



Our process begins with careful evaluation of your risk tolerance and desired after-tax rates of return on each of your portfolios. We then recommend model portfolios that will integrate with your existing asset holdings. The panels of this brochure depict how our model portfolios have a range of different risk and return characteristics. We can evaluate your current portfolio and then suggest

alternatives that have comparable risk with higher after-tax returns or comparable after-tax returns with lower risks.



**Tax Efficient Asset Management Solution, Inc.**  
**695 Town Center, 7th Floor, Costa Mesa, CA 92626**  
**Phone toll free: 800-447-7090 Fax: 866-447-7090**  
*Email: info@T-E-A-M-Solution.com*

Investment Advisory Services Offered Through Tax Efficient Asset Management Solution, Inc.

© Tim Voorhees, JD, MBA, 1990-2013



*A Letter from Tim Voorhees*

For more than 30 years, we have provided portfolio planning as part of the estate planning process. We welcome an opportunity to show you how we combine portfolio optimization with estate optimization to produce true wealth optimization.

Portfolio optimization begins with an *Investment Policy Statement* ("IPS"). Your IPS can show you how to reduce fees, taxes, and other expenses that hurt portfolio performance. Enhancing returns just a few percentage points can result in millions of additional capital for funding your vision.

This brochure covers the three main issues that we address in our investment policy statements. Section One explains how capital accumulates much more dramatically when you minimize unnecessary expenses. Section Two explains how we integrate advice from your tax advisers and investment professionals. Section Three shows how we develop model portfolios.

Feel free to contact us to discuss how we can help you maximize the values of your portfolios after taxes, after fees, after inflation, and after expenses. Please email me at [tim@vfos.com](mailto:tim@vfos.com) or call me at 800-447-7090. We look forward to working with you

Best regards,

*Tim Voorhees*  
 Tim Voorhees, JD, MBA



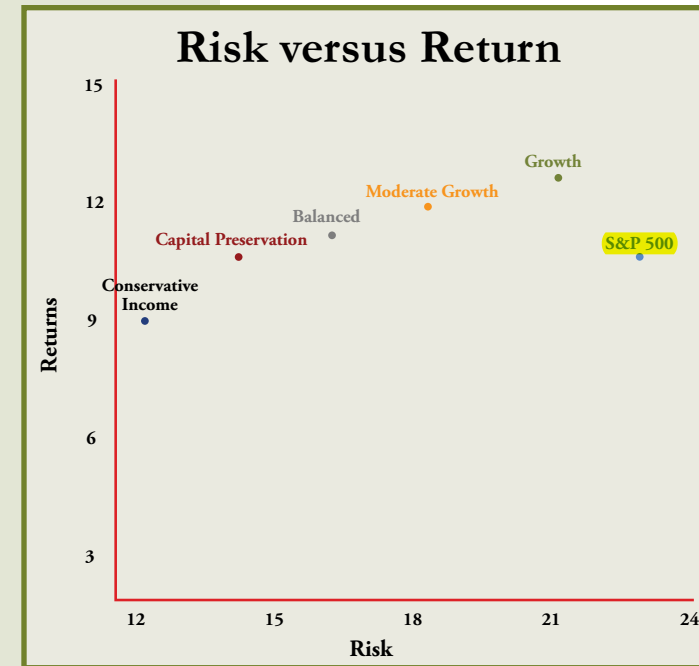
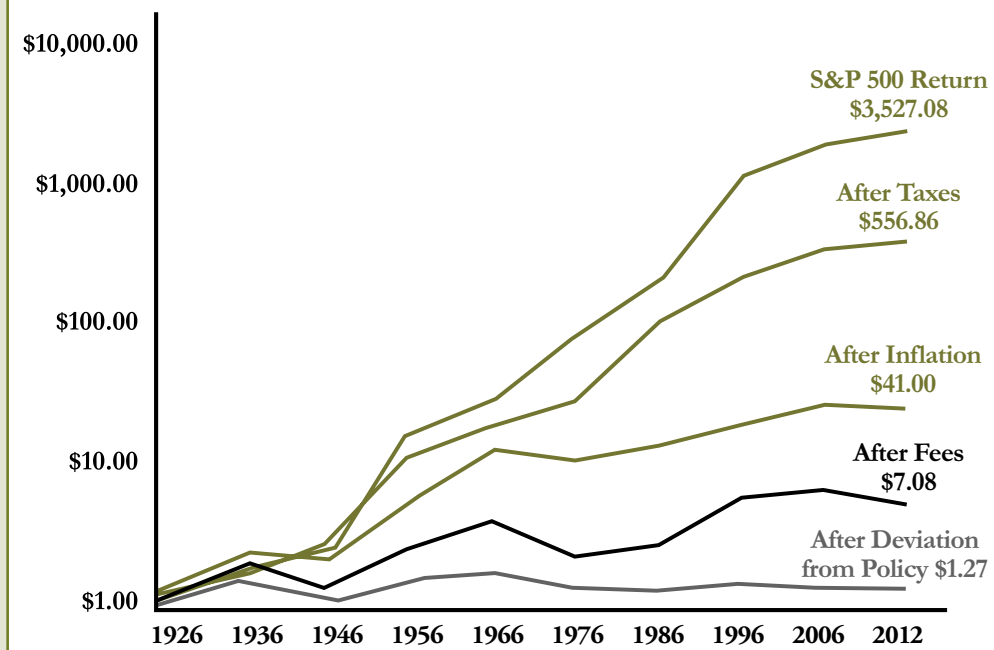
695 Town Center, 7th Floor, Costa Mesa, CA 92626 • Phone 800-447-7090 • Fax: 866-447-7090  
 Website: [www.T-E-A-M-Solution.com](http://www.T-E-A-M-Solution.com)

