



OVERVIEW

*Sophisticated Financial Advice,
Delivered With Simplicity*

Quick Facts

- ◆ SEC registered investment adviser
- ◆ Comprehensive financial planning and investment advisory services
- ◆ Fiduciary
- ◆ Fee only

What's Different?

- ◆ Serving high-net-worth families with complex situations, where the cost of being wrong is high
- ◆ Sophisticated, ongoing financial advice, delivered with *simplicity*
- ◆ Focus on the few variables that govern long-term financial success

Fees

- ◆ Based on a percentage of assets under management

Custodian

- ◆ Charles Schwab & Co., Inc.



Typical Client Profile

- ◆ Business owners, capital markets professionals, separated/divorced spouses
- ◆ People experiencing a life transition
- ◆ Young business owners and others who are likely to match our client community financial profile in the foreseeable future

Timothy J. Keating Vitae

- ◆ 35+ years Wall Street experience
- ◆ 1985 Harvard College, *cum laude*
- ◆ Keating Investments, LLC (founded 1997, sold 2014)
- ◆ Previous: Bear Stearns; Nomura; Kidder, Peabody

Keating Wealth Management

Keating Wealth Management, LLC, is an investment advisory firm providing sophisticated financial advice, delivered with simplicity, to successful people navigating the economic implications of life transitions.



Bringing Truth, Understanding and Discipline to Everyday Choices

When your finances are complex and the cost of being wrong is high, you need a trusted financial adviser whose experience, business judgment

and wisdom can guide you to the best outcomes. We help people improve their lives by bringing truth, understanding and discipline to the choices they make every day.

Most financial advisory firms focus on investing your money rather than on achieving your goals. At Keating Wealth

Management, we answer the questions everyone has about money: Am I OK? Can I live the life I want?

We do this by starting with your life and ending with your investments, not the other way around. Our goal is to help you live better today, not just in some distant future. We focus on helping people live richly and without regrets rather than dying rich but full of regrets.

Complexity Considerations

- Financial complexity: **High**
- Cost of being wrong: **High**



Our Value Promise



We'll take care of everything related to your financial planning, so you can live your life. With your financial affairs consolidated and the complexity eliminated, you'll easily understand it all. You'll enjoy a clear, actionable, regularly updated plan that simplifies your life transitions. Ultimately, you'll rest easy knowing you are on track to achieve your financial goals.

WHAT WE BELIEVE



These are the core guiding principles that define who we are, what we believe, and what we can and cannot do:

1. **Trust.** The relationship between a client and a financial adviser must be built on a bedrock of mutual trust. We earn our clients' trust by telling them the absolute truth at all times. This is the only way to build an enduring relationship that benefits both parties.
2. **Planning.** A customized financial plan is a key element in our relationship with each client. The plan establishes investment portfolio goals and enables us to measure progress toward those goals.
3. **Purchasing power.** Preserving the dollar value of a portfolio is never an adequate goal, because inflation constantly erodes that value. With 3% inflation a year, the cost of living doubles every 25 years, and investors who merely preserve their principal will lose half their purchasing power over that period. The goal must be to preserve *and grow* purchasing power.
4. **Equities.** Over time, equities—not bonds—have been the best way to preserve and grow purchasing power. Since 1926, equities have delivered a 7% real (inflation-adjusted) return for large-company stocks—triple the 2% real return for bonds.
5. **Volatility.** Equities are more volatile than bonds, and the bumpy ride is the reason for the higher returns. But we don't equate equity volatility with risk. Volatility is a short-term disturbance, whereas the long-term returns from equities are enduring. Equities are a good investment because they go down temporarily and up permanently.
6. **Growth.** Volatility is the norm in the equity market. Since 1970, intrayear declines have averaged 14%. Roughly 1 out of 6 years, there's a bear market decline of 20% or more. Nonetheless, the equity market is now more than 42 times higher than it was in 1970, and dividends have increased by a factor of 17. Inflation has trimmed these gains, but not by much; consumer prices are now about 7 times higher. (Data and associated calculations as of December 31, 2022.)
7. **Behavior.** The real risk for equity investors is not volatility; it's their emotional response to volatility. All of us have an innate tendency to interpret large temporary declines in the market as the beginning of the end. And when we panic, we flee. *Investor behavior*—not investment performance—drives the financial outcomes experienced by most investors.
8. **Patience.** For decades, countless experts have tried—without success—to predict or time the markets. We conclude that it cannot be done. To capture 100% of the long-term return of equities, investors must be in the market at all times. This means experiencing 100% of the short-term volatility. Since there is no effective way to buy or sell stocks in response to market or world events, we devote no time or effort to analyzing these events. Our advice is unchanging: Whatever may be happening in the world, we counsel clients to patiently hold the portfolio that offers them the best chance of reaching their financial goals.
9. **Value of advice.** Over the years of our relationship with you, our behavioral advice against panic selling in falling markets and our discipline in helping you stick to a well-constructed Financial Plan will be worth multiples of our fee.¹
10. **Index funds.** We believe equity index funds should be the core holding for all our clients, because these funds are broadly diversified, low-cost and tax-efficient. Over every cycle, equity index funds have consistently outperformed the vast majority of actively managed mutual funds.

