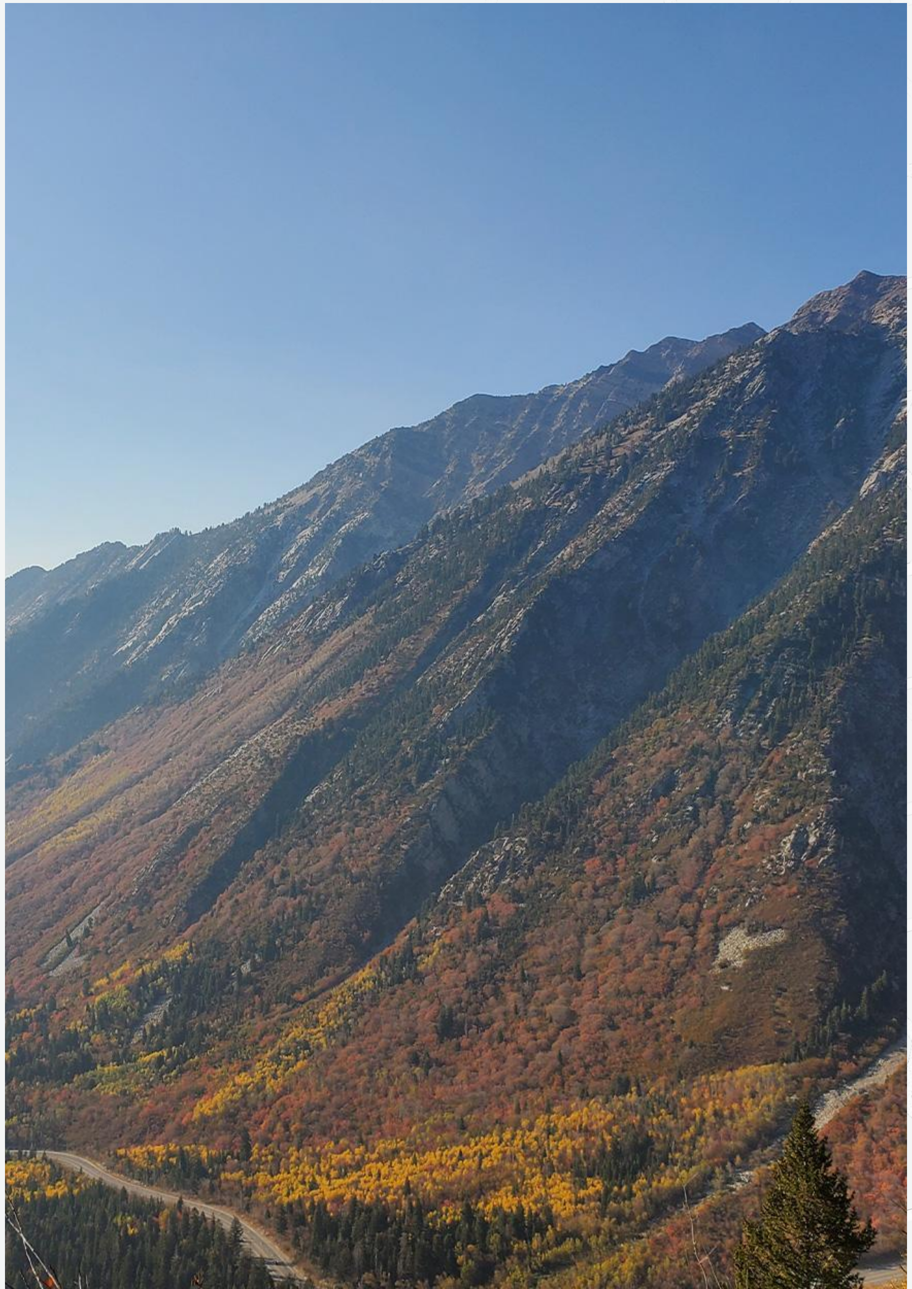
WHAT EVERY ADOBE EMPLOYEE NEEDS TO KNOW TO SECURE THEIR FINANCIAL FUTURE

Presented by: Mike Littledike

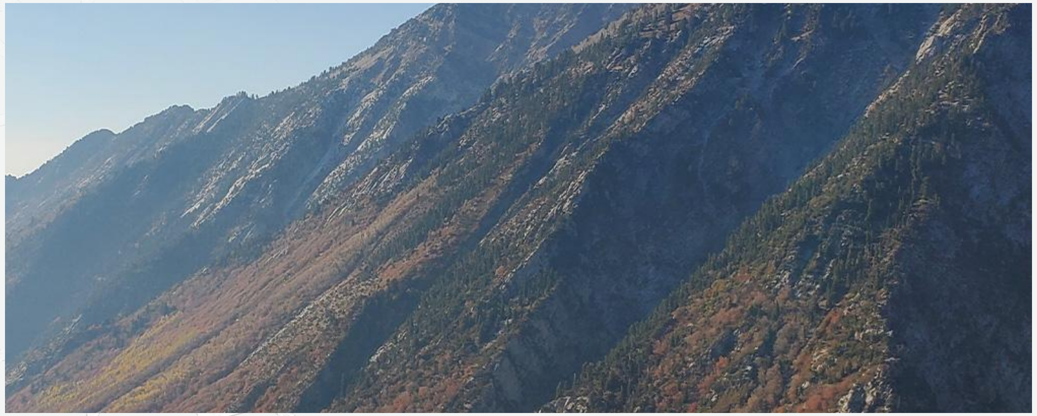
TOPIC
OVERVIEW

- How to Approach Today's Markets
- Tax and Investment Strategies
- Taking Advantage of Your Adobe Benefits



BASIC PRINCIPLES

- Accumulate diversified assets systematically
- Being broke on purpose
- Cautiously use leverage to own appreciating assets
- Start early and allow your efforts to compound