*Will \$1 of Your Family's  
Wealth Grow to \$1.27 or \$3,527  
Over the Next 80 Years?*

Are you maximizing money  
available to fund your vision?

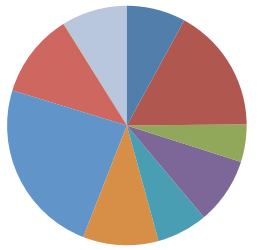
Learn from a recent 86-year period! Using our Tax Efficient Asset Management Solution ("TEAMS"), we can help you maximize your portfolio returns after taxes, after inflation, after-fees, and without deviations from policy! See how....

**Growth of \$1 after Taxes, Inflation, Fees, and Policy Deviations**

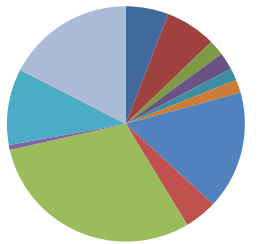


- US Large Cap Growth
- US Large Cap Value
- US Mid Cap Growth
- US Mid Cap Value
- US Small Cap Growth
- US Small Cap Value
- Non-US Dev Stk
- Non-US Emrg Stk
- US Inv Grade Bonds
- US High Yield Bonds
- Non-US Bonds
- Cash
- Real Estate

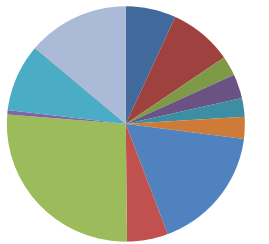
T.E.A.M. Solution™  
Conservative Income  
Portfolio



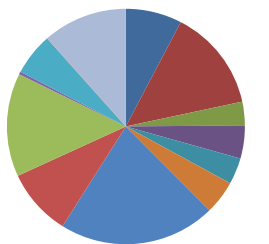
T.E.A.M. Solution™  
Capital Preservation  
Portfolio



