



ADVICE MATTERS

EVERY FINANCIAL DECISION IS A PERSONAL DECISION. MAKE
YOURS COUNT WITH PRECISE INVESTMENT GUIDANCE FROM
PALMERINI WEALTH SCIENCES.



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When we make big decisions in life, many of us look for a source of knowledge and guidance to help us make thoughtful choices. That's what professional financial advice from Palmerini Wealth Sciences is all about. The following are 4 quantifiable areas where our financial advisors can add value and help improve investment returns.



01 BEHAVIORAL COACHING

Many people act like humans, not investors. However, when it comes to investing, acting like a human may actually cost you money.

Today's modern advisor is now also a behavioral scientist and coach. At Palmerini Wealth Sciences, we help you avoid bad decision making, weather market volatility, and stay on track with your financial plan. A strong behavioral coach understands your goals and fears and is able to help coach your financial behavior.

It's common for investors to become overly optimistic when markets are rising, or overly pessimistic when markets are declining. Left to their own devices, many investors buy high and sell low. Our experienced advisors can help you remain neutral and disciplined through the cycle of market emotions. Avoiding behavioral mistakes is a significant contributor to the overall value of a financial advisor.

THE VALUE

Advisor's Alpha®, behavioral coaching alone can add 1.5% to net returns.*

THE BASICS OF BEHAVIORAL FINANCE

OVERCONFIDENCE

Investors tend to overestimate the accuracy of our predictions. This could mean believing their knowledge of an investment or market trend is greater than it actually is.

FAMILIARITY BIAS

People generally prefer outcomes and patterns previously observed. Amid a long bull market run some investors may not feel the need to rebalance, as they have become familiar with the direction of the market and forget about corrections and consequences.

HERDING

The concept of herding refers to individual investors finding comfort in following the crowd or "herd". This behavioral phenomenon can easily cause an investor to abandon their personal financial goals for fear of missing out on an opportunity or fear of making mistakes.

INFORMATION OVERLOAD

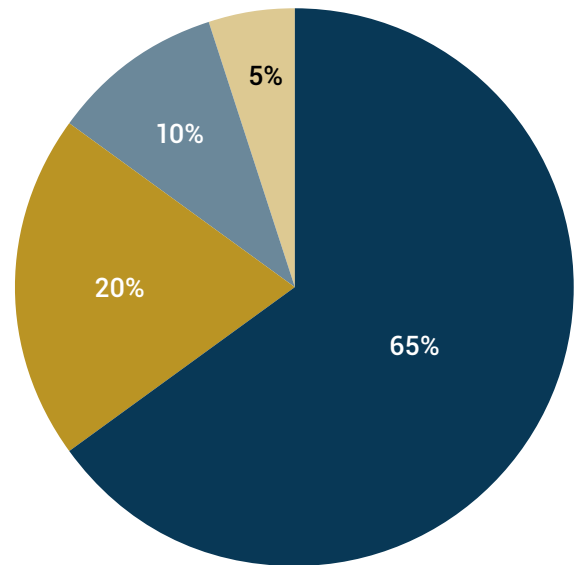
Well-rounded financial plans require an advisor's process and decision making, not cognitive "shortcuts". Too many choices or too much information can cause an investor to withdraw, delay decision making, or take no necessary action at all towards achieving their goals.

*According to Vanguard's study based on their Alpha framework. Putting a value on your value: Quantifying Vanguard Advisor's Alpha, Vanguard Research, 2022.

02 ASSET ALLOCATION

The experienced advisors at Palmerini Wealth Sciences are trained and licensed to do what is in their client's best interest. A big part of this fiduciary obligation is to really "know their clients". This includes revealing the client's willingness and ability to tolerate risk. Our advisors have a responsibility to make sure our clients understand investment risks allowing them to use specific mandates and strategies to allocate client portfolios properly. At Palmerini Wealth Sciences, allocation models are managed professionally with close attention to many possible market variables. For example, asset allocations are no longer just a simple 60/40 split of fixed income and equities. Our modern approach includes asset allocation models with strategic and tactical styles holding underlying active and passive securities with several non-correlating asset classes for a truly diversified allocation.