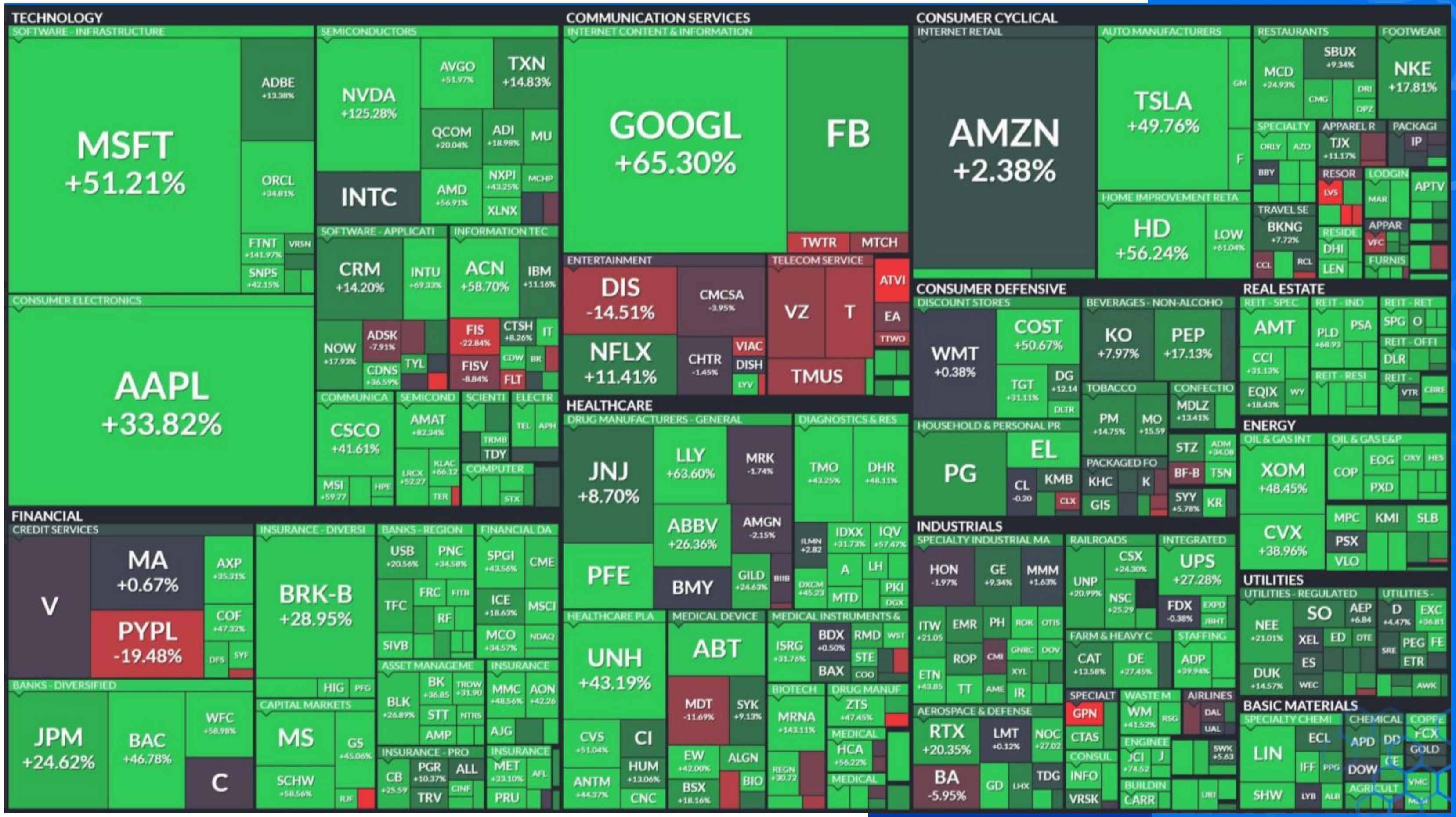
KEY TENETS OF **SUCCESSFUL INVESTING**

1. Don’t chase returns
2. Time in the market, not timing the market
3. It’s not about what you make, it’s what you keep
4. Invest like an institution

