

What our Partners need to know About PI: Also, our website is: PacificInvestors.net.

Pacific Investors, "PI," was founded 6/12/1975 as an investment partnership on a mission to learn how to earn an extra 5%, for a 15% total annual return. **Invest smarter**, integrating the **best 1) strategies, 2) tools, and 3) investing education**, as we learn how to steadily **increase our net worth**. Our portfolio of over **\$8,400,000** is diversified across **500 companies** to protect against a company's price decline hurting our portfolio's value.

Our partners meet monthly **via Zoom**. Our **picnic** is in August, our **holiday party** is in December. Our **required 3-day Education Conference** is **in person**, in April. It has **2 KnowledgeAssessments®**, **22 live classes**, two **Question and Answer sessions**, an **Awards Banquet**, **2 Roundtable Symposiums**, an **Annual Meeting**, and a **raffle**. Our **3 yearly workshops** are 9-12 AM **via Zoom** on the 1st Saturday of February, June, and October.

We currently have **33 partners**, **four Senior Partners**, **nine Junior Partners**, and **twenty Associate Partners**. Our partners are **24 to 92 years old**, with **26 males and seven females**. The SEC limits the size of investment clubs to \$25,000,000 and one hundred partners. What others say: **"Directional traders need price movement in order to profit, but options spread traders don't."** P13. **Proven Option Spread Trading Strategies**, by Billy Williams. **PI has been successfully trading options since 1975.**

"Don't ever again let anyone tell you that stock options are inherently risky. When used correctly, options are conservative, and common stock is much more risky." P 186-187. **Getting Back to Even**, by **Jim Cramer** with **Cliff Mason**.

We have the advantage of bouncing our ideas off fellow partners. Our **Learning aids**: **13 articles**, **10 books**, **9 classes**, **strategies**, **tools**, **Education Conferences**, **teams**, **Workshops/Help sessions**, **KnowledgeAssessments®**, and **Roundtable Symposiums**.

Our Innovations include: the use of **KnowledgeAssessments®**.

Hands-on guidance from a **Senior Partner as a tutor** to help new partners learn the ropes. **Each Partner Team** presents **one new recommendation** to all our partners **every month**. Three yearly **1st Saturday Workshops/Help Sessions**: **have partners helping partners**.

Are you using or losing your annual Tax-Free Capital Gains exclusion?
Your 2025 exclusion is: Single up to \$48,350, Married, filing jointly, up to \$96,700.

Grow \$250,000 in 15 years. Invest \$300/month at 17.19% for 15 years = **\$250,000**.

Some Tools we use: **Current Portfolio**, **1 yr of Closed Positions**, & **Portfolio Review**.

Our Education. A skill set that includes both **technical** and **fundamental analysis**.

Education Curriculum Tracking and a **CPI®, Certified Pacific Investor®,** program.

A **Lifetime Outstanding Partner Award** program, for our **Certified Pacific Investors®**.

Penny Accounting tracks your deposits, you make them with our **Self-Deposit System**.

Partner Viewing, of our **two brokerage accounts** and our online accounting firm, is **24/7**.

We pay Commissions of \$0.10 per Contract, **most others pay the STANDARD \$0.65**.

Our own Investment Partnership Website: Our partners can access our website **24/7**.

Electronic links, ~1 day delay, between our brokerage accounts and our accounting firm.

Daily valuations: Prices are updated by ~6-8 PM, prior day trades are posted by 3-4 AM.

Tax-Smart Investing: 60% Federal long-term Capital Gains: 0%, 15%, and 20% rates.

40% short-term Capital Gains: taxed at your individual tax rate, and above average returns:

Our 20-year annual return, 01/13/2004 to 12/31/2024, is: 14.1% vs. S&P 500's: 9.9%.

Our 15-year annual return, 01/01/2009 to 12/31/2024, is: 21.7% vs. S&P 500's: 14.9%.

Our 10-year annual return, 01/01/2014 to 12/31/2024, is: 17.3% vs. S&P 500's: 13.1%.

Our 5-year annual return, 01/01/2019 to 12/31/2024, is: 41.9% vs. S&P 500's: 18.3%.

Our 3-year annual return, 01/01/2021 to 12/31/2024, is: 40.2% vs. S&P 500's: 14.9%.

