

OUR PHILOSOPHY & FINANCIAL PLANNING PROCESS



www.Pilotcapitalmanagement.com

PILOT CAPITAL MANAGEMENT INC.
Building and Preserving Wealth Since 1991

Our Mission

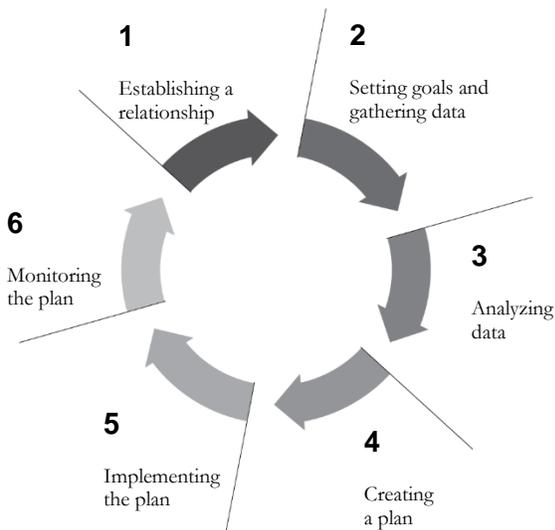
Our mission is to guide every client to financial success in a way that above all honors the client's goals and tolerance for risk. Our focus is on using sound financial strategies with prudence, skill, and clear communication.

Our Philosophy

- ✚ We believe financial well-being is achievable for everyone, regardless of income, with a little guidance and a great plan. As you handle each stage of your financial journey, Pilot Capital Management, Inc. will be there to help, guided by the following philosophy.
- ✚ We feel strongly about each area of your financial plan, because we believe that personal financial planning should always be comprehensive and that excellence in one area of personal finance is dependent on all other areas.
- ✚ We believe investing should focus on reaching goals, not on returns for returns sake. We strive to develop investment portfolios for our clients that are globally diversified, reflect their goals and risk tolerances and incorporate rigorous cost controls.
- ✚ We believe that tax minimization is essential, but that it shouldn't be the highest priority-- your financial goals should be. We will not sacrifice either sound portfolio construction or violate a client's risk tolerance to avoid taxation – Don't let the tax tail wag the portfolio dog!
- ✚ We believe that debt used wisely can enhance a financial plan. And debt is necessary for some of life's major purchases. Becoming debt-free may or may not be the best plan of action, depending on your personal circumstances but we can help you evaluate your use of debt.
- ✚ We believe that the highest aim of estate planning is to leave a legacy, and tax minimization should be a secondary goal.
- ✚ We believe that charitable giving improves quality of life and planning for everyone involved and that giving should be a goal in some form for everyone with wealth.
- ✚ We believe that insurance should be used to transfer the risk that people cannot avoid or reduce by themselves.
- ✚ We believe that budgeting is about freedom, not about penny-pinching and that you should be able to save appropriately and then spend freely.
- ✚ We believe that fees should be charged after value is delivered, not before.
- ✚ We believe that it's our responsibility to make sure our clients are well-educated about personal finance and are equipped to make sound, autonomous financial decisions.

Our Financial Planning Process

To help you eliminate the unknown, we like to explain how our financial planning process works. While each client's experience will be different, we follow the same general steps to ensure each client receives the highest level of service. Financial planning services are conducted on an hourly fee basis.



Step 1 - Establishing a relationship

During our first few meetings, we'll outline what both of us expect from our partnership. We'll discuss specifics, such as the best way to communicate, and we'll establish compensation expectations so that there are no surprises down the road. I'll explain any forms you'll need to fill out, discuss my confidentiality policy, outline my advising philosophy and explain what you can gain from a financial plan. By establishing clear expectations for our future relationship, we can build trust and form a successful working relationship.

Step 2 - Setting goals and gathering data

It can be uncomfortable to give someone access to your financial information, but it's important to be candid so that I can make the most well-rounded plan possible. To truly understand your financial state, I may need access to your tax returns, will, trust documents, account statements, pay stubs, insurance policies, investment statements, employee benefit records, etc. We'll also talk about your biggest financial concerns and your risk tolerance. You may come in to the appointment with a jumble of anxieties about your financial future—it's my job to help you turn that anxiety into clearly defined, prioritized goals.

Step 3 - Analyzing data

During this step, I'll analyze your financial information to determine where your strengths and weaknesses lie and use them to design a personalized financial plan that can help you reach your goals. I'll then use financial planning software to determine whether the goals you have set are feasible. If I find that they're not, we'll go back to step two and rework the timeline or stipulations of your goals until we have a plan that works for you.

Step 4 - Creating a plan

After I analyze your financial goals and data, I'll make recommendations to you based on my findings. This may include tax strategies, asset allocation advice, insurance recommendations, money management tips and more—what it will definitely include is a plan tailored specifically to you and your financial situation. It's my job to make sure you fully understand all components of the plan and to listen to any concerns you may have, and I'll give you several options so you can find a plan that you're comfortable with. When you leave this meeting, you should be clear on which parts of the plan are your responsibilities and which parts are mine. We'll also document the plan so that we're both clear on what will happen and we can use it for future reference.

Step 5 - Implementing the plan

We'll decide how to implement your plan, whether we work as a team, you implement the plan with me acting as guide or you want me to be entirely responsible for implementing the plan. If you decide that you'll require additional help from attorneys, insurance or tax professionals, we'll make a plan for coordination so that everyone is on the same page.

Step 6 - Monitoring the plan

Finally, we'll set up a system to monitor your plan. Over time, we'll likely have to make adjustments based on economic, tax or market fluctuations, as well as changes in your personal or financial situation. You can set up regular check-ins with me, and we might have additional follow-up appointments based on any of the previously mentioned changes.