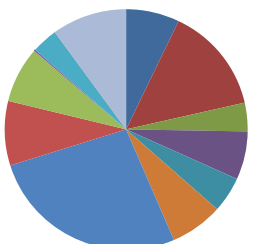
T.E.A.M. Solution™  
Balanced Portfolio



T.E.A.M. Solution™  
Moderate Growth  
Portfolio



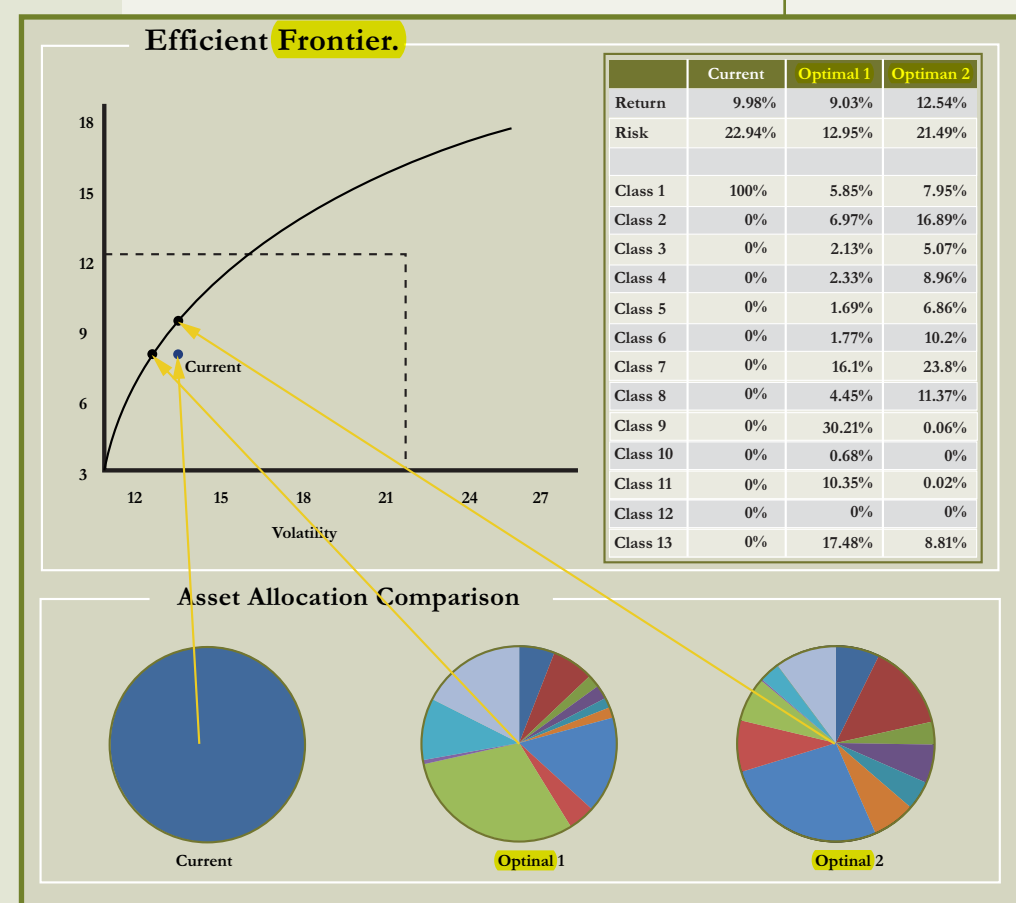
T.E.A.M. Solution™  
Growth Portfolio



**T.E.A.M.**  
**SOLUTION™**  
 The Tax-Efficient Asset  
 Management Solution

**MODEL  
 PORTFOLIOS**

Our tax advisers team up with your Registered Investment Adviser to offer an integrated solution. We help you maximize your after-tax return by minimizing income taxes on your investment income.



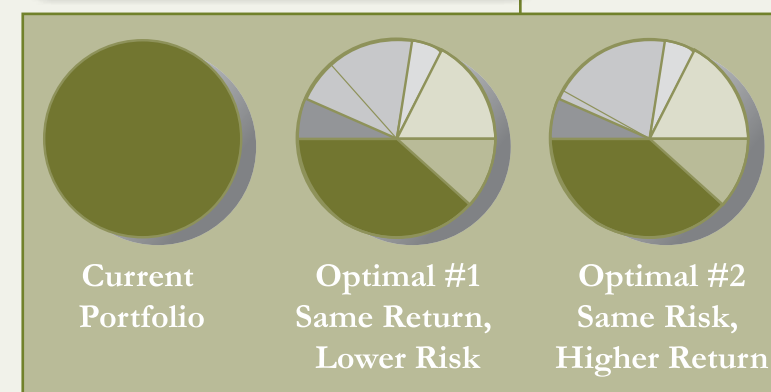
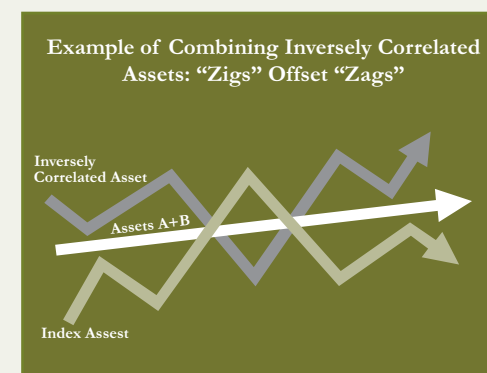
**TEAMS Can Help  
 You Maximize the Return  
 on Your Portfolio**

Should you have invested all of your money in an index like the S&P 500 during the last 80 years? Maybe. You could have earned comparable returns with a lower risk by investing in a variety of different asset classes. There are now more than 5,000 different asset classes that might be best for you.

We meet with you to suggest which asset classes you should combine with the S&P 500 (or other indices best suited for you) to maximize return relative to risk. We will show you a pie chart of your current portfolio along with at least two alternatives. One will have at least the same expected return with lower risk. The other will have a comparable expected risk with a greater expected return.

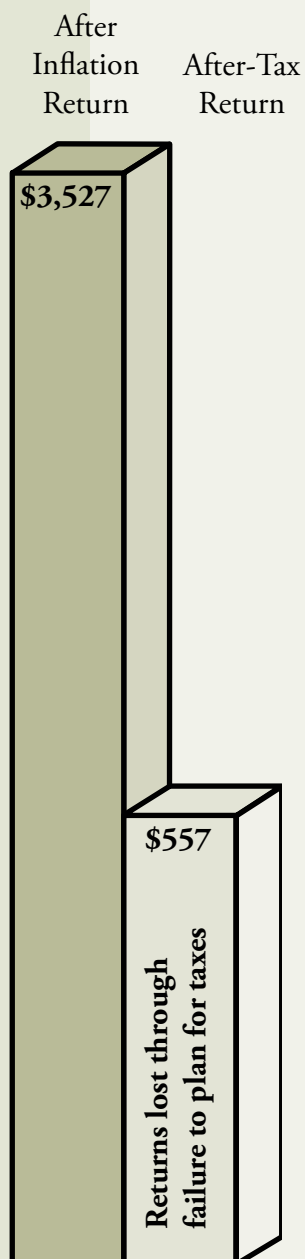
Index Return  
 \$3,527

\$1 grows to  
 \$3,527



*We will show you a pie chart of your current portfolio along with at least two alternatives.*

## TEAMS Can Help You Maximize Your Returns After Taxes



Tragically, the amount left for heirs can be as little as 10% of the initial amount if we fail to take into account estate and gift taxes (as high as 46%), capital gains taxes (23% in California), income taxes on interest (over 40% in California), IRD taxes, AMT taxes, and various corporate, excise, property, and sales taxes that can lower returns.



