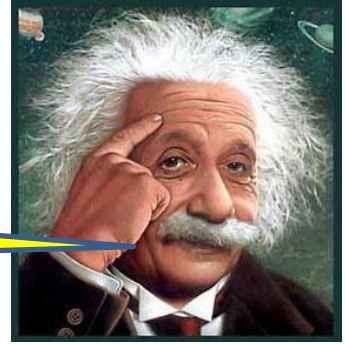


THIS IS THE TIME TO  
ASK QUESTIONS AND  
ADDRESS ANY  
CONCERNS



# YBAC

## INVESTMENT PROPOSAL

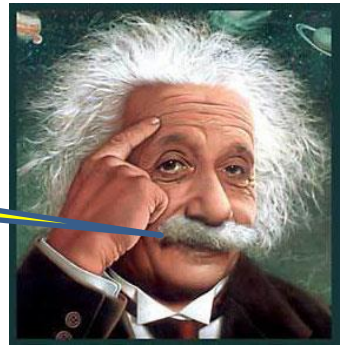
**SAVE... OR DON'T SAVE**

**THERE IS NO TRY.**

# INVESTMENT COMMITTEE

- LEAD BY TREASURE
- COMMITTEE WOULD MEET PERIODICALLY TO DISCUSS THE INVESTMENTS AND MAKE RECOMMENDATIONS
- THREE REQUIRED AUTHORIZED USERS FOR FRAUD AND MISUSE PREVENTION

CHOOSE THESE  
PEOPLE WISELY



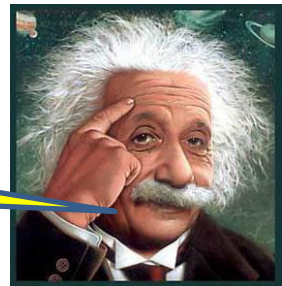
# INVESTMENT COMMITTEE



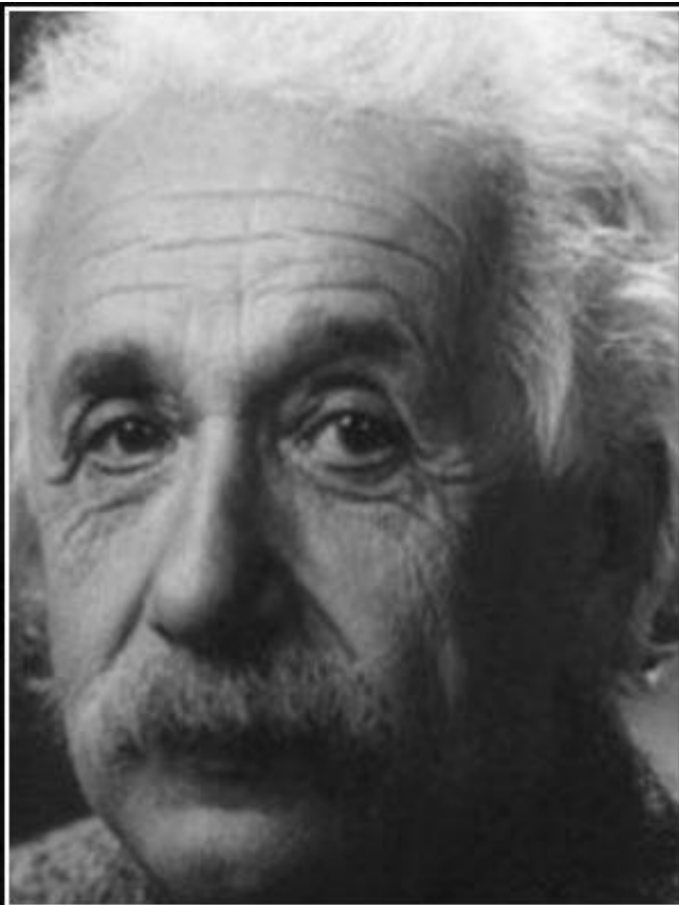
# GOALS

- LONG TERM INVESTMENTS
  - MODERATE RISK DIVERSIFIED MUTUAL FUNDS
  - **5 YEAR MINIMUM**
- THE GENERAL ACCOUNT WILL STAY AT \$100,000 UNTIL THE PROPOSED GARAGE IS PAID FOR
- THE GENERAL ACCOUNT WILL STAY AT \$50,000 OR MORE (AFTER THE GARAGE IS PAID FOR)
  - MONEY ABOVE THIS WOULD BE INVESTED IN LONG TERM MUTUAL FUNDS (BOTH STOCKS AND BONDS)

IT IS IMPORTANT TO KEEP AN EMERGENCY FUND EQUAL TO AT LEAST 6 MONTH – ONE YEAR OF EXPENSES







Compound interest is the eighth wonder of the world. He who understands it, earns it... he who doesn't... pays it.