¹ Various industry studies, such as Vanguard's "Putting a Value on Your Value: Quantifying Vanguard Advisor's Alpha" (July 2022) objectively quantify an approximation of the amount of value, expressed in net annual returns, that clients may experience when working with advisers who implement certain wealth management best practices. Keating Wealth Management cannot, and does not, guarantee a particular return or particular value for any of our services for any of our clients. Accordingly, the return experienced, or value received, relative to fees paid will necessarily be a subjective determination by each client and based on the client's unique circumstances.

WHAT YOU GET



- ☐ Asset Map
- ☐ Financial Plan
- ☐ College calculator
- ☐ Quantified retirement goals, including spending in retirement
- ☐ Insurance analysis (life, disability, health, long-term care, business, specialized)
- ☐ Estate planning coordination
- ☐ Tax planning coordination
- ☐ Business purchase, sale and succession planning
- ☐ Social Security, Medicare and elder care analysis



- ☐ Clarifying asset allocation
- ☐ Creating optimal yet simple portfolios
- ☐ Selecting highly diversified, low-cost, tax-efficient investments
- ☐ Reviewing and selecting retirement plan investment funds
- ☐ Providing ongoing investment monitoring
- ☐ Rebalancing portfolios as needed
- ☐ Reviewing and managing 529 college savings accounts
- ☐ Investing lump sums
- ☐ Meeting liquidity needs



- ☐ Conducting comprehensive safety and annual review meetings
- ☐ Updating Asset Map and Financial Plan
- ☐ Providing and assisting with implementation of key checklists
- ☐ Adjusting Financial Plan based on life events
- ☐ Implementing action plan for major events in "101 Series" briefings
- ☐ Navigating real estate transactions
- ☐ Coordinating with tax, estate planning and insurance experts
- ☐ Providing professional referrals to attorneys, CPAs and other experts as needed
- ☐ Guiding legacy and intergenerational planning and education
- ☐ Clarifying financial headlines through succinct, understandable essays
- ☐ Reinforcing beneficial behavior over long-term horizons to safeguard your financial future

When you join Keating Wealth Management as a client, you get an integrated package of services, including comprehensive financial planning, investment management, and sophisticated, ongoing advice, all for a monthly fee based on your assets under management. Please note that we do not offer financial planning or any other service on an individual, fee-for-service basis.

A LIMITED NUMBER OF CLIENTS

Message From Tim Keating



Personal Service

Just as a plane needs a flight plan to safely reach its destination, successful people with complex asset profiles need comprehensive financial plans to best complete their multidecade financial journeys. A wise, trusted financial adviser with sound business judgment can guide you through that complexity and design a plan to accomplish your financial goals.

I launched Keating Wealth Management to help successful people navigate the economic implications of life transitions and simplify their lives. I made the deliberate decision to establish a two-person firm, with myself as the sole financial adviser and a capable colleague to manage all operational matters.

Because of my direct and complete involvement in each aspect of every client relationship, it soon became clear that I could share my singular expertise with only a limited number of families.

Metaphorically, we think of our firm as a small but well-appointed ship, with 50 staterooms reserved for valued members of our community. By necessity, we must select those members with care, ensuring that every household we serve is compatible with our criteria, enabling maximum value for all. Our relationships are deeply personal and lasting.



Mutual Fit

Most of our clients are business owners, capital markets professionals, and separated or divorced spouses from high-net-worth relationships. With my extensive Wall Street and Silicon Valley experience, I am

uniquely qualified to advise on situations ranging from multimillion-dollar business deals to multigenerational wealth planning. Free from all conflicts, I am an objective voice that clients can trust unconditionally. If you are seeking high-touch service from a knowledgeable, trustworthy, genuinely independent adviser, we might be a good match.

Regardless of whether you have ever worked with a financial adviser, our **"21 Questions to Ask Your Financial Adviser,"** populated with our responses, will help you cut through the clutter and gain clarity about where we stand on essential issues.



Relationship Size

Typically, new clients have investible assets of at least \$5 million. This standard, combined with our cap on the number of households we serve, enables us to devote the necessary time and effort to each family's financial planning and investment management needs. We will consider young business owners and others who are likely to match our client community financial profile in the foreseeable future.