Therefore, wise investors understand the critical importance of having investment advisers work along side tax advisers to minimize taxes on investments. We believe very strongly in having your portfolio monitored by both your Registered Investment Adviser and your tax lawyer.

## T.E.A.M. Solution™ Benefits (cont.)

- **Customized proposals** – When you invest \$500,000 or more in the T.E.A.M. Solution, we will develop and maintain a custom Investment Policy Statement for you. In this way, you can comply with the Uniform Prudent Investor Act and minimize legal liability. Management of fiduciary liability is an added benefit of having your tax lawyer work alongside your investment professional.
- **Investment advice offered in conjunction with legal/tax advice** – Our tax advisers can work along with your existing investment professionals. Our goal is to complement your existing advisers by providing tax law, investment analysis, and portfolio illustration expertise that most investment managers do not have.
- **Online presentations** – We can use state-of-the-art software to aggregate data from all of your portfolios in one highly-secure web-based environment. In this way, you can have 24/7 access to your historical and projected investment return data. You can elect to receive investment statements online and/or in a hard-copy format.
- **Training** – We will train your existing investment advisers to coordinate your existing investment management systems with ours. Money managers, financial planners, stock brokers and other asset management professionals appreciate how our legal and financial systems complement theirs.
- **Low-cost trading platform** – We trade through Fidelity, Schwab, and Fiserv. Using these established systems helps us minimize costs and maximize benefits for you.
- **Back office support** – The three key managers of the T.E.A.M. Solution have more than 60 years of combined experience. Six bright, friendly and qualified support staff assist these managers in giving you the best service.
- **Investment committee** – Our investment committee is headed by Tim Voorhees, JD, MBA. Tim has developed a variety of specialized investment strategies during his 31 years as an investment professional. Tim developed many of the T.E.A.M. Solution concepts while working in a three-person partnership with Roger Ibbotson and Mike Stolte during the early 1990s. Tim is supported by CPAs and other investment professionals who have more than 10 years of investment management expertise. Please email [Tim@vfos.com](mailto:Tim@vfos.com) for more information about members of our investment committee.



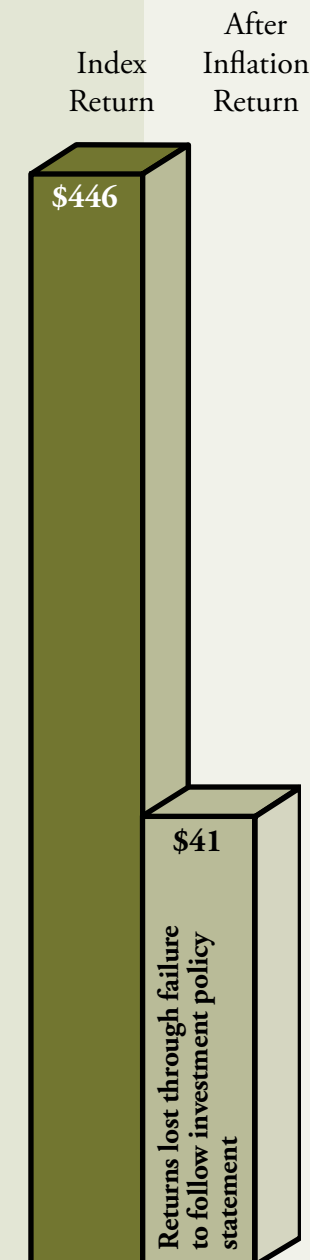
Our process begins with a careful evaluation of your risk tolerance and desired rates of return on each of your portfolios. We then recommend model portfolios that will integrate with your existing asset holdings. We offer our model portfolios as part of a fully integrated asset management solution with the following benefits:

- **Tax planning combined with portfolio planning** – A review of Schedules B, D, and E of your Schedule 1040 will probably reveal that you sacrifice a large portion of your potential returns because of taxes on investment income. Your tax lawyer can coordinate with your investment professionals to minimize or eliminate these taxes.
- **Integrated cash flows in portfolio and estate plans** – The planners who design and integrate your business entities and partnerships typically have an intimate understanding of the sources and uses of cash for each of your entities. Using this information, your tax advisers can work along with your investment professionals to fund your various entities with appropriate investment instruments. You can have one plan that optimizes your portfolios and optimizes your estate plan, thereby giving you true wealth optimization. Such integration is available almost nowhere else.
- **One-stop planning** – Your T.E.A.M. Solution advisers have been trained to understand the integration of legal and financial instruments. Your adviser can summarize all of your legal, financial, and tax documents in one plan with projections of your lifetime income as well as likely transfers to heirs. Your adviser can show you how different rates of return assumptions affect the probability of legal instruments performing as intended.
- **Rebalancing** – Studies show that investors receive better risk-adjusted returns if they rebalance periodically. Our automated systems help insure optimal rebalancing.
- **Timely distributions** – Portfolio planning begins with an understanding of how much money you will need at different times under different circumstances. We take the time to clarify your cash flow needs, and then we establish accountability systems to insure payments to you at appropriate times.
- **Dollar Cost Averaging** – Our investment professionals can help you transition from your current portfolios to a T.E.A.M. Solution portfolio using Dollar Cost Averaging. In this way, you are more likely to acquire equity and debt instruments when prices are most favorable.