CAPITA

DON'T CHASE RETURNS

S&P 500 from 1/1/21-12/31/21



Source: FinViz as of 12/31/2021

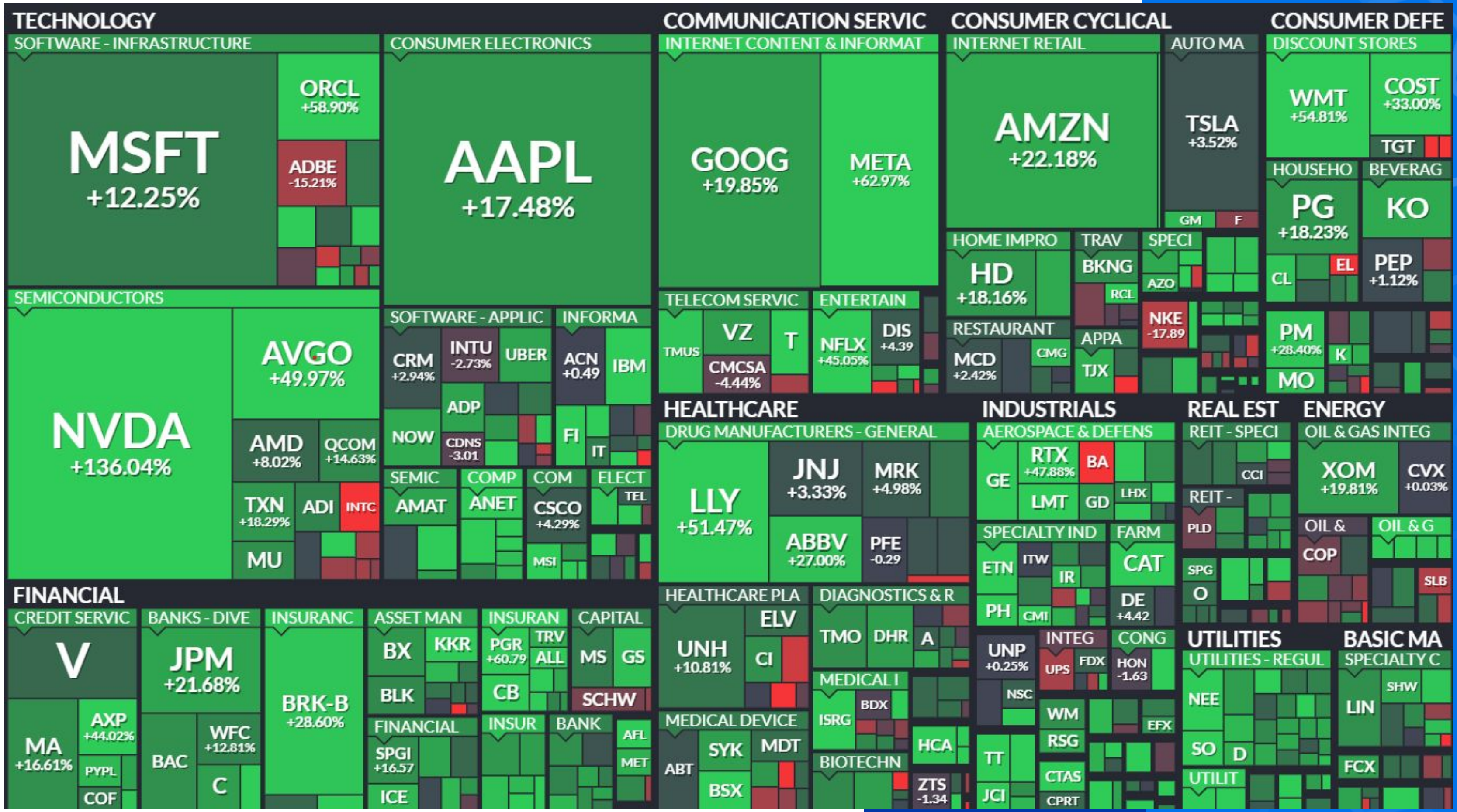
S&P 500 from 1/1/22-12/31/22

Source: FinViz as of 12/31/2022

S&P 500 from 1/1/23-11/01/23

Source: FinViz as of 11/01/2023

S&P 500 YTD thru 10/01/24

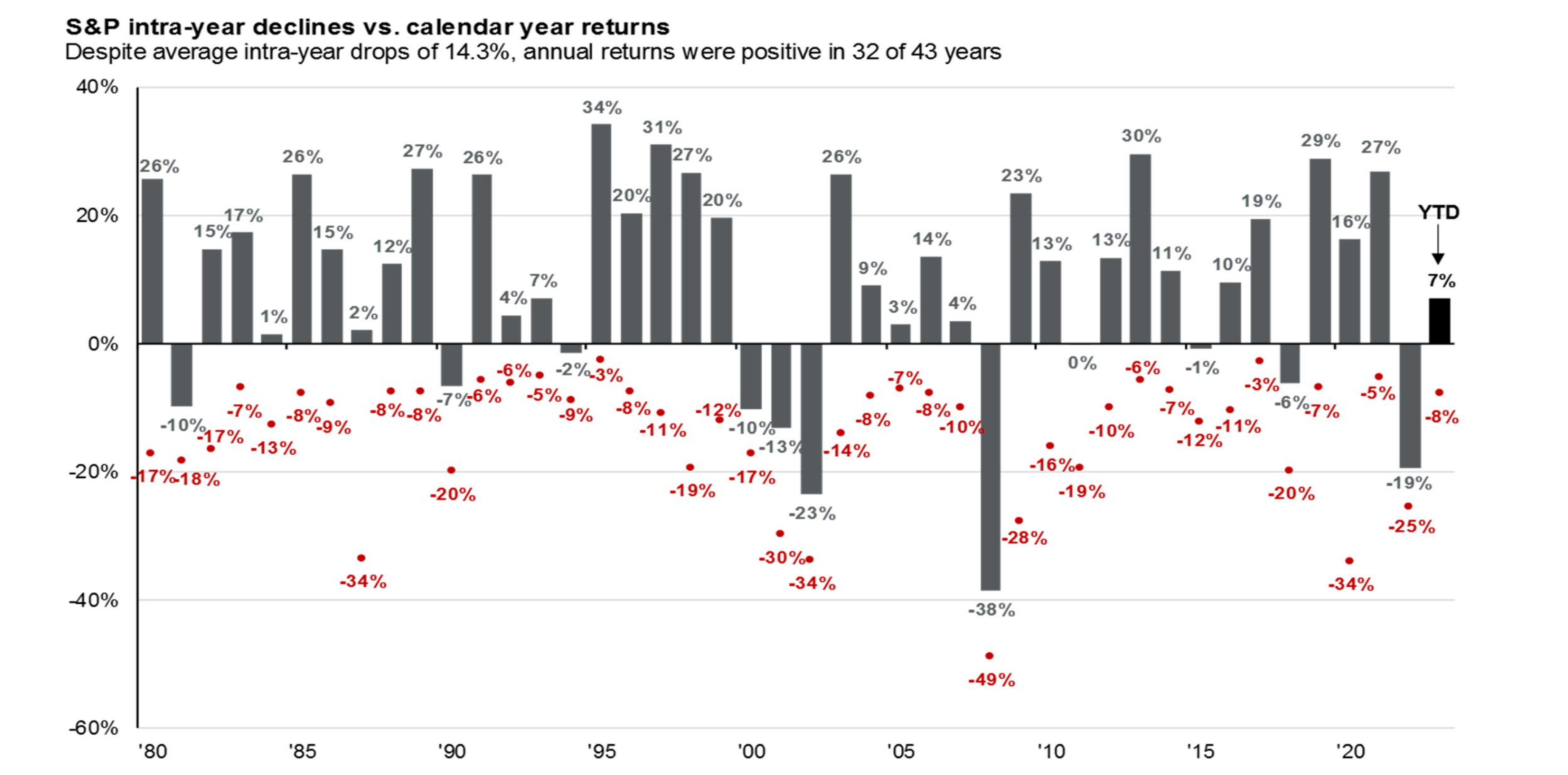


