members. RRC does not recommend to members, or buy or sell for member accounts, securities in which RRC has a material financial interest. RRC employees may buy or sell the same securities for their own accounts which are also recommended to members.

While it is not possible to specifically define and prescribe rules regarding all possible cases in which conflicts might rise, RRC's Code of Ethics sets RRC's policy regarding conduct in those situations in which conflicts are most likely to develop.

RRC's Code of Ethics contains the following key provisions:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of member information

RRC's employees must follow these fundamental fiduciary principles:

1. Place interests of *Relaxing Retirement Coach* members first. RRC's personnel must scrupulously avoid serving their own interests ahead of those of members when making any decision relating to personal investments;
2. Not take inappropriate advantage of their positions;
3. Keep information concerning members' investments and personal lives confidential; and
4. Always provide professional investment management advice based upon unbiased independent judgment.

These principles govern all conduct by employees whether or not such conduct is covered by specific procedures. RRC's employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

John (Jack) Phelps, President and Chief Compliance Officer, reviews all employee trades each quarter.

Members and prospective members can obtain a copy of RRC's Code of Ethics by contacting

John (Jack) Phelps, President at (781) 235-7550.

## **Item 12 - Brokerage Practices**

RRC does not receive formal soft dollar benefits other than execution from broker-dealers in connection with member securities transactions.

RRC requires that members in The Retirement Blueprint Management Program™ (investment management) open accounts with Charles Schwab Institutional (Schwab), a FINRA registered broker-dealer and member of NYSE and SIPC, where applicable to maintain custody of your assets and to effect trades for your accounts. RRC works with Schwab to streamline operations.

In addition to providing the broker-dealer and custody functions necessary for account management, Schwab provides numerous support services to independent investment advisers and their members. Under an agreement with Schwab, RRC pays all transactional fees incurred for securities transactions, other than the SEC fee on equity transactions. RRC does not receive member referrals from Schwab or any other broker-dealer.

RRC is independently owned and operated and not affiliated with Schwab. Schwab provides RRC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's members' assets are maintained in accounts at Schwab. And, are not otherwise contingent upon RRC committing to Schwab any specific amount of business (assets in custody or trading).

Schwab's services include brokerage, custody, research, and access to exchange traded funds (ETFs), mutual funds, and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For RRC's members' accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to RRC other products and services that benefit RRC but may not benefit its members' accounts. Some of these other products and services assist RRC in managing and administering members' accounts. These include software and other technology that provide access to member account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple member accounts); provide research, pricing information and other market data; facilitate payment of RRC's fees from RRC's members' accounts; and assist with back-office functions, recordkeeping and member reporting.

Many of these services generally may be used to service all or a substantial number of RRC's accounts, including accounts not maintained at Schwab. Schwab also makes available to RRC other services intended to help RRC manages and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

In addition, Schwab may make available, arrange and/or pay for these types of services rendered to RRC by independent third parties. Schwab may discount or waive fees it would otherwise



charge for some of these services or pay all or a part of the fees of a third-party providing these services to RRC.

While as a fiduciary, RRC desires to act in RRC's members' best interests, and RRC's recommendation that members maintain their assets in accounts at Schwab may be based in part on the benefit to RRC of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Some of the products, services and other benefits provided by Schwab benefit RRC and may not benefit RRC's members. RRC's recommendation that members place assets in Schwab's custody may be based in part on benefits Schwab provides to RRC, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

RRC places trades for RRC's members' accounts subject to RRC's duty to seek best execution and RRC's other fiduciary duties. RRC may use broker-dealers other than Schwab to execute trades for member accounts maintained at Schwab. However, this practice may result in additional costs to members so RRC is more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers. When effecting transactions on behalf of members, RRC does not aggregate multiple member accounts for the purposes of block transactions.

Generally speaking, all of RRC's members benefit from research services which may be provided to RRC by the broker/dealers who effect transactions for members' accounts. Not all such research services, however, may be used by RRC in connection with the members' accounts that paid commissions to the broker/dealers providing such research services.

In addition, instances may arise where (a) research services obtained in connection with transactions affected for a particular member's account benefit other members of RRC, or (b) not all research services may be used by RRC after payment of commissions by members. RRC's receipt of research services from broker/dealers who effect transactions for RRC's members' accounts does not reduce RRC's customary research activities.



## Item 13 - Review of Accounts and Reporting

Two types of reviews occur on a regular and ongoing basis:

### 1. **Annual Retirement Blueprint Reassessment™**

As you have experienced over the course of your life, things have a way of changing: your personal life circumstances, your priorities, inflation, market prices, tax laws, etc.

On the anniversary month in The *Relaxing Retirement Coaching Program™*, you are provided with The Retirement Blueprint Reassessment PRIORITIES UPDATE™ to assist you in updating your information and priorities.

After receiving the requested information from you, and preparing an updated Retirement Blueprint™, a personal meeting is conducted with you to review the effect of any changes on your Retirement Blueprint™, as well as any previously uncompleted Action Steps.

Adjustments are recommended if necessary.