— *Albert Einstein* —

AZ QUOTES

# PHASE 1

- OPEN AN INVESTMENT ACCOUNT WITH VANGUARD
- INVEST IN A 50/50 MIX (INDEX FUND SHARES)
  - VANGUARD INDEX FUND
  - WELLS FARGO (SHARES)
- COST
  - EACH FUND REQUIRES \$3000 TO ESTABLISH

IN PROGRESS

## PHASE 2

- ADD \$27,000 TO THE ACCOUNT (APPROXIMATE)
- EACH FUND WOULD RECEIVE 50%
- MONEY WOULD BE ADDED INCREMENTALLY OVER THE NEXT 5 MONTHS UNTIL FULLY INVESTED
  - INCREMENTALLY MEANS A FEW THOUSAND PER MONTH DEPENDING, ON MARKET CONDITIONS AND THE OPINIONS OF THE COMMITTEE



A close-up shot of Darth Vader from Star Wars, looking directly at the camera with a serious expression. He is wearing his iconic black helmet and mask, with a red visor over his eyes. The background is a dark, industrial-looking interior with some light sources.

**DO NOT UNDERESTIMATE**

**THE POWER OF COMPOUND INTEREST**

## PHASE 3

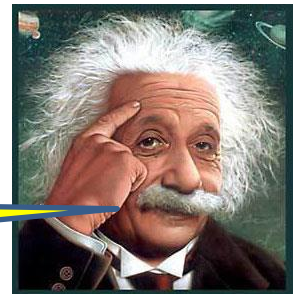
- AS OUR BONDS MATURE DURING THE NEXT YEAR THE MONEY WOULD BE ADDED TO OUR FUNDS IN A 50/50 SPLIT
  - \$100,000
- MONEY WILL BE ADDED INCREMENTALLY OVER THE YEAR
- THE COMMITTEE WOULD DISCUSS WHEN AND HOW MUCH TO INVEST, DEPENDING ON MARKET CONDITIONS AND THEIR OPINIONS

# TARGET ALLOCATION AFTER ONE YEAR

(AFTER THE GARAGE IS PAID FOR)

- GENERAL FUND - \$50,000
- VANGUARD TOTAL STOCK MARKET INDEX FUND - \$63,500
- WELLESLEY INCOME FUND - \$63,500

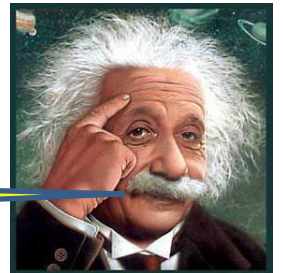
THIS IS A  
DIVERSIFIED  
PORTFOLIO TO  
REDUCE RISKS



# ADVANTAGES

- LOW COST
  - NO LOADS
  - LOW MAINTENANCE FEES
- LIQUID WITH EASY ACCESS TO ALL MONEY (TWO BUSINESS DAYS)
- NO CAPITOL GAINS TAXES
- POTENTIAL TO MAKE YBAC FINANCIALLY INDEPENDENT
- WE HAVE TOTAL CONTROL OF OUR MONEY
- \$50,000 IN OUR GENERAL FUND FOR SHORT TERM NEEDS
- ONLINE INTERFACE FOR TRANSPARENCY SO THE ACCOUNT CAN BE CHECKED/REVIEWED AT ANY TIME

TRANSPARENCY IS  
IMPORTANT!!