Source: FinViz as of 10/01/2024

CAPITA

TIME IN THE MARKET, <u>NOT</u> TIMING THE MARKET

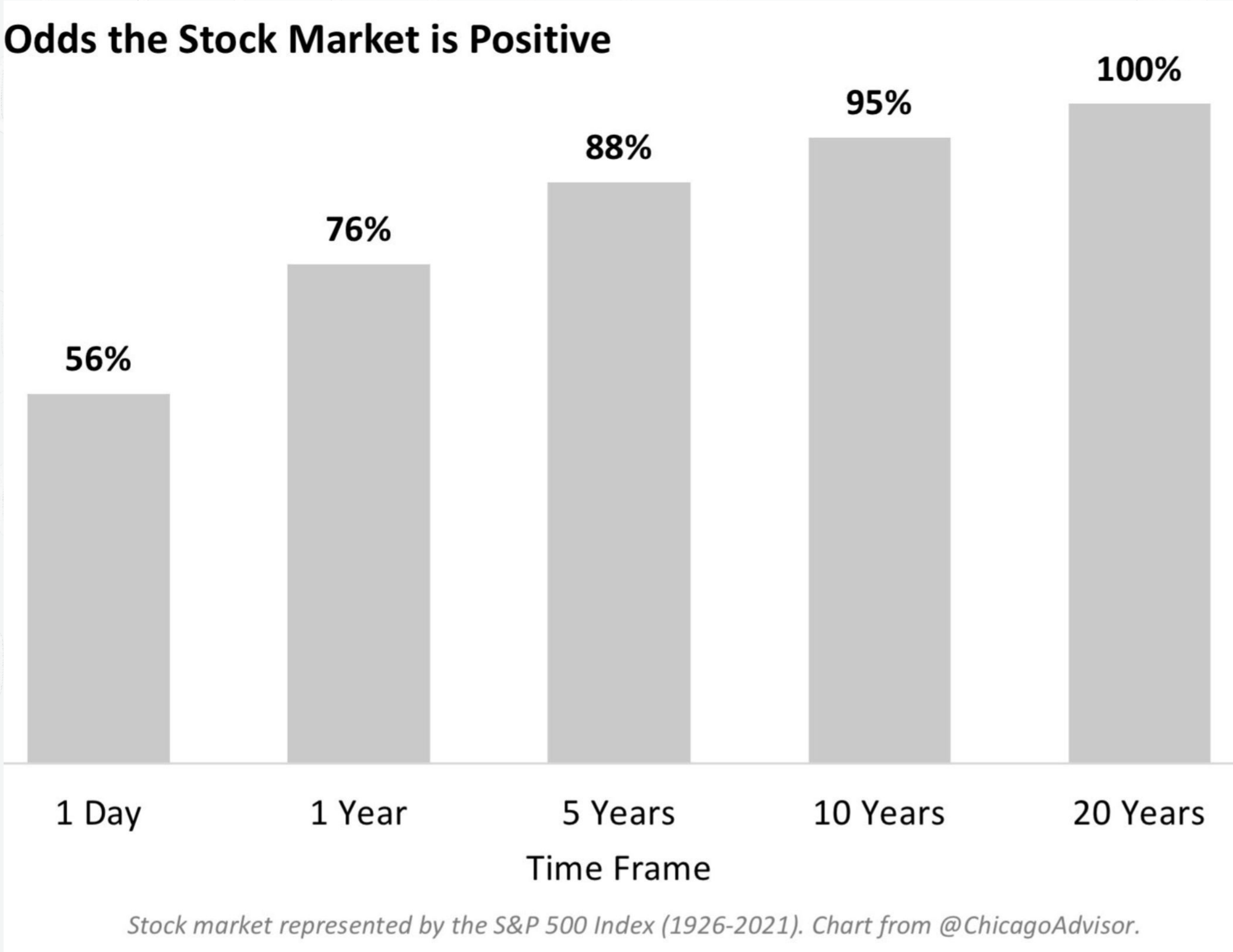
S&P 500 *AVERAGES* 14% INTRA-YEAR DROP



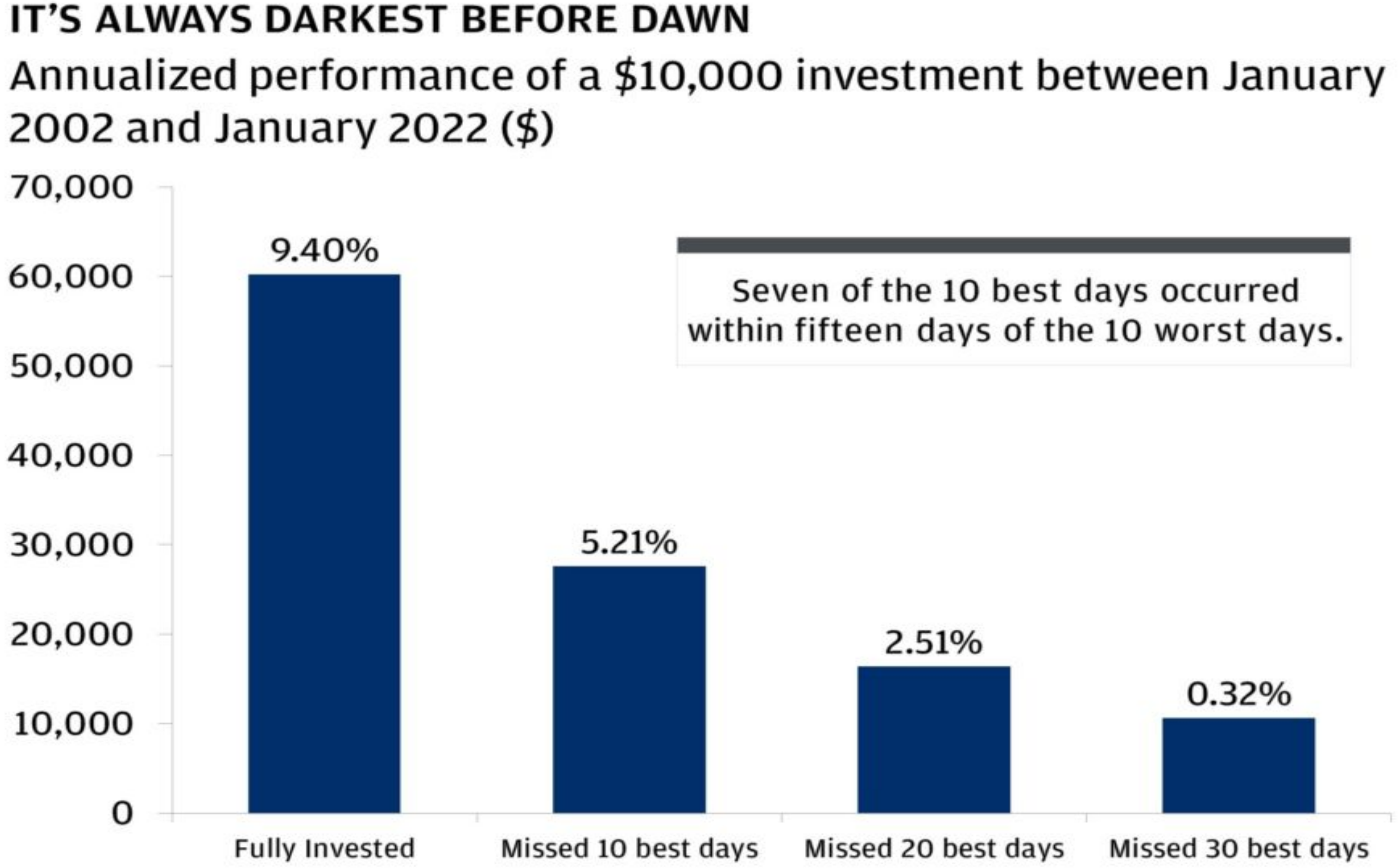
Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2022, over which time period the average annual return was 8.7%.