### 2. **Retirement Bucket™ Review Meetings and Retirement Bucket Check-Ups™**

To help maintain your financial confidence during all economic conditions, in addition to your Annual Retirement Blueprint Reassessment™, you will also experience reviews throughout the year in two formats.

Pre-scheduled Retirement Bucket™ Review meetings are conducted with you in our office, via Zoom, or over the telephone.

Retirement Bucket Check-Up™ packages are sent directly to you periodically depending on your pre-arranged schedule.

In each review format, RRC evaluates your Retirement Bucket™ of investments from three different vantage points:

1. Lifestyle Cashflow Management: to support your desired lifestyle.
2. Tax Efficiency Management: for improved cash flow support, tax loss harvesting opportunities, and asset location strategy.
3. Retirement Bucket™ Rebalancing: to ensure a consistent level of risk exposure.

During these reviews, Mr. Phelps reviews your allocation and progress with you with an “easy to read” consolidated summary of your Retirement Bucket™ holdings.

In addition to receiving recommendations to maintain disciplined diversification in spite of volatile and ever-changing markets, you are always provided with a perspective on market and economic activity and how it impacts your Retirement Bucket Strategy™

## **Reporting**

Each month, the custodian (Charles Schwab, etc.) provides you with an account statement for each of your accounts which may include individual holdings, cost basis information, deposits, and withdrawals, accrued income, dividends, and performance. In addition, the account custodian provides you with trade confirmations for each position bought and sold.

You may also access information regarding your accounts at any time at the Charles Schwab Institutional website.

## **Item 14 - Member Referrals and Other Compensation**

RRC does not receive any economic benefits (other than described in Item 12) from any firm or individual for providing investment advice.

RRC does not make or accept referral fees or any form of remuneration from other professionals when a prospect or member is referred to them.

## **Item 15 - Custody**

Members' assets shall be held in the custody of a bank, trust company or brokerage firm agreed upon by the member and RRC (i.e. Charles Schwab Institutional). You authorize RRC (in Retirement Bucket Management™ agreement) to debit fees directly from your account(s) at the custodian. The custodian is advised in writing of the limitation of RRC's access to your account(s). The custodian sends a statement to you, at least quarterly, indicating all amounts disbursed from your account(s) including the amount of advisory fees paid directly to RRC. You should carefully review those statements promptly when you receive them.

## **Item 16 - Investment Discretion**

Retirement Blueprint Management™ allows RRC to provide investment advice on a discretionary basis. However, virtually all investment decisions are reviewed by you in the review meetings described above prior to implementation.

Discretionary authority allows RRC to determine, without obtaining specific member consent, both the amount and type of securities to be bought to satisfy member objectives.

Since RRC is not compensated for trading securities in your account(s), there is no incentive to trade other than to do what is in a member's best interest.

## **Item 17 - Voting Member Securities**

RRC does not vote proxies for members and does not provide advice to members about how to vote proxies. Members retain the authority to vote proxies and will be required to ensure that proxy materials are sent directly to them.

## **Item 18 - Financial Information**

RRC has no financial commitment that impairs RRC's ability to meet contractual and fiduciary commitments to members and have not been the subject of a bankruptcy proceeding.

RRC does not require prepayment of fees of more than \$1,200 per member, and six months or more in advance.



# **The *Relaxing* Retirement Coach, Inc.**

## **Form ADV Part 2B**

### **Investment Advisor Brochure Supplement**

80 William St # 260  
Wellesley, MA 02481  
info@TheRetirementCoach.com  
781-235-7550

**March 2023**

**Supervisor Name: John (Jack) M. Phelps**

This Brochure Supplement provides information about The Relaxing Retirement Coach, Inc.'s employees that supplements our Brochure. You should have received a copy of that Brochure. Please contact John (Jack) Phelps, President and Chief Compliance Officer at (781) 235-7550 or Jack@TheRetirementCoach.com if you did not receive our Brochure or if you have any questions about the contents of this Supplement.

Additional information about our employees is also available at The SEC's website: <http://www.adviserinfo.sec.gov>. You may search this site using a unique identifying number, known as a CRD number, for each employee.

## **Educational Background and Business Experience**

**John (Jack) M. Phelps**  
CRD #1963933

Born: 1967

### **Education:**

BA Economics, Holy Cross College, 1989

### **Business Background:**

The <i>Relaxing</i> Retirement Coach, Inc. Founder, President, and Chief Compliance Officer	2003 – Present
Purshe Kaplan Sterling Registered Representative	2008 – 2010
Strategic Planning Group, Inc. Founder, President, and Chief Compliance Officer	1994 – 2003
Prudential Financial Services Registered Representative	1989 – 1994

## **Disciplinary Information**

Mr. Phelps has no disciplinary history to report.

## **Other Business Activities**

Mr. Phelps has no outside business activities.

## **Additional Compensation**

None of RRC's employees receive any economic benefit outside of regular salaries and profit-sharing bonuses.

## **Supervision**

John (Jack) M. Phelps is the only Supervised Person named on this ADV Part 2B Investment Adviser Brochure Supplement. He may be reached at (781) 235-7550.



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