# DISADVANTAGES



- **NO GUARANTEED PROFIT**
  - THE ODDS ARE IN OUR FAVOR THOUGH
  - HISTORICAL AVERAGE GAIN OF DOW IS 10% PER YEAR
- THE FUTURE **ECONOMY IS UNPREDICTABLE**
- THERE IS SOME **RISK**
  - LONG TERM/HOLD STRATEGY REDUCES THIS RISK
  - AT LEAST 5 YEARS BUT LONGER IS BETTER
  - A BEAR MARKET HISTORICALLY CAN LAST FROM A FEW MONTHS TO 3 YEARS

**THE POWER OF COMPOUND INTEREST ...**



**... IS WHY VAMPIRES ARE SO RICH**

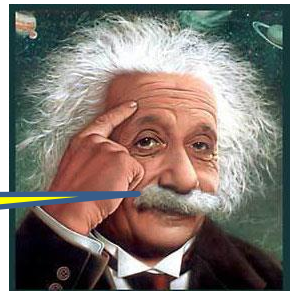


# THE FUNDS

- VANGUARD TOTAL STOCK MARKET INDEX FUND

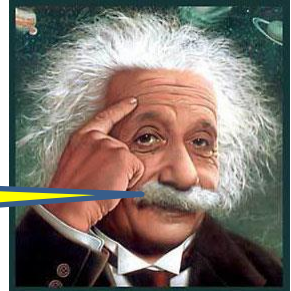
- A GROWTH FUND THAT FOLLOWS THE DOW JONES INDUSTRIAL AVERAGE (THE NUMBER ON THE NEWS)
- INDEX FUND
- NO LOADS
- VERY INEXPENSIVE - COST = 0.04%
  - \$0.40 FOR EVERY \$1000 INVESTED
- RISK – MODERATE

THIS FUND INVESTS IN  
EVERY COMPANY IN  
THE USA



# HISTORICAL PERFORMANCE

THE 10 YEAR OR  
SINCE INCEPTION  
AVERAGE ARE THE  
BEST NUMBERS TO  
LOOK AT



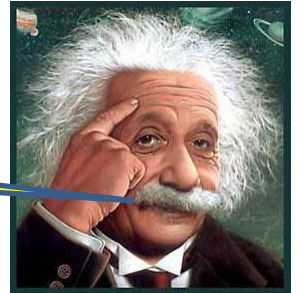
View as a chart

	1-yr	3-yr	5-yr	10-yr	Since inception 11/13/2000
Total Stock Mkt Idx Adm	11.67%	18.15%	15.36%	14.24%	8.22%
Spliced Total Stock Market Index* (Benchmark)	11.71%	18.17%	15.38%	14.26%	8.24%