Our 1-year annual return, 01/01/2024 to 12/31/2024, is: 109.7% vs. S&P 500's: 25.6%.

Please call **Bruce Ellis** at 206-694-2528 or **Rob Borden** at 253-261-4297 and leave your name, cell, and email so we can invite you to attend our next in-person event.

Compare investing in Tax Deferred Accounts (invested in IRA, Roth, and 401k) to Non-Equity Broad Based Index Options, invested in Pacific Investors.

		2025 Single Filer						2025 Married, Filing Jointly					
		In IRA*	In Roth*	In 401k*	Pacific Investors	Pacific Investors	Pacific Investors	In IRA*	In Roth*	In 401k*	Pacific Investors	Pacific Investors	Pacific Investors
60% LTCG Exclusion:		\$0	\$0	\$0	\$48,350	\$48,350	\$48,350	\$0	\$0	\$0	\$96,700	\$96,700	\$96,700
RMD Withdrawal at 72:		4%		4%				4%		4%			
	Years	After Tax	After Tax	After Tax	After Tax	After Tax	After Tax	After Tax	After Tax	After Tax	After Tax	After Tax	After Tax
Rate of Return:		10.00%	10.00%	10.00%	14.10%	27.80%	41.90%	10.00%	10.00%	10.00%	14.10%	27.80%	41.90%
60	0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
65	5	\$161,051	\$161,051	\$161,051	\$188,655	\$325,464	\$524,993	\$161,051	\$161,051	\$161,051	\$188,655	\$326,249	\$540,291
70	10	\$259,374	\$259,374	\$259,374	\$355,658	\$1,004,554	\$2,422,136	\$259,374	\$259,374	\$259,374	\$355,906	\$1,050,427	\$2,610,823
75	15	\$317,862	\$379,750	\$317,862	\$589,791	\$2,350,813	\$7,831,033	\$299,466	\$379,750	\$299,466	\$591,228	\$2,530,294	\$8,393,855

*Historical S&P 500 20-year Return=10.0% to 12/31/2024.

*Historical Pacific Investors 5-year Return=41.9% to 012/31/2024.

*Historical Pacific Investors 20-year return=14.1% to 12/31/2024.

Investing involves risk, including loss of principal * Investment * Not FDIC Insured * No Bank Guarantee * May Lose Value

These Non-Equity Index Option investments result in gains that are taxed as 60% long-term capital gain and 40% short term capital gain.

To understand the benefits of such long-term capital gains treatment in your particular tax situation please discuss with a tax professional.

Comparing Taxed Accounts: borrowing capital using an interest only HELOC loan, invested in Pacific Investors, paid off in 10 years.

		2025 Single Filer				2025 Married, Filing Jointly		
		Pacific Investors	Pacific Investors	Pacific Investors	Pacific Investors	Pacific Investors	Pacific Investors	Pacific Investors
60% Long Term Capital Gains Exclusion Limit:		\$48,350	\$48,350	\$48,350	\$96,700	\$96,700	\$96,700	\$96,700
	Years	Interest	After Tax	After Tax	After Tax	After Tax	After Tax	After Tax
Alternative Growth (earnings) Rates:	ROR:	7.375%	14.10%	27.80%	41.90%	14.10%	27.80%	41.90%
60	0		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
61	1	\$14,750	\$212,322	\$238,420	\$264,977	\$212,322	\$238,626	\$265,505
65	5	\$14,750	\$280,586	\$519,211	\$848,740	\$280,704	\$526,370	\$898,377
70	10	\$214,750	\$231,884	\$1,233,364	\$3,535,065	\$232,955	\$1,333,684	\$3,814,712
75	15		\$436,850	\$3,540,952	\$14,519,054	\$439,481	\$3,920,778	\$15,770,934

*Historical S&P 500 20-year Return=10.0% to 12/31/2024

*Historical PI 5-year Return=41.90% to 12/31/2024.

*Historical PI 20-year Return=14.1% to 12/31/2024

Investing involves risk, including loss of principal * Investment * Not FDIC Insured * No Bank Guarantee * May Lose Value

These Non-Equity Index Option investments result in gains that are taxed as 60% long-term capital gain and 40% short term capital gain.

To understand the benefits of such long-term capital gains treatment in your particular tax situation please discuss with a tax professional.