

# DEDICATED TO YOUR LIFELONG SUCCESS

A ROADMAP TO FINANCIAL WELLNESS

PRESENTED BY



Hallett Advisors

*Plan Well • Live Well*



## NAVIGATING YOUR FINANCIAL FUTURE

Achieving financial comfort, planning for a secure retirement, mitigating taxes, taking care of family, making sure children (or grandchildren) get an education, building a legacy...For most American, these are extremely important issues.

But many of us feel unprepared and ill-equipped to deal with all of them in a coordinated, knowledgeable way.

Many investors are frustrated, worried, and uncertain where to turn. They have no idea how to get from where they are today to where they want to be in the future.

For some, working with an experienced and trusted Independent Wealth Advisors may be the answer.

We provide personalized and comprehensive financial solutions that take into account all aspects of your financial life. We take a holistic approach to financial planning, coordinating the pursuit of your life goals through the proper management of your financial resources. As a Fiduciary, we will always act in your best financial interest and offer guidance, clarity of thought, and expertise to help you gain confidence in a more secure financial future.

# THE CHALLENGE OF EMOTION - HOW YOU MANAGE EMOTIONS AND STAY FOCUSED CAN HAVE A SIGNIFICANT IMPACT ON YOUR FINANCIAL FUTURE.

We believe that investor emotions can play a major part in the success or failure of an investment portfolio as well as the overall wealth plan. For most of us, money is bound up with powerful emotions such as security, confidence, and even, sometimes, fear. But the emotions of investing can cause you to lose focus on important areas of your financial life, most of which have absolutely nothing to do with the stock market.



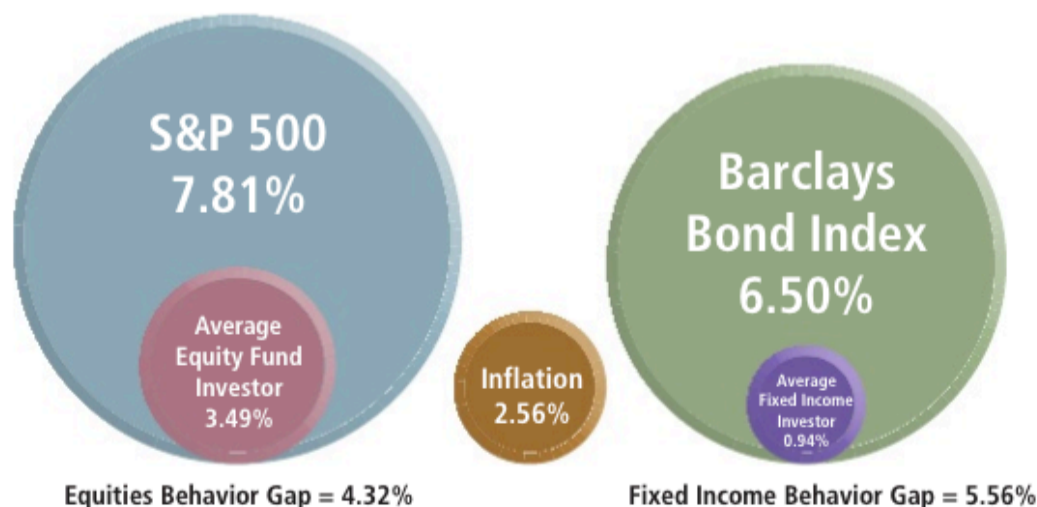
We know that remaining patient and disciplined can be extremely difficult, especially when stocks or other assets are soaring or plummeting. The way our brains are hard-wired can cause us to make emotional decisions about our money at precisely the wrong moments.

As the Cycle of Market Emotions chart above illustrates, many investors tend to “buy high” and “sell low.” Markets are sometimes prone to sharp and erratic movements, which can precipitate panic and cause investors to sell at inopportune times. Conversely, during a strong bull market, investors often rush into the market because they feel “elated” and buy at the peak.

Ultimately, this kind of emotional, short-term behavior can have detrimental consequences, including dramatic portfolio underperformance.

## The Cost of Emotions

Average Investor vs. Major Indices 1992 - 2011



Average stock investor and average bond investor performances were used from a DALBAR study, Quantitative Analysis of Investor Behavior (QAIB), 03/2012. QAIB calculates investor returns as the change in assets after excluding sales, redemptions, and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses, and any other costs. After calculating investor returns in dollar terms (above), two percentages are calculated: Total investor return rate for the period and annualized investor return rate. Total return rate is determined by calculating the investor return dollars as a percentage of the net of the sales, redemptions, and exchanges for the period. The fact that buy-and-hold has been a successful strategy in the past does not guarantee that it will continue to be successful in the future.