# HISTORICAL 10 YEAR GROWTH OF

THIS FUND  
QUADRUPLED IN THE  
LAST 10 YEARS

\$10,000



Time period

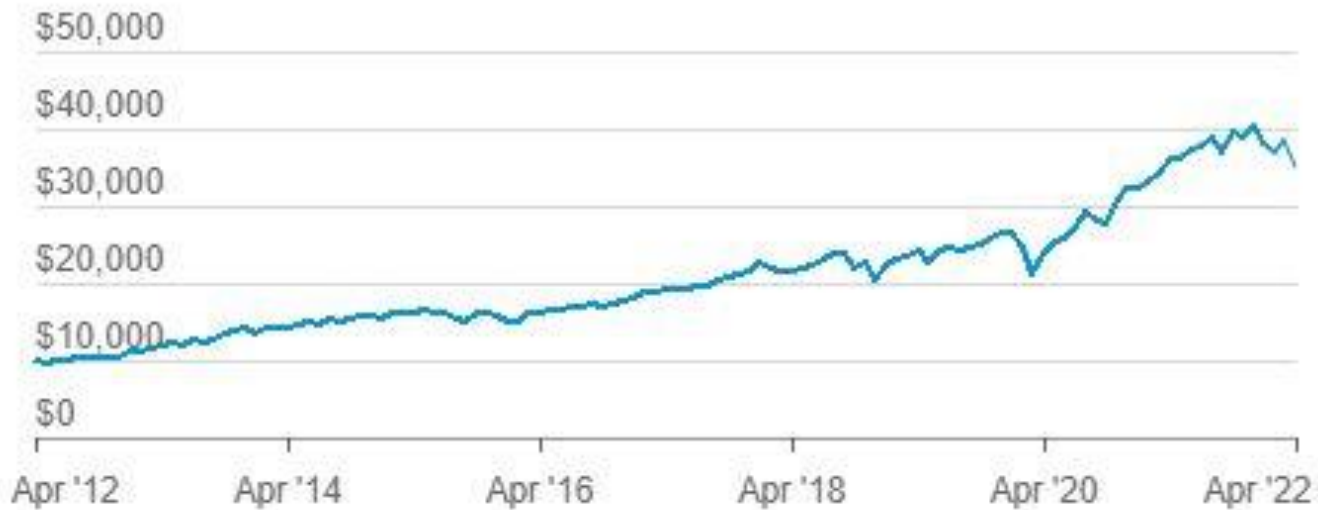
1 yr

3 yrs

5 yrs

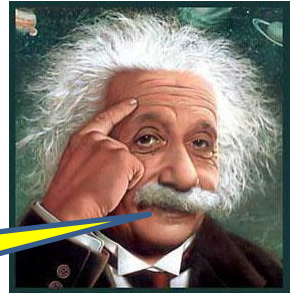
10 yrs

[View price history chart](#)



 Total Stock Mkt Idx Adm

# COST



IT IS IMPORTANT  
THAT INVESTMENTS  
HAVE NO LOADS AND  
A LOW EXPENSE  
RATIO

Price	\$101.47
Change	\$0.66 ↑ 0.65% ↑
30day SEC yield as of 03/31/2022	1.23% B
Expense ratio	0.04%



**When asked to name the greatest invention ever, Einstein replied...**

**"Compound Interest"**

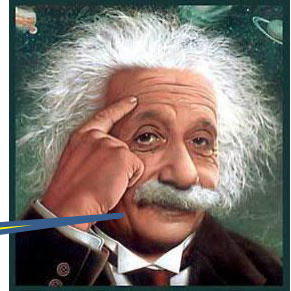
# THE FUNDS

- WELLESLEY INCOME FUND
  - A MANAGED FUND
  - INVEST IS 70% BONDS AND 30% HIGH DIVIDEND STOCKS
  - INEXPENSIVE – COST = 0.24%
    - \$2.40 FOR EVERY \$1000 INVESTED
    - WILL DROP TO 1.4% WHEN WE REACH \$50,000
  - NO LOADS
  - RISK – LOW-MODERATE