Guide to the Markets – U.S. Data are as of March 31, 2023.

TIME IN THE MARKET



TIME IN THE MARKET

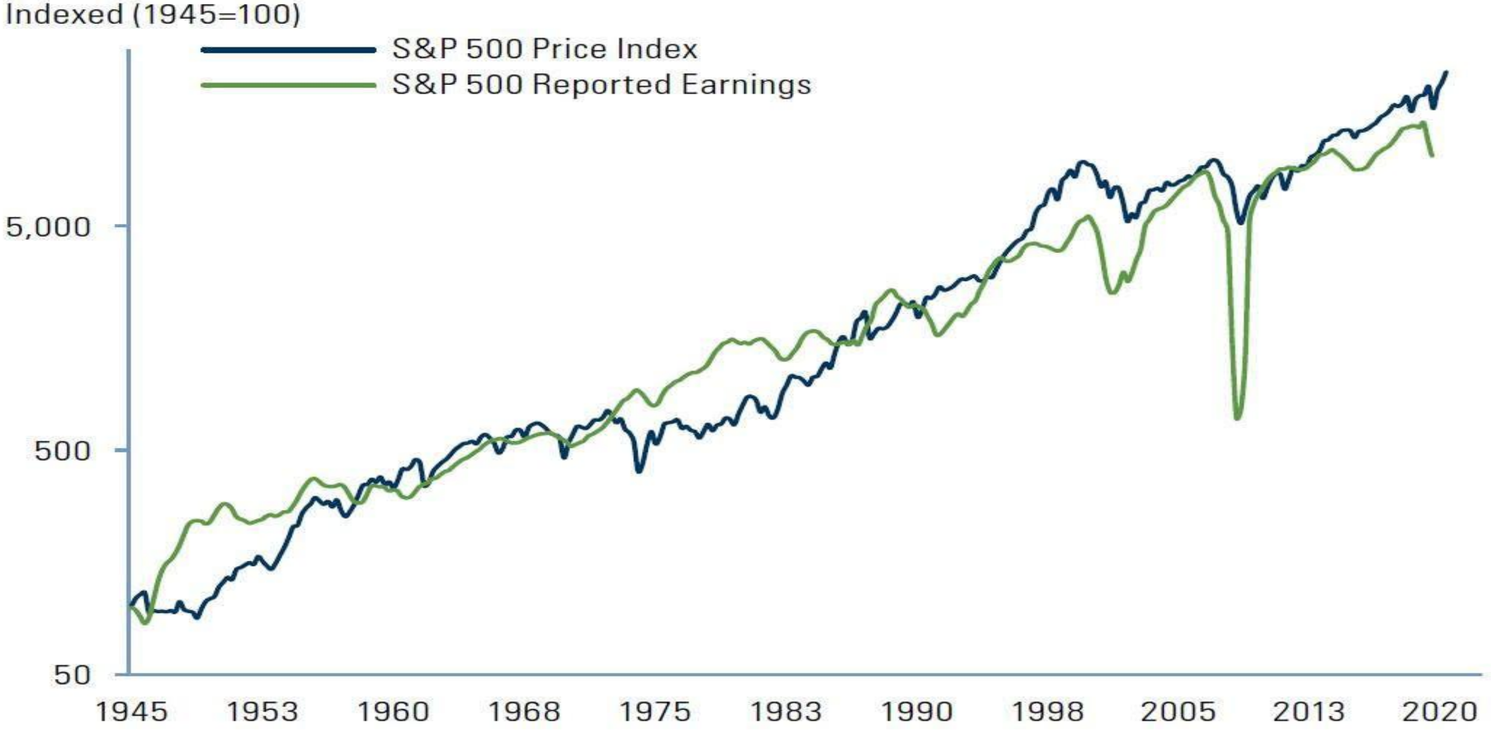


Source: Factset. Returns are based on the S&P 500 Total Return Index. Past performance is not indicative of future returns. An individual cannot invest directly in an index. Data is as of January 31, 2022.