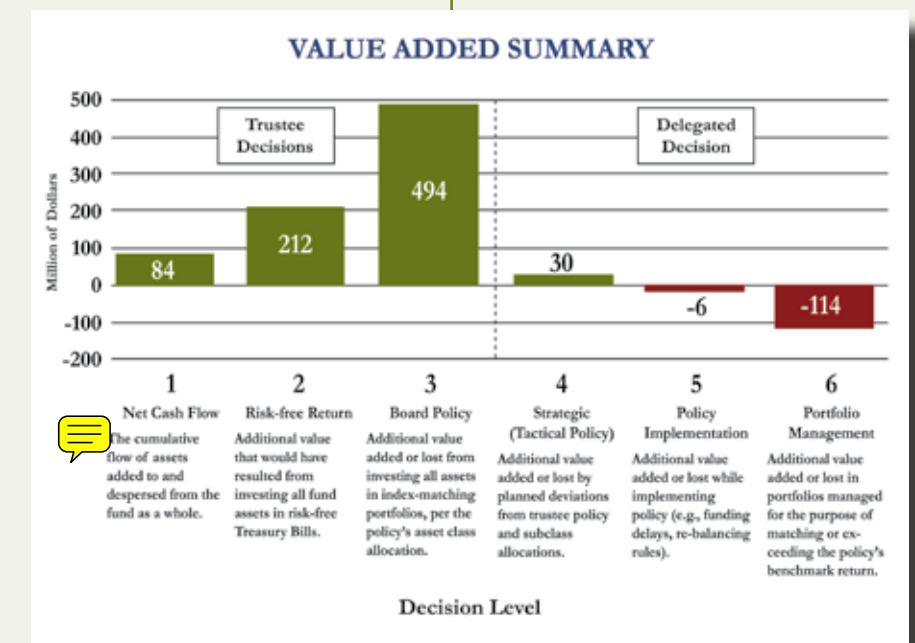
## T.E.A.M. Solution™ Benefits

### The Tax-Efficient Asset Management Solution

## TEAMS Can Help You Maximize Your Returns After Policy Decisions

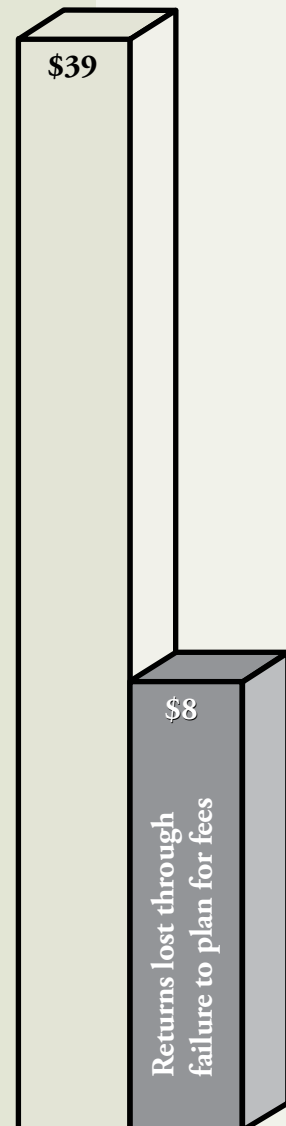


Studies show that more than 90% of portfolio returns derive from developing and following a good investment policy statement (“IPS”). If you follow your investment policy statement by investing in the S&P 500 and other indexes recommended in your IPS, studies show that you should generate very attractive returns across time. Unfortunately, most money managers under-perform the indexes in the IPS because of bad decisions about moving assets among asset classes, choosing securities, or moving money among securities. Using our Performance Attribution reports, you can see how much money your managers add or lose by following or not following your investment policy. If you are like the 90% of investors who under-perform the index returns, we can show you solutions!



# TEAMS Can Help You Maximize Your Returns After Fees

After-Tax Return    After-Fee Return

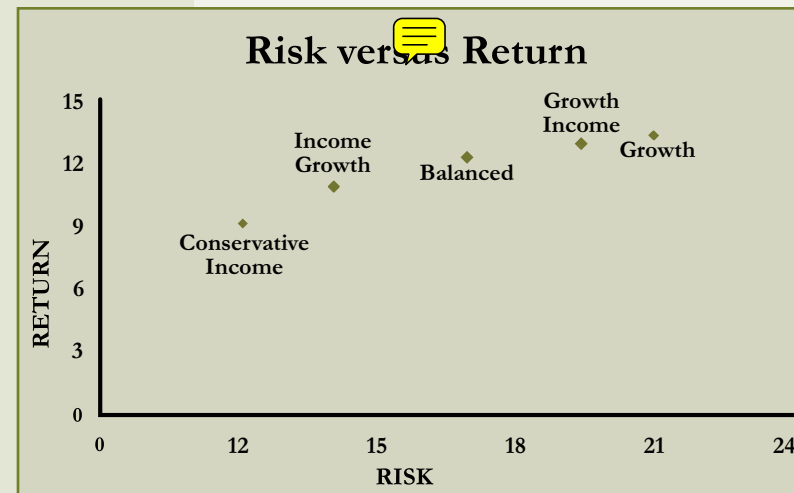


Most clients do not count all of the costs related to their asset management. Many money managers charge more than 2% per year.