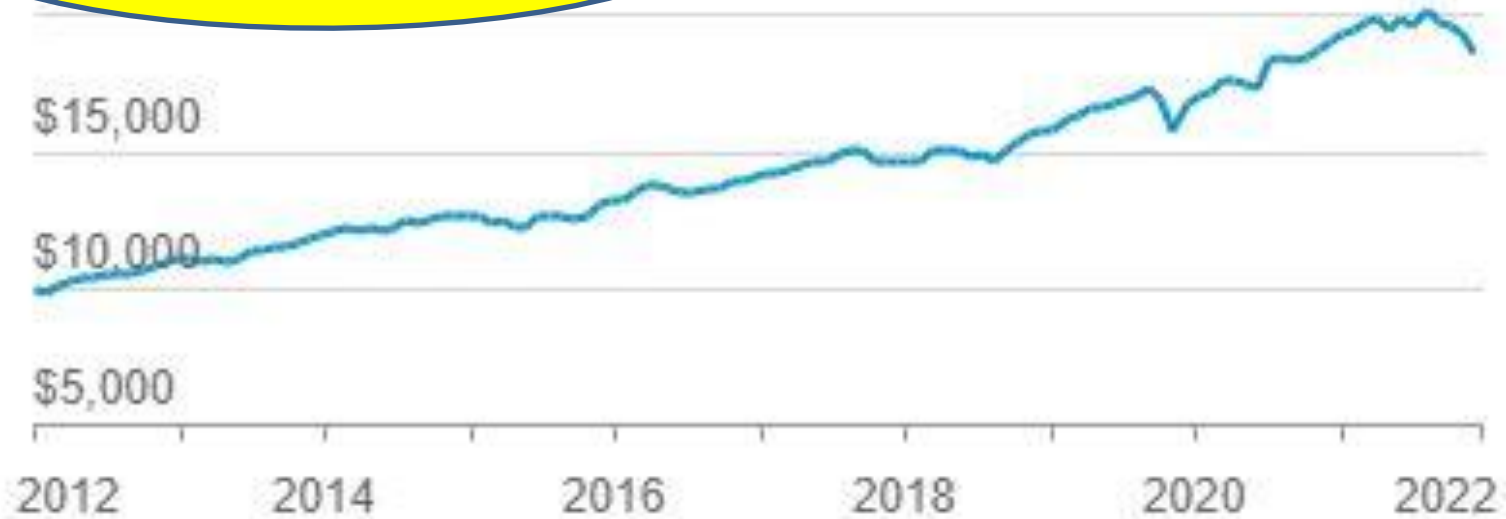


# HISTORICAL GROWTH OVER 10 YEARS

Hypothetical growth of \$10,000  
as of 04/30/2022



THIS FUND DOUBLED  
IN THE LAST 10 YEARS



■ Wellesley Income Fund Adm

# Performance

## Average annual returns

as of 03/31/2022

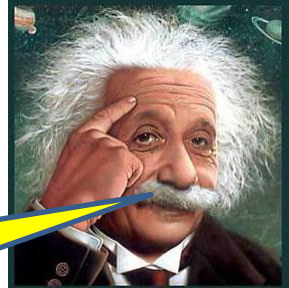
Show

Quarter-end

Month-end

[View as a chart](#)

	1-yr	3-yr	5-yr	10-yr	Since inception 05/14/2001
Wellesley Income Fund Adm	3.60%	7.42%	6.84%	6.95%	6.93%
Wellesley Income Composite Index* (Benchmark)	2.11%	6.30%	5.88%	6.38%	5.98%



# COST

THIS WOULD DROP  
TO 1.4% IF WE  
INVEST \$50,000

## Fund facts

Asset class

Balanced

Category

Conservative Allocation

Expense ratio  
as of 01/31/2022

0.24%

# TARGET RETURN AFTER AT LEAST 5 YEARS

JUN

- 8% AVERAGE

- C

- ~~NOT~~

– A

– THIS IS

IS **NOT**

FUNDS,

**DO NOT  
WORRY UNTIL  
JUNE 2027 !!!**

YEARS

**ARE LIKELY**

SESSION IS

**CAPITAL LOSS**, WHICH MEANS IT

UNTIL WE TAKE MONEY OUT OF OUR

WHEN THEY WOULD BECOME **REALIZED**



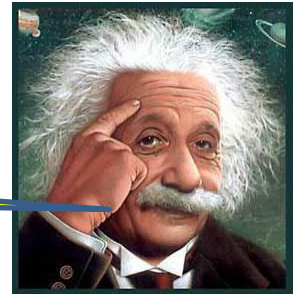
My wealth has come from a combination of living in America, some lucky genes, and compound interest.

— *Warren Buffett* —

AZ QUOTES



**BUY AND HOLD IS A  
GOOD STRATEGY**



**Estimated future worth of \$100,000 at different average interest rates**

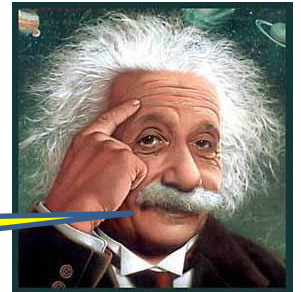
Interest rate %	10 years	15 years	20 years	25 years	30 years
0	100,000	100,000	100,000	100,000	100,000
1 (saving acc)	110,462	116,096	122,019	128,243	134,784
2 (CDs)	121,899	134,586	148,594	164,060	181,136
3	134,391	155,796	180,611	209,377	242,726
4 (bonds fund)	148,024	180,094	219,112	266,583	324,339
5	162,889	207,892	265,329	338,635	432,194
6	179,084	239,655	320,713	429,187	574,349
7	196,715	275,903	386,968	542,743	701,225
8	215,892	317,216	466,095	684,847	1,006,265
9	236,736	364,248	560,441	862,308	1,320,767
10 (50 yr DOW avg)	259,374	417,724	672,749	1,083,470	1,744,940



# YBAC HISTORY

- 30 YEARS AGO WE INVESTED \$25,000 IN BONDS
  - CURRENT WORTH = \$100,000 (NOT TAKING INTO ACCOUNT INFLATION)
  - MONEY WAS NOT ACCESSIBLE TO US FOR 30 YEARS

