



Financial and Retirement Planning

Webinar - June 20th, 2020

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Slides at www.tinyurl.com/BFM-June-2020



Forecasts may tell
you a great deal
about the
forecaster; they tell
you nothing about
the future.



-Warren Buffett

Quotes

“We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful.”

“Only buy something that you'd be perfectly happy to hold if the market shut down for 10 years.”

“Risk comes from not knowing what you're doing.”

Warren Buffett

“Our greatest glory is not in never failing, but in rising every time we fall.”

“A man who does not plan long ahead will find trouble at his door.”

Confucius

“The investor's chief problem – and even his worst enemy – is likely to be himself.”

Benjamin Graham






Agenda



- **Why This is Important**
- **Asset Allocation and Diversification**
- **Stock Market Basics**

Retirement May Be Long

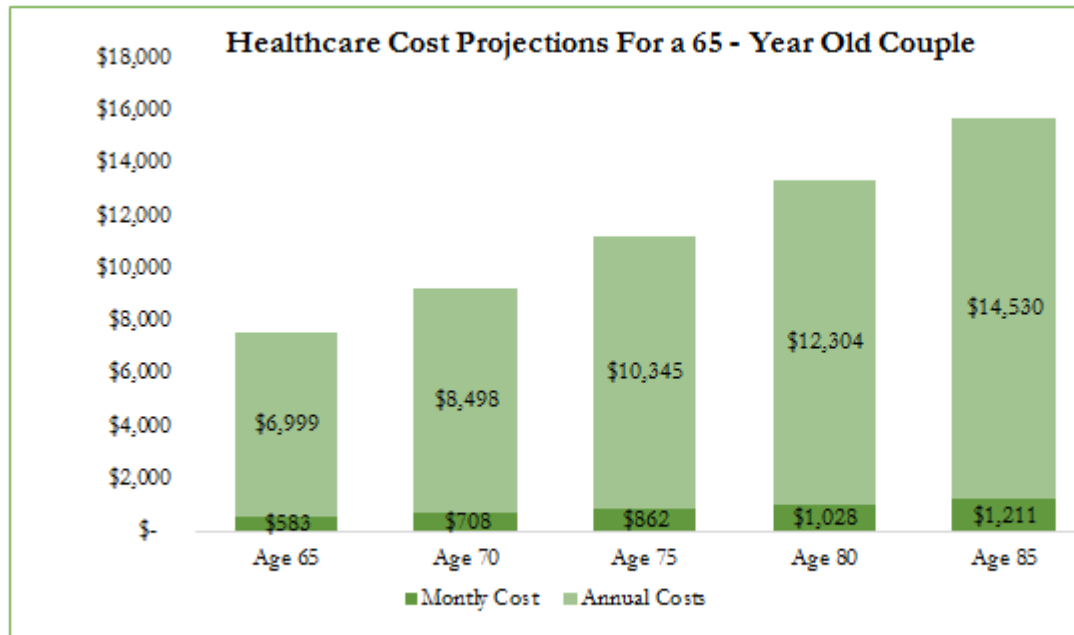
Probability of 65 Year Old Living to Age 95

				
	Male	Female	Both	≥ 1
Average American	7%	13%	1%	19%
Healthy American	20%	29%	6%	43%
Healthy American in ~10 Years	25%	33%	8%	50%

Source: Social Administration 2013 Periodic Life Table, Society of Actuaries 2012 Annuity Mortality Table

At least one member of a 65-year-old healthy couple has a 43% chance of making it to at least 95 years old (30 years in retirement).

The Overall Cost of Healthcare for a Retired Couple is Over \$266,000



*Figure 1 Source: Healthview Health Cost Data Report 2015 *Assumes Life Expectancy for Male of 87, for Female 89, MAGI under \$170,000*

**Overall Cost
through Life
Expectancy:**

\$266,589

The Effect of Inflation



College Costs

	Public	Private
■ Today	\$76,979	\$170,328
■ 5 years	\$93,568	\$207,034
■ 10 years	\$119,419	\$264,234
■ 15 years	\$152,413	\$337,237
■ 18 years	\$176,437	\$390,394

Source: The CollegeBoard – Trends in College Pricing 2012

Based on a projected 5% college cost inflation rate. Total due for 4 years of college calculated and the four years added together.