Moving in and out of markets and asset classes can result in investors missing those relatively small number of days when markets soar unexpectedly. It's therefore vital that you stick to your plan - especially during periods when the financial markets are behaving in extreme ways.

As the chart to the left shows, a 2011 study found that from 1992-2011, the average investor did substantially worse than major indices.

According to this study, the average equity investor had annual returns of just 3.49%. Over the same period, the S&P 500 returned an annual average of 7.81%. This “behavior gap” of 4.32% (an almost 60% decrease) experienced by the average investor reflects the cost of letting emotions guide investing.

To put this in dollar terms, if you’d invested \$100,000 in the S&P 500 over this period, it would have been worth \$450,000. However, if you’d invested like the average equity investor in this study, you’d only have \$199,000. The \$251,000 difference between these two results is a dramatic demonstration of the potential value of patience and discipline. Our prudent investment approach can help you maintain your long-term goals without being derailed by emotional responses to short-term market activity.

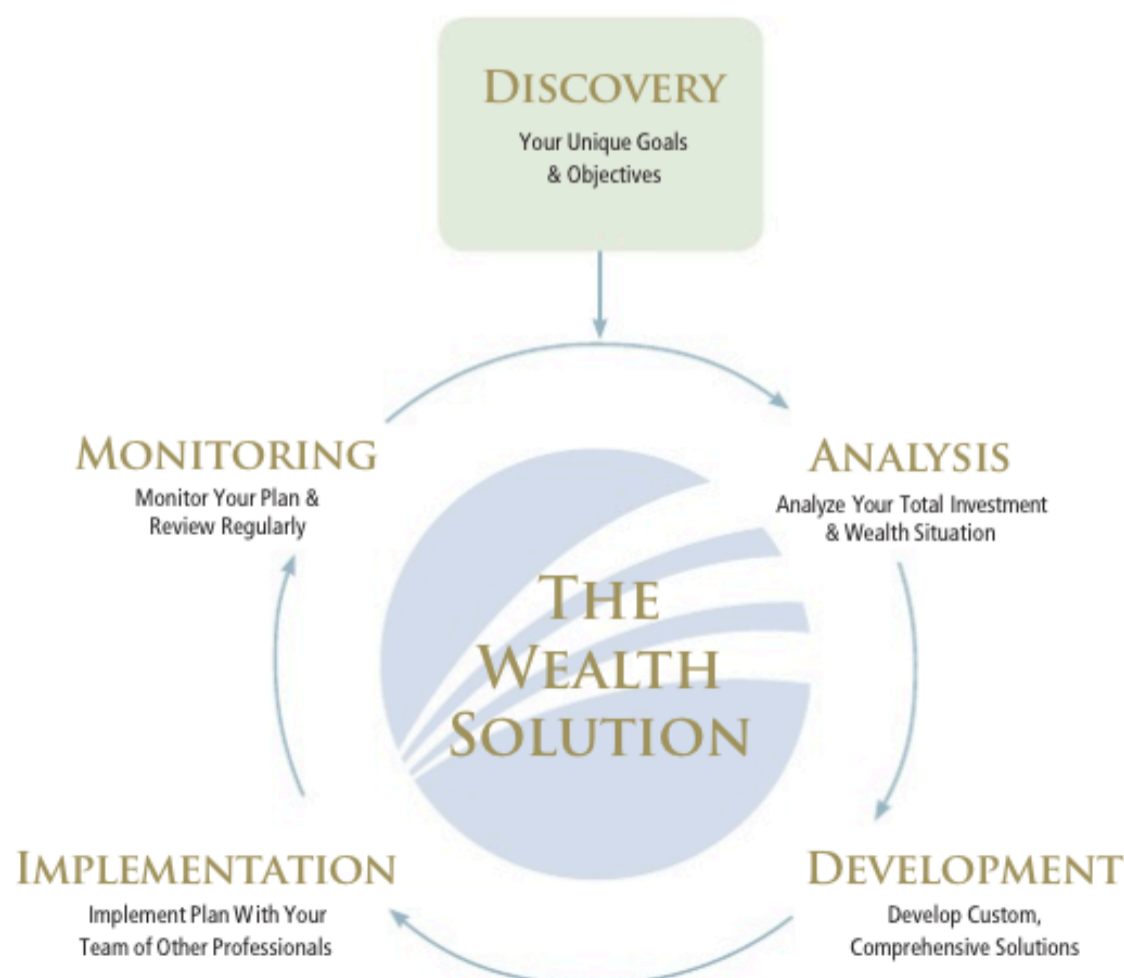
Beyond investing, we believe that almost every area of your financial life can benefit from a disciplined, thoughtful approach.

*Please note that the fact that buy-and-hold has been a successful strategy in the past does not guarantee that it will continue to be successful in the future.*

## YOUR WEALTH ADVISORY PROCESS

We believe that the most important way we help you stay disciplined, focused, and on track is our comprehensive wealth advisory process. This process is designed to uncover your full range of financial needs, from wealth creation to wealth protection to preserving your legacy - and create a plan to help get you there.