PRICE FOLLOWS EARNINGS IN THE LONG RUN

Exhibit 40: S&P 500 Performance vs. Earnings

The S&P 500 follows the path of earnings over time.



Data as of December 31, 2020.
Source: Investment Strategy Group, Robert J. Shiller.

CAPITA

IT'S NOT ABOUT WHAT YOU MAKE, IT'S WHAT YOU KEEP

TAXES

- Deferral is key, but not at the expense of buying an inferior asset or investment structure.
- Flexibility and year-end tax planning
- HSA Maximization – the “best” account you have
- Individual stocks vs. ETFs vs. mutual funds
- Long-term vs short-term capital gains
- Tax loss harvesting in conjunction with charitable giving

CAPITA

INVEST LIKE AN INSTITUTION

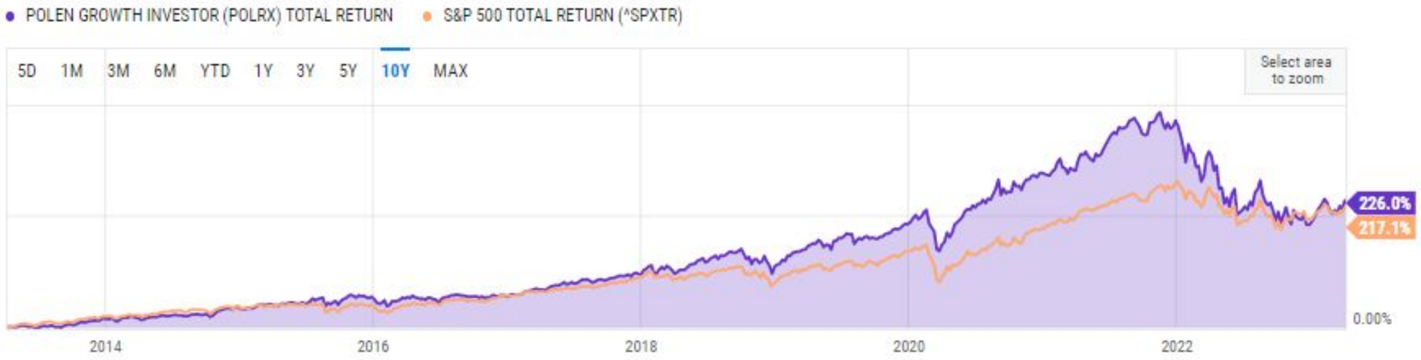
EXAMPLE – POLEN GROWTH

Polen Growth Investor (POLRX)

33.33 ↑+0.10 (+0.30%) USD | Apr 06 2023

Quote | Performance | Allocations | Holdings | Fundamental Chart | Scatter Plot | Stress Test | ESG | Data

Returns Chart ☑ Show Benchmark Comparison | VIEW FULL CHART



Key Stats CUSTOMIZE

Expense Ratio	1 Year Tax Cost Ratio	Total Assets Under Management	Dividend Yield
1.21%	2.30%	7.045B	0.00%
Turnover Ratio	**1 Year Fund Level Flows**	**Annualized All Time Total Returns (Daily)**	**Max Drawdown (All)**
24.00%	-2.012B	12.95%	43.00%

Source: Ycharts.com data pulled 4/10/2023

EXAMPLE – POLEN GROWTH – 23 HOLDINGS

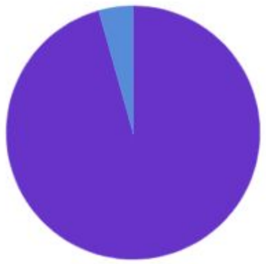
POLRX Holdings

Top 22 Holdings — SAVE AS WATCHLIST | EXPORT HOLDINGS

Symbol	Name	% Weight	Price	% Change
AMZN	Amazon.com Inc	10.43%	101.11	-0.93%
GOOG	Alphabet Inc	7.60%	105.82	-2.83%
NFLX	Netflix Inc	6.87%	336.01	-0.98%
MSFT	Microsoft Corp	6.36%	287.30	-1.47%
ADBE	Adobe Inc	5.86%	374.11	-1.71%
NOW	ServiceNow Inc	5.55%	466.23	-1.46%
CRM	Salesforce Inc	5.36%	191.82	-0.38%
V	Visa Inc	5.01%	224.88	-0.49%
MA	Mastercard Inc	4.98%	358.45	-0.84%
ABNB	Airbnb Inc	4.46%	110.45	0.69%
ADSK	Autodesk Inc	4.35%	194.27	-1.56%
ABT	Abbott Laboratories	4.02%	103.25	-1.60%
UNH	UnitedHealth Group Inc	3.89%	513.72	0.18%
ACN	Accenture PLC	3.86%	278.53	-1.13%
TMO	Thermo Fisher Scientific Inc	3.45%	567.55	-1.36%
ILMN	Illumina Inc	3.13%	227.38	-1.13%
IT	Gartner Inc	2.90%	311.99	-0.56%
ZTS	Zoetis Inc	2.83%	168.56	-0.22%
PYPL	PayPal Holdings Inc	2.72%	73.87	-1.45%
NKE	Nike Inc	2.40%	121.12	0.75%
DOCU	DocuSign Inc	1.62%	55.92	-0.97%
ALGN	Align Technology Inc	1.31%	324.21	0.33%

