

Yanni & Associates Investment Advisors, LLC

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Member of:

- CFA Institute
- Greater Pittsburgh Compliance Roundtable

Matthew A. Yanni CFA, CFP® founded YAIA in January 2007. Prior to starting the Firm, he was employed as an Investment Advisor with PNC's Wealth Management Group where he managed high-net worth personal clients. Before that, he spent a few years in PNC's Equity Strategy and Investment Research Groups. He has passed both the Certified Financial Planner (CFP®) and Chartered Financial Analyst (CFA) exams. He has been quoted several times by the newspapers and is involved in several investment/compliance committees in Pittsburgh, including the Greater Pittsburgh Roundtable. At YAIA, Matt is responsible for managing the clients' overall relationship management and is the direct point of contact for all client relationships. Matt is also certified to sell life and long-term care Insurances (as an individual and not through YAIA). He has committed his entire career to the investment industry

Matt and his wife, Tara, live in Gibsonia with their three children, Katie, Ella and Jacob. In his spare time, Matt enjoys fishing and watching his children excel in their various activities.

Kevin Faes is YAIA's Operations Specialist. Kevin's responsibilities at YAIA include assisting with numerous operational & internal account maintenance tasks, system data uploads, client reporting, working with our financial custodian partners, onboarding new clients, and other related duties. Kevin grew up in a small town in northern Pennsylvania and moved to Pittsburgh in 1993 to attend business school where he obtained his Associates Degree in Accounting. In his free time, he enjoys spending time with his wife Buffie, watching sporting events, attending classic car cruises, and various leisure activities.

Jan Van Kirk is YAIA's Administrative Assistant. She handles various ongoing correspondences with clients, coordinating vendor and other business-related outsourced relationships, processing client account paperwork and Investment Policy Statements (IPS), website modifications and other general administrative duties. Jan is a graduate of LaRoche University and brings over 15 years of administrative experience to her role. Residents of McCandless Township for over 25 years, she and her husband, Bill, enjoy their church involvements, traveling, and especially time with their children and grandchildren.

Yanni & Associates Investment Advisors, LLC, (YAIA) specializes in providing investment advisory services, primarily for families with assets over \$250,000. We believe in a very systematic approach to investing. Our initial and ongoing discussions will focus on your goals, objectives, return expectations, ability to cope with risk, your withdrawal needs, expected time horizon for your money, your experience and knowledge of the markets, as well any legal or unique needs you may have. Firm's current relationships include many different types of accounts including regular investment advisory accounts, trusts, traditional IRAs, Roth IRAs, SIMPLE IRAs, SEP-IRAs, 401(k)s, Profit Sharing plans, 529 plans, corporate and charitable fund accounts.

In more detail, YAIA's investment philosophy is as follows:

- 1. Asset allocation** – Historically speaking, over 90% of a portfolio's return can typically be attributed to asset allocation (one's stock-to-bond mix). Our role is to make sure each account, individually and collectively, is appropriately aligned to a client's goals. We do this through a thorough interview process with each of our clients supported by ongoing communications. We will then set an appropriate long-term target asset allocation (which would normally be changed if there are major changes in life or market circumstances). Finally, YAIA will create a customized and comprehensive written Investment Portfolio Statement (IPS) describing your goals and objectives, along with YAIA's recommendations rationale. We review your IPS with you on a continuing basis to ensure your investments are properly aligned with your goals. Compliance regulations require that clients and YAIA co-sign on these agreed upon investment goals; this ensures our auditors that we are aligning our clients' asset allocations with their long-term objectives. Accounts that move more than 10% outside of the agreed upon range are considered out of compliance. At that time (if not well sooner), it will be YAIA's responsibility to either rebalance the account or have all parties sign off on a new IPS. For example, a 50% stock / 50% bond account that has drifted beyond 60% stocks is considered to be out of compliance. Rebalancing and overall portfolio analysis typically takes place on a frequent basis.
- 2. Diversification** – We will usually invest approximately 2/3 to 3/4 of the stock exposure segment into large-cap stocks and then blend around that with small-cap, mid-cap and international segments (all segments can be subdivided further into "value" and "growth"). We then modestly overweight certain segments based on current and future expectations for the economy. Fixed-income segments will be managed based on the current and expected interest rate forecast in conjunction with matching tax bracket, risk tolerances, withdrawal, and time horizon needs. This will be considered the "core" part of our portfolio which typically encompasses a high majority of one's overall assets. Depending on our current view of the markets and economy, we may also invest smaller portions in specific market segments. These "niche" investment ideas will help us diversify your portfolio even further and allow us to invest in current market themes.
- 3. Security Selection** – YAIA primarily utilizes low-cost mutual funds, index funds, or exchange-traded funds (ETFs). ETFs resemble index funds as they are very inexpensive, but unlike mutual funds, trade intra-day like stocks and historically have lower, year-end, "pass-through" capital gains. YAIA's strategy is to primarily use inexpensive investment vehicles for most "core" parts of the portfolio and to attempt to provide enhanced returns through specific manager and ETF selections ("niche"). In essence, a high percentage of portfolios could contain index type vehicles or ETFs. We have extensive experience in managing individual stocks, but limit idea generation as they are not typically a part of YAIA's overall philosophy.

On a quarterly basis, clients receive detailed written reports outlining their portfolio returns (dividends, interest, capital gains, etc.). Clients will also receive a transaction summary sheet outlining their transactions from the previous quarter. Also included in our quarterly reports is our fee statement. YAIA ordinarily charges 1% of assets under management, billed quarterly in arrears. YAIA's custodian-of-choice is Schwab Institutional. We partner with this Firm to provide custodial services for our clients. In some instances (such as 529 plans), we utilize custodians other than Schwab. Schwab provides all clients with statements, trade confirmations, and corporate literature. It provides all clients their own website login through Schwab.com. Essentially, Schwab is holding a client's assets and the client provides us with trading authority over them. Schwab then provides us with a fairly open architecture for mutual fund selection, an excellent trading platform, and various research capabilities that we utilize in the best interest of all of our clients.

YAIA is registered with the government as a "Registered Investment Advisor" (as opposed to a "Broker"). As a result, YAIA is considered a "Fiduciary". Fiduciaries are required by law to place their client's interest ahead of their own. According to the government, Brokers are not Fiduciaries.

It is also important to note that Yanni & Associates Investment Advisors, LLC. is an **independent** firm and is therefore free to utilize virtually any investment vehicle available for our clients. We are not compensated by or required to use any specific firm's offerings (such as one specific mutual fund family). **YAIA does not earn commissions or brokerage fees for its investment advisory business (commissions are earned on insurance sales conducted by Matt as an individual). The better we perform for your investments, the more we both earn!**

Yanni & Associates Investment Advisors, LLC is a registered investment adviser. Insurance products and services are offered and sold through Matt Yanni as an individually licensed and appointed insurance agent. Be sure to first consult with a qualified financial adviser before implementing any strategy discussed herein. Investments involve risk of loss.