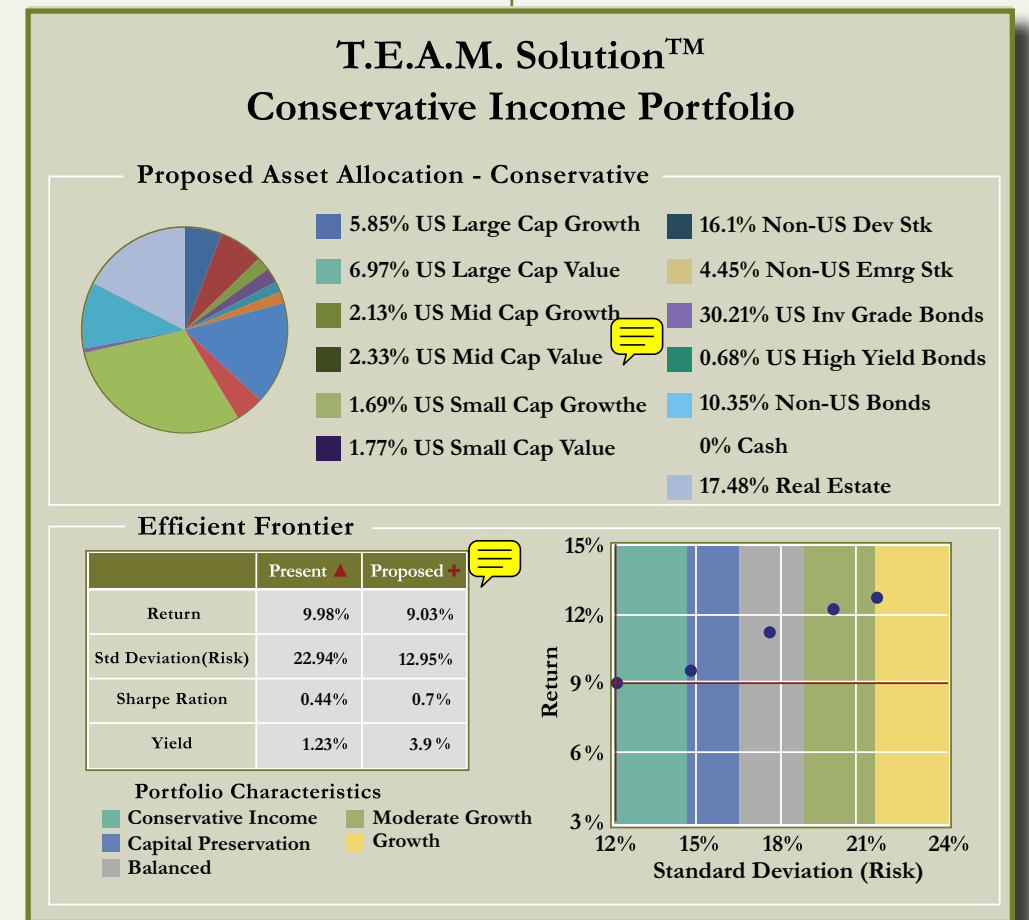
We have expertise with investing in Exchange Traded Funds (“ETFs”) and similar vehicles with dramatically lower fees. We pass on these fee savings to our clients. The chart below shows the potential savings:

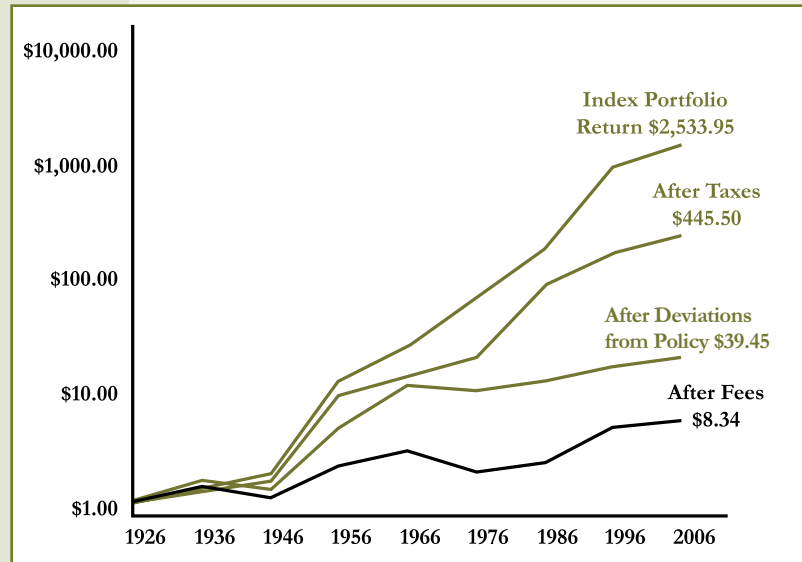
Fund Category	Avg. Active Fund (bps)	Avg. Index Fund (bps)	Exchange Traded Funds (bps)
S&P 500	134	61	9.45 iShares S&P 500
Large Cap Value	140	66	20 iShares Russell 1000 Value 18 iShares S&P / BARRA
Small Cap	160	64	20 iShares Russell 2000 18 iShares S&P 600
Mid Cap	152	33	20 iShares S&P 400
International	187	86	84 iShares MSCI
Emerging Markets	231	58	99 iShares MSCI Emerging Mkt Series
Tech Sector	177	60	60 iShares DJ Tech

*ETF annual management fees may be significantly less than those of most mutual funds. ETF transactions will result in brokerage commissions, but the savings from lower annual fees can help offset these costs. Source: Morningstar, BGI Analysis, 6/01*



We clarify which portfolio will generate an acceptable return for you without creating too much risk. Then we illustrate your model portfolio with data similar to that depicted below.

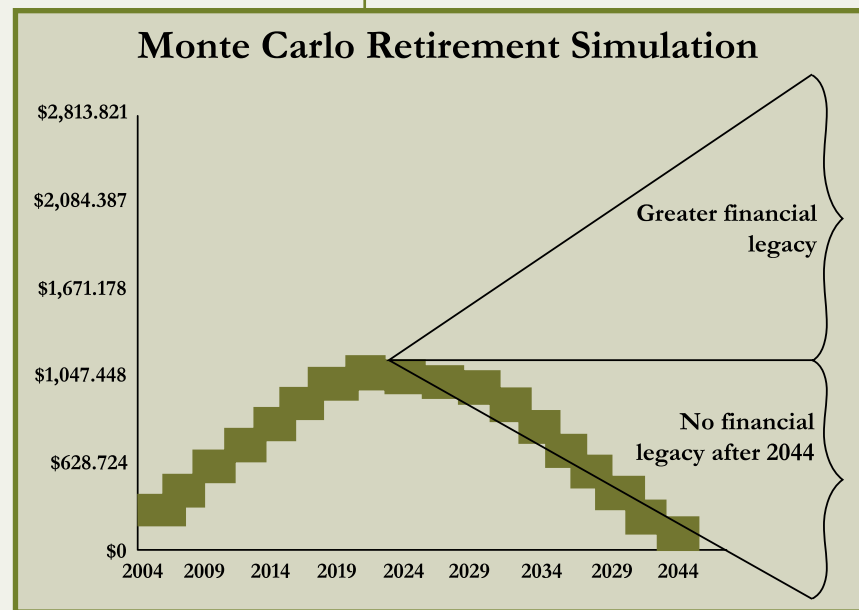




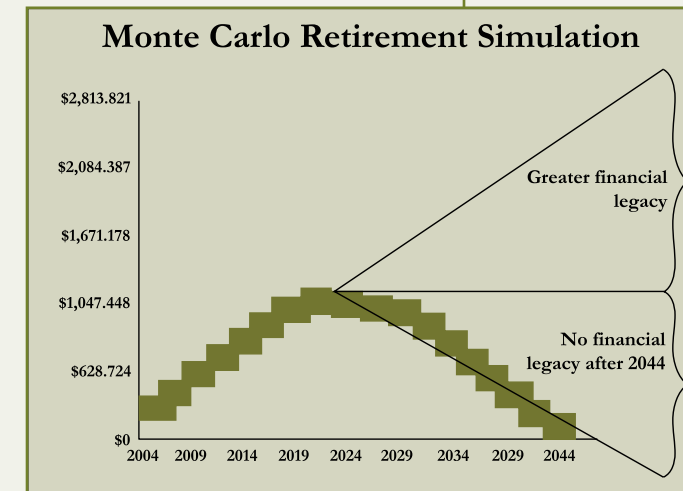
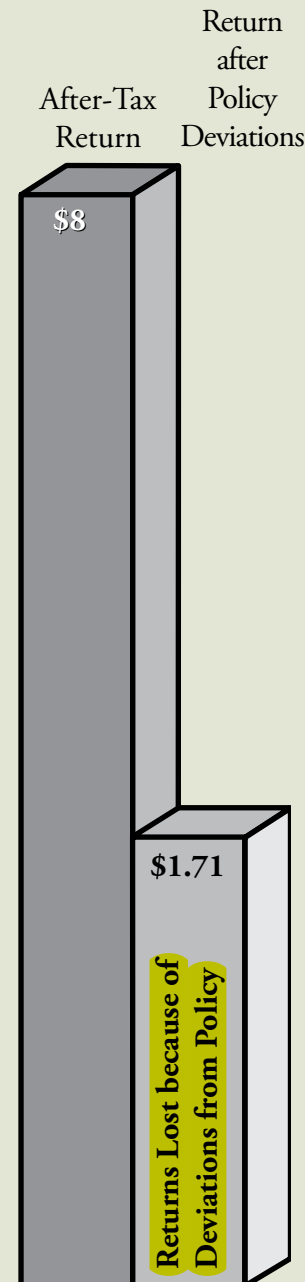
We show you how \$1 can grow to be worth hundreds or thousands of dollars if you minimize taxes, inflation risks, fees, and ill-timed distributions. Then, using illustrations like the one below, we illustrate how we help you minimize the above costs so that dollars in your portfolios can grow to achieve your lifetime income and wealth transfer goals.