In order to help you maximize your potential for success in all areas of your financial life, we take a comprehensive approach.



## +Discovery

One of the most important components of any successful advisory relationship is truly understanding who you are as a person. With our Discovery Process, we focus on what is most important to you, both financially and personally. We will look at all the major aspects of your financial life, including your specific values and goals as well as your time horizon, income and liquidity needs, and ability and willingness to take risk. Together, we will define your personal definition of financial success, strive to ensure that your financial plan is coordinated with your life's goals, and work with you to translate this into prioritized goals. As part of this step, we will also make a "Mutual Commitment" to working together and putting your plan in place.

## +Analysis

In order for us to thoroughly understand your situation, we will take a comprehensive inventory of your current financial position, including strengths as well as any gaps or weaknesses. We will also analyze the effectiveness, composition, and expenses of your existing portfolio. We will analyze specific items for action to make sure that your goals and financial situation are aligned.

## +Development

Based on our analysis, we will develop a long-term wealth plan focused on getting you from where you are today to where you want to be in the future. Through this holistic process, we will address any items that need clarification, and make alterations based on any additional information. We think that an open, honest dialogue about your financial needs, beliefs, expectations, and concerns is critical to any successful advisory relationship.

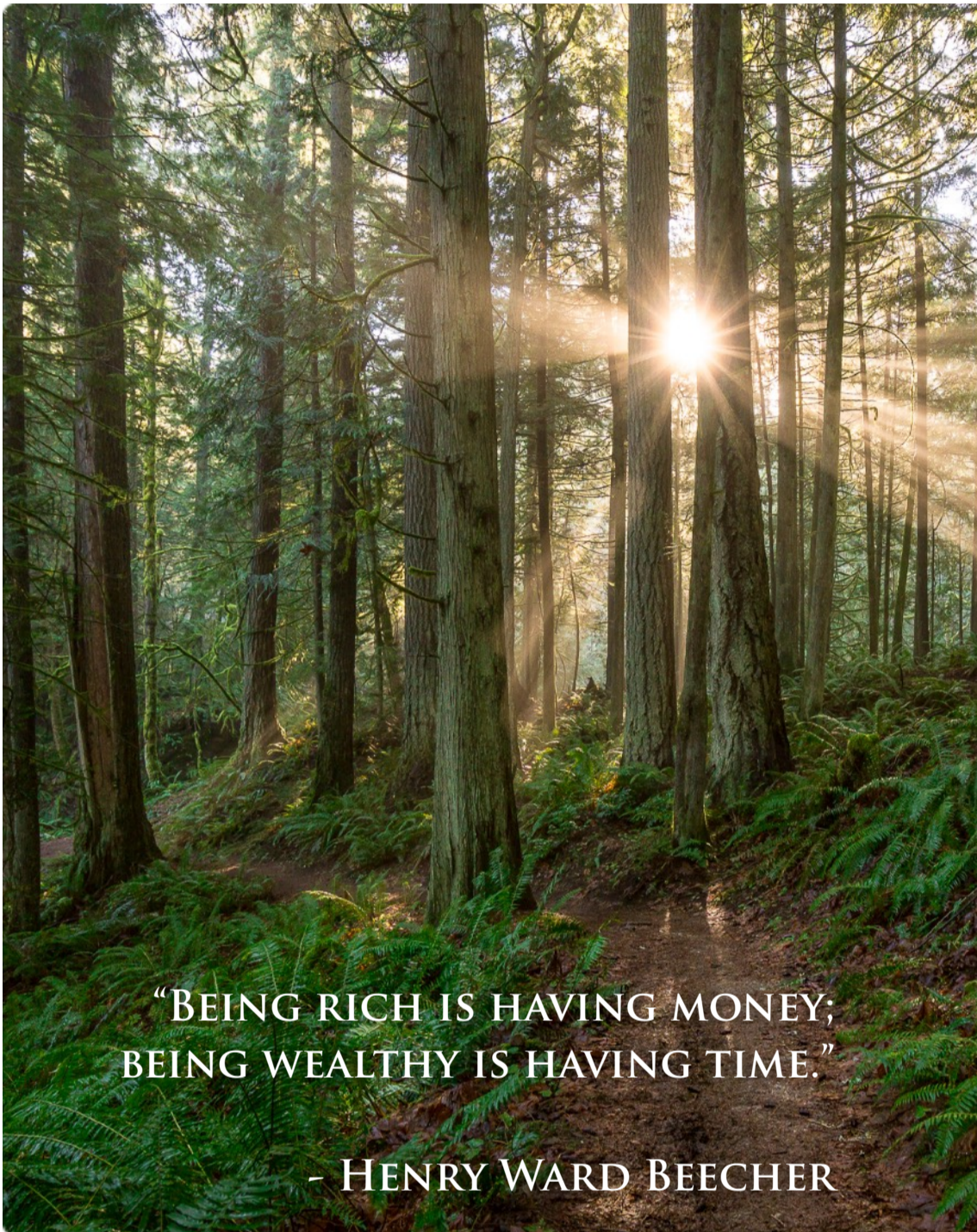
## +Implementation

The next step is the implementation of your plan. In addition to creating your investment portfolio, we will also work with a team of financial professionals to address all of the non-investment action items we've identified. You will also receive an Investment Policy Statement (IPS), which documents what we have agreed to and assigns responsibility and accountability. And, as a Fiduciary, you can rest assured that we will continue to act in your best financial interest.

## +Monitoring

Your plan is never static. That's why we'll make our Discovery Process part of your ongoing meetings, so that your plan always reflects your life. We will monitor your plan closely and provide you with a clear and concise reporting. In addition, as financial markets rise and fall, your portfolio's exposure to stocks, bonds, cash and other investments will tend to fluctuate as well. Through periodic rebalancing we will make sure your portfolio maintains its target allocations. This helps control the level of risk in your portfolio and minimizes emotional decision making.

# YOUR TEAM OF EXPERTS



"BEING RICH IS HAVING MONEY;  
BEING WEALTHY IS HAVING TIME."

- HENRY WARD BEECHER

We've been reminded repeatedly in recent years that navigating financial markets is not an easy task. Additionally, the intricacies of building a plan that takes into account investments, estate planning, tax strategies, wealth protection, and preservation and other components can make coordinating your financial life a difficult job.

We take great care in assembling a team of financial professionals who will work in concert to make sure all aspects of your financial life are being addressed.

In addition to our wealth advisory services, your team may include:

- Certified Public Accountant
- Estate Attorney
- Insurance Specialist