THIS WAS  
BRILLIANT AT  
THE TIME



# IF WE HAD USED THIS NEW STRATEGY

THE DIFFERENCE  
IS **\$127,004**,  
WHICH IS NOT  
MONEY WE LOST,  
BUT MONEY NOT  
GAINED

INSTEAD



AN INVESTMENT (\$12,500 EACH

- PAST INTEREST RATE WELLESLEY BALANCED FUND – 6.93% = **\$93,303.30**
- PAST INTEREST RATE THE TOTAL STOCK MARKET INDEX FUND – 8.22% = **\$133,701.38**
- TODAY'S VALUE WOULD HAVE BEEN – **\$227,004**

A meme featuring the character Yoda from Star Wars. He is shown from the chest up, wearing his characteristic brown robes. He has a serious expression and is gesturing with his right hand, palm facing forward, fingers slightly spread. The background is a blurred indoor setting. The text "INVEST, YOU MUST" is overlaid at the top, and "MONEY, YOU WILL MAKE" is overlaid at the bottom. In the bottom right corner, there is a logo for "eCompareMo.com".

**INVEST, YOU MUST**

**MONEY, YOU WILL MAKE**

eCompareMo.com

855 x 449

# CURRENT ECONOMY



- THE ECONOMY IS A MESS
- GAS IS UP 100% SINCE LAST YEAR
- INFLA

EVENTUALLY  
GOVERNMENTS AND/OR  
ELECTIONS HAVE  
ALWAYS TAKEN NOTICE,  
AND FIXED PROBLEMS  
WITH THE ECONOMY

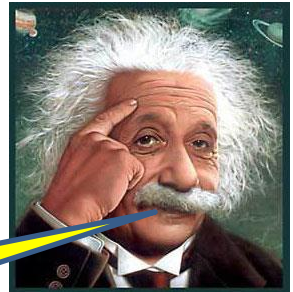
LIKELY DROP

FROM 6 MONTHS TO 3

ALREADY INVESTED

# THIS IS THE BEST TIME TO INVEST

- FOR YBAC THERE IS NO BETTER TIME TO INVEST
- WE ARE BUYING LOW AT THIS TIME
- IF THE DOW CONTINUES TO DROP FOR THE NEXT FEW MONTHS (OR YEARS) THE INVESTMENT OPPORTUNITIES ARE EVEN BETTER
- THE DOW HAS ALWAYS GONE BACK UP



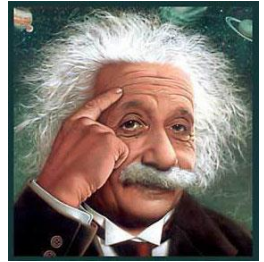
BUY LOW -  
SELL HIGH



**ONE DOES NOT SIMPLY**

**NOT CARE ABOUT INTEREST RATES**

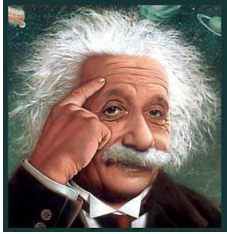
# SOLID INVESTMENT RULES



- Do not pay loads.
- Invest in mutual funds not individual stocks.
- Do not invest more aggressively than you are comfortable with.
- Diversify – a mix of stocks and bonds and savings.
- Bonds are for short term investments (less than 5 years)
- Stocks are for long term investments (more than 5 years).
- Use index funds, they have lower fees.
- Do not pay high maintenance fees.
- Aim at the average, and do not try and beat the market (DOW).
- Do not panic – stay invested when the market goes down.



# SOLID INVESTMENT RULES



- Do not invest money in stocks you expect to need in 5 years or less.
- Always invest in stocks for the long term (more than 5 years).
- The past does not guarantee positive results in the future, but the odds are 80% in your favor in the long term (over 3 years).
- Do not let politics or emotions drive a decision.
- Always reinvest dividends.
- When the DOW drops is the time to invest, not pull out of the market.
- Do not judge a fund on returns less than 5 years. The 10 year average or since inception are the more accurate numbers.
- History has shown that it's extremely difficult to beat the passive (index funds) market returns consistently year in and year out with managed funds.
- Make sure you can pull money out when you want it with zero penalty.
- The only way to lose everything is if the government totally collapses (Armageddon) for some reason.

***– Of course that would be the least of our worries***



TRUST ME, I  
KNOW WHAT I  
AM DOING!!!



- TRUST ME!!!!