As of February 28, 2023

Holdings by Type



	Long	Short	Total
Stock	22	0	22
Bond	0	0	0
Other	1	0	1
Total	23	0	23

As of February 28, 2023

23 Holdings
Semi-concentrated

Source: Ycharts.com data pulled 4/10/2023

EXAMPLE – POLEN GROWTH – 23 HOLDINGS

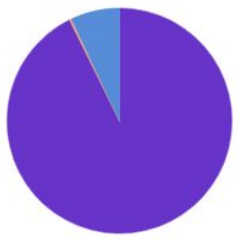
AGTHX Holdings

Top 25 Holdings SAVE AS WATCHLIST EXPORT HOLDINGS

Symbol	Name	% Weight	Price	% Change
--	Capital Group Central Cash Fund	8.75%	--	--
MSFT	Microsoft Corp	5.48%	287.59	-1.38%
UNH	UnitedHealth Group Inc	3.40%	513.25	0.09%
AVGO	Broadcom Inc	2.67%	626.00	0.54%
AMZN	Amazon.com Inc	2.37%	101.25	-0.79%
META	Meta Platforms Inc	2.04%	213.23	-1.33%
NFLX	Netflix Inc	1.91%	336.47	-0.84%
GOOG	Alphabet Inc	1.87%	105.80	-2.85%
MA	Mastercard Inc	1.61%	358.68	-0.77%
TSLA	Tesla Inc	1.52%	181.93	-1.69%
GE	General Electric Co	1.35%	94.19	0.63%
TMO	Thermo Fisher Scientific Inc	1.26%	567.91	-1.29%
GOOGL	Alphabet Inc	1.23%	105.31	-2.87%
LLY	Eli Lilly and Co	1.15%	366.30	-0.54%
CARR	Carrier Global Corp	1.13%	41.92	0.29%
ASME	ASML Holding NV	1.13%	--	--
REGN	Regeneron Pharmaceuticals Inc	0.94%	819.15	-1.16%
ALNY	Alnylam Pharmaceuticals Inc	0.90%	205.47	-2.62%
DHI	D.R. Horton Inc	0.87%	96.36	0.75%
HD	The Home Depot Inc	0.85%	291.57	1.03%
CVE	Cenovus Energy Inc	0.82%	17.73	-0.28%
CAT	Caterpillar Inc	0.81%	214.77	2.68%
ABT	Abbott Laboratories	0.79%	103.32	-1.53%
ODFL	Old Dominion Freight Line Inc	0.78%	332.01	1.92%
EOG	EOG Resources Inc	0.77%	121.01	1.37%

As of December 31, 2022

Holdings by Type



	Long	Short	Total
Stock	342	0	342
Bond	1	0	1
Other	26	1	27
Total	369	1	370

As of December 31, 2022

369 Holdings is Closet Indexing

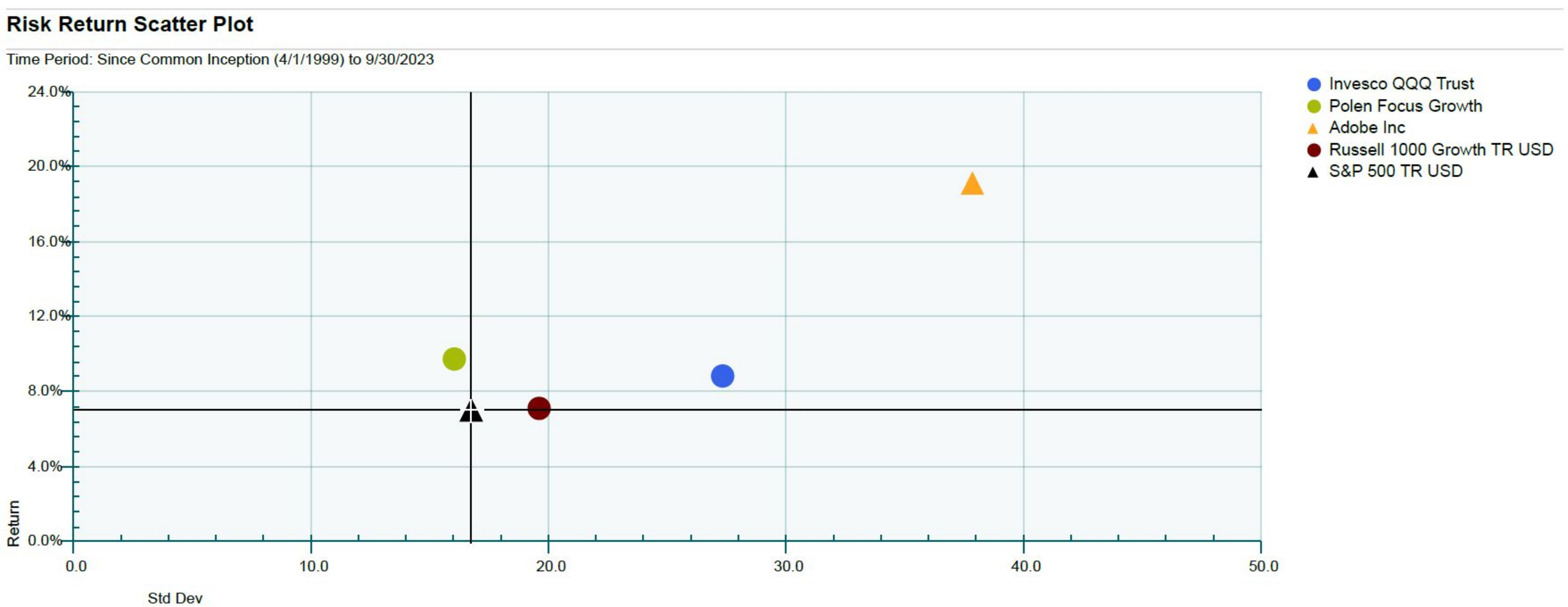
Source: Ycharts.com data pulled 4/10/2023