ACTIVE ALLOCATION



■ Strategic ■ Tactical ■ Alternatives ■ Cash

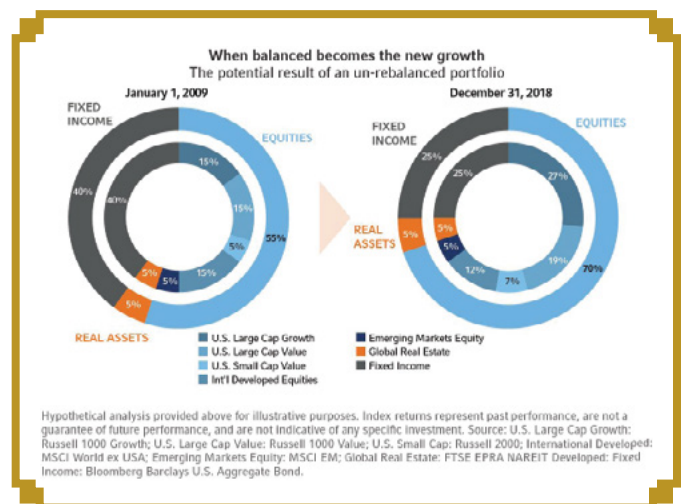
For illustrative purposes only. Allocation may vary in each of our models.

THE VALUE

A thoughtfully developed asset allocation that is both diversified and consistent with the client's risk profile and investment goal can add 52 basis points of value annually.*

03 ACTIVE REBALANCING

Often when advisors recommend changes to client portfolios, the number one reason is re-balancing. Rebalancing a portfolio regularly can help an investor stay within a risk tolerance zone and prevent an overreaction to market movements, benefits that outweigh rebalancing costs. Regular systematic rebalancing has the potential to generate higher returns when taking market momentum into account. Vanguard research estimates that annual systematic rebalancing can increase the expected portfolio return by up to 0.35% annually¹, while Russell² and Envestnet³ estimate this annual return improvement to be 0.30% and 0.44%, respectively.

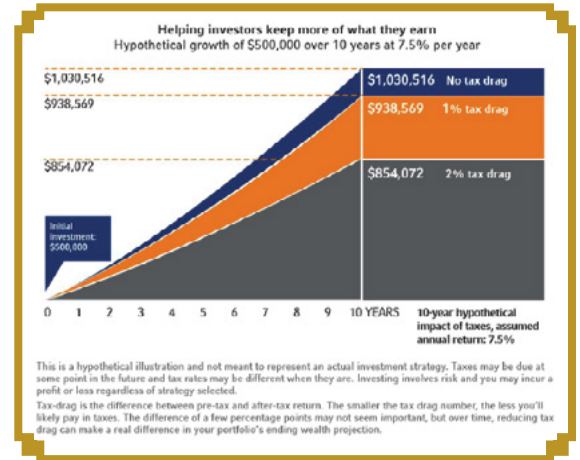


¹According to Russell Investments annual study, Why Advisors Have Never Been So Valuable, 2017 Value of an Advisor Study.

03 TAX MANAGEMENT

When it comes to investing, it's not what you make that counts, it's what you get to keep. Advisors, working with accountants and attorneys, implement strategies for tax shelters and smart withdrawal strategies. Advisors know it's not only asset allocation that is important, but asset location is also as important. A good advisor may holistically manage all of your assets, placing less tax efficient investments into sheltered, or qualified accounts, and more tax efficient securities into taxable, or non-qualified accounts.**

**Palmerini Wealth Sciences does not offer legal or tax advice. Please consult the appropriate professional regarding your individual circumstance.



²According to Russell Investments annual study. Why Advisors Have Never Been So Valuable, 2017 Value of an Advisor Study.

THE VALUE

Russell Investments concludes that managing an all equity portfolio for tax optimization can add approximately 100 basis points of annual value when compared with an investment strategy that is not actively tax managed.²

TOTAL VALUE QUANTIFIED

What is a relationship with a financial advisor worth to an investor? A 2022 popular study estimates that an advisor can add about 3% in net returns over time if utilizing wealth management's finest practices. The biggest opportunity to add value was found to be in coaching, which was estimated to be worth about 1.5% in additional return.

SOURCE	ANNUAL VALUE-ADD
FINANCIAL PLANNING	> 50 bps
Asset Selection and Allocation	52 bps
INVESTMENT SELECTION	
Active Management	67 bps
Passive Management	61 bps
SYSTEMATIC REBALANCING	30 bps
TAX MANAGEMENT	100 bps
TOTAL	Around 3%

Source: Envestnet²; Morningstar; Vanguard



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