Depending on your needs, we may bring in other experts and planning professionals, such as a Valuation Specialist or a Charitable Giving Specialist, to address specific issues.

We will coordinate each professional's individual expertise and incorporate their recommendations into your wealth plan as appropriate. We can also integrate any of your current financial professionals into our team approach.

Having your own team of experts working closely together helps maximize the effectiveness of your plan and make sure it stays in synch, with every item properly addressed.

# ADDRESSING ALL YOUR WEALTH NEEDS\*

In order to help you maximize your potential for success in all areas of your financial life, we take a comprehensive approach. These can include:

## +Wealth Enhancement

This process can be key to creating and maintaining your financial comfort. It can include:

- Managing resources and your portfolio
- Tax planning and tax efficiency issues
- Personal savings
- Simplifying your financial life
- Education funding

## +Wealth and Income Protection

We work to ensure that your wealth is protected against catastrophic losses, an extended illness or disability and identity fraud. Business owners might also want to consider strategies to protect their wealth and the value of their businesses.

## +Wealth Transfer

Proper estate planning is the most effective way to help ensure that you are able to provide for the financial health and well-being of your family. It also can reduce or prevent much of the stress that so often occurs when heirs attempt to sort out a family member's estate.

## +Charitable Giving

We help you fulfill and philanthropic goals you might have and maximize the effectiveness of your charitable legacy.

\*We are not a legal or tax advisor. The tax and legal information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax advisor for specific information on your individual situation.

# THE WEALTH SOLUTION

With the many demands on your time and the complexities of the financial decisions you face, it no longer makes sense to face life's transitions without the kind of comprehensive wealth advisory approach we provide.



## +Process Driven Approach

Our distinct, comprehensive process helps us identify, understand, and create dynamic and flexible long-term wealth solutions for our clients.

## +Team of Experts

We understand that your investment portfolio is only one aspect of your whole financial picture, which is why we work with a team of experts, to determine the most beneficial course of action and strategy for all of your wealth needs.

## +Managing the 3 Major Financial Risks

We help you plan for and control the 3 major risks investors must contend with:

- Investment Risk - we focus on the right portfolio allocation for your situation, with a special emphasis on minimizing one of the great enemies of wealth - volatility.
- Behavior Risk - we are committed to being your financial "conscience," so you don't let emotions compromise the integrity of your portfolio and financial future.
- Longevity Risk - with many Americans now spending three or more decades in retirement, we help you plan for a long and comfortable retirement.

When you think about what you have achieved in life, one fact is illuminated: You and your wealth can do an enormous amount of good for many, many people - not just yourself and your family, but your community, even the world at large.

In the end, then, you have a responsibility to make smart decisions about your wealth so that it can do as much good as possible. You owe it to yourself and to the people and organizations you care about most to work with an independent Wealth Advisory firm, like ours, who can help you do the job right.

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