SMAs VS FUNDS

A few ways SMAs compare

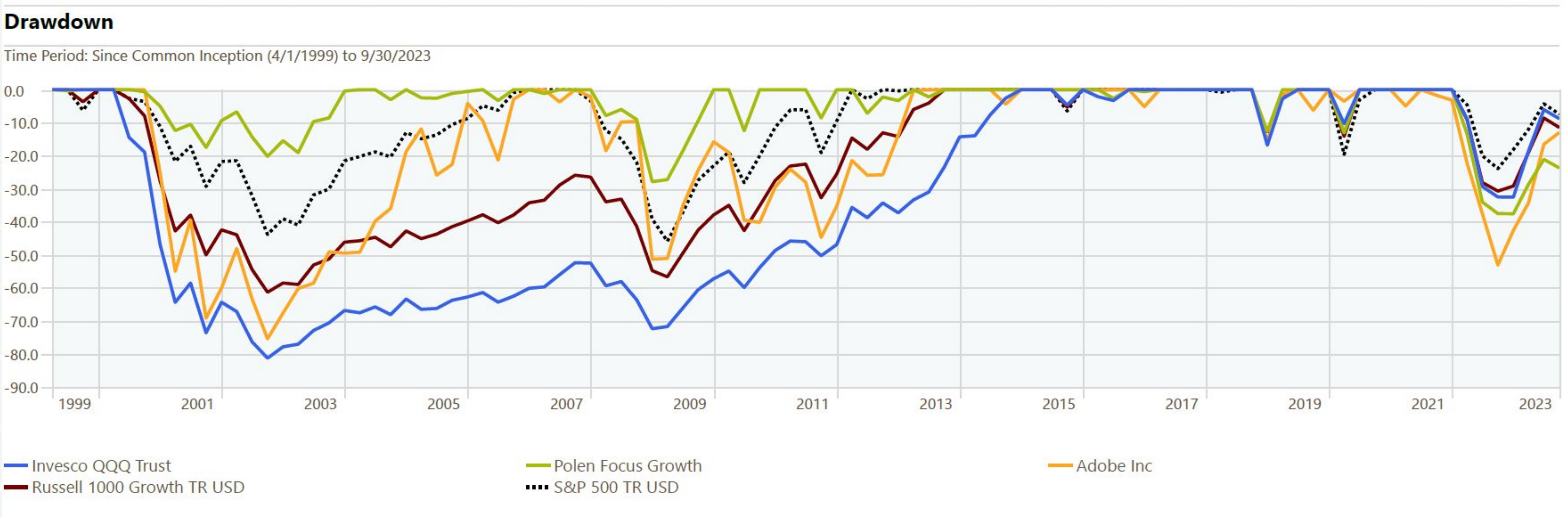
Features*	SMAs	Mutual funds	Exchange-traded funds (ETFs)
Professional portfolio management	Yes	Yes	Yes
Reduce capital gains distributions for eligible accounts**	Yes	No	Yes
Personalized tax management	Yes	No	No
Real-time transparency of holdings	Yes	No	No
Ability to personalize your holdings	Yes	No	No

CONCENTRATION



Concentration is both the great wealth creator and destroyer

DIVERSIFICATION



Diversification is the great wealth protector

DIVERSIFICATION

Drawdown Table

Time Period: Since Common Inception (4/1/1999) to 9/30/2023

Investment	Invesco QQQ Trust	Polen Focus Growth	Adobe Inc	Russell 1000 Growth TR USD
Max Drawdown	-81.15%	-37.51%	-75.31%	-61.22%
Max Drawdown # of Periods	10.00	4.00	8.00	10.00
Max Drawdown Peak Date	4/1/2000	1/1/2022	10/1/2000	4/1/2000
Max Drawdown Valley Date	9/30/2002	12/31/2022	9/30/2002	9/30/2002
Up Period Percent	68.37%	69.39%	68.37%	70.41%
R2	70.82%	78.20%	40.94%	90.14%
Down Period Percent	31.63%	30.61%	31.63%	29.59%
Up Capture Ratio	139.63%	97.09%	181.24%	110.26%
Down Capture Ratio	143.88%	71.87%	122.98%	114.87%

With a 37.51% drawdown, one would need a <u>60%</u> increase to get back to even.

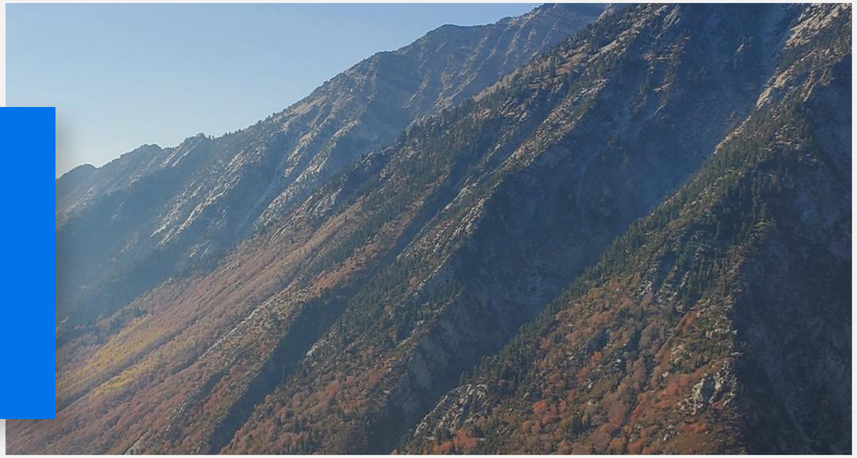
With a 75.31% drawdown, one would need a <u>305%</u> increase to get back to even.

CAPITA

UNDERSTANDING LEVERAGE AS A TOOL

LEVERAGE AS A TOOL

- Principles of buying a home with a mortgage
- “Good” debt vs “Bad” debt
- Cash in the bank vs access to cash
- Owning 2 assets instead of one
- Margin, securities backed line of credit, and HELOC
- Cash Flow is King



CAPITA

TAKING ADVANTAGE OF YOUR ADOBE BENEF

TAXES

- 401(k) and Employer match
- HSA and Employer match
- ESPP – Employee Stock Purchase Plan
- RSU's – Restricted Stock
- Stock Options – Generally Director level or VP

Questions?

14658 S Bangerter Pkwy Ste 300,
Draper, UT 84020

info@capitamail.com

capitafinancialnetwork.com

Call Us:

801-566-5058

THANK YOU

THE END