## TEAMS Can Help You Maximize Your Returns After Distributions

Our process begins with your lifetime goals. We prepare a timeline to illustrate what expenses you will have during the rest of your life. We show you how much money you can distribute for retirement lifestyle, transfers to heirs, and major purchases. Taking into account your future distribution needs, as well as the returns of your portfolio, we show you how much money you should have available to leave a financial legacy for your heirs. We generate reports like the one below in response to changing inflation, taxes, fees, and cash flow distributions. Using simple graphical illustrations, we



\*U.S. Treasury Circular 230 requires that this firm advise you that any tax advice provided is not intended or written to be used, and cannot be used by you, for the purpose of avoiding penalties that the IRS could impose upon you.



show you how you can provide for your retirement security and wealth transfer goals. We also show you how to maximize the after-inflation, after tax, after-fee, after distribution return on your portfolio!

*IMPORTANT: The projections or other information generated in reports illustrating the likelihood of various investment outcomes are hypothetical in nature and are not guarantees of future results. Tax rates used in after-tax return calculations are subject to differing interpretations. Each Monte Carlo Simulation is unique, and results vary with each use over time.*

**To maximize your portfolio returns and fund your vision most tax efficiently, please call (888) 447-9730.**



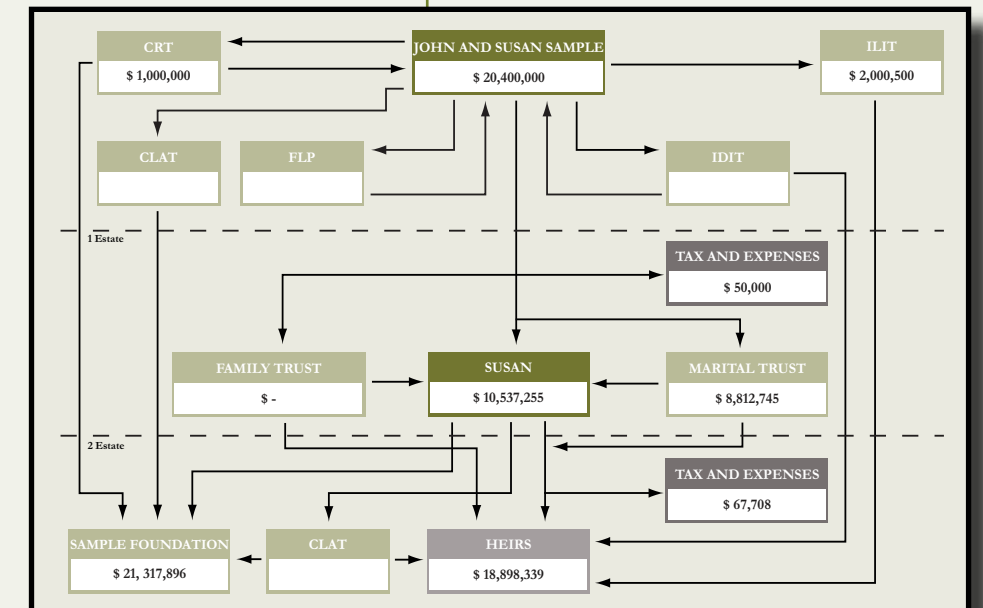
# The T.E.A.M. Solution™



Combining the Expertise  
of Your Tax Lawyers and  
Investment Advisers

Estate Optimization  
+ Portfolio Optimization  
= Wealth Optimization

Estate Optimization determines which tools (depicted as boxes below) will produce future cash flows. Portfolio Optimization uses projected cash flows to determine which portfolio mix will produce appropriate after-tax returns. Wealth Optimization occurs when we integrate rate of return projections for each portfolio to calculate lifetime income and projected wealth transfers.



Proposed Plan  
Distribution  
Diagram

The Uniform Prudent Investors Act and recent court cases establish the need for an investment policy statement (“IPS”). Each of the above planning tools will need to be funded with assets that provide the appropriate returns for beneficiaries. We can develop an IPS for your CRT, CLAT, FLP, ILIT, IDIT, or other tools. After creating a separate IPS for each tool, we will aggregate the numbers to generate lifetime income and wealth transfer projection charts like those shown on the following panel of this brochure.