Inflation checklist

	Single-family home	A loaf of bread ¹	College education ²	Gallon of unleaded gas
	+68%	+97%	+214%	+193%
1991	\$ 97,100	\$ 0.72	\$ 5,452	\$ 1.12
2001	147,800	1.01	9,032	1.13
2011	163,500	1.42	17,131	3.28

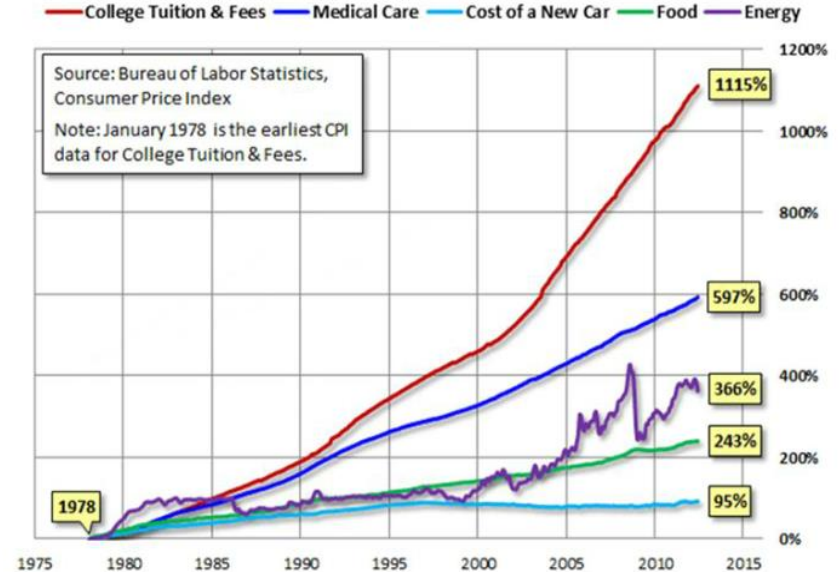
Sources: National Association of Realtors, U.S. Bureau of Labor Statistics, The College Board, Annual Survey of Colleges

¹ A loaf equals one pound.

² Average cost of four years at a public university

Inflation Comparison: Percent Growth

dshort.com



<http://globaleconomicanalysis.blogspot.com/2012/08/trading-caps-and-gowns-for-mops-why-go.html>

From "Trading Caps and Gowns for Mops; Why Go to College If There Are No Jobs? Chasing the American Dream", August 24, 2012



Figure 1 shows three postage stamps: 1968, 1978, and 2006. Each stamp is first-class postage in the United States. Each stamp has a different price and a different date. What changed between 1968 and 2006 wasn't the value of the stamp, it was the value of the dollar.

The Effect of Taxes

PIMCO Long-Term U.S. Government Fund Institutional

★★★★

FF Fund Family Data Add to Portfolio Get E-mail Alerts Print This Page Data Definition ? Data Q

Quote Chart Fund Analysis Performance Ratings & Risk Management Stewardship Portfolio

Compare

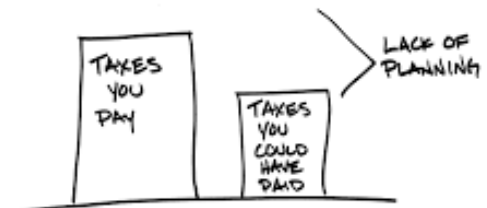
Tax Analysis

	1-Mo	3-Mo	6-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	15-Yr	Since Inception
Pretax Return										
PGOVX	0.54	0.53	7.38	8.15	7.38	6.34	8.05	8.47	7.91	9.06
Tax-adjusted Return *										
PGOVX	0.44	0.23	-13.30	7.64	-13.85	-2.20	1.13	3.71	3.99	5.19
% Rank in Category	48	10	80	39	80	77	73	58	64	—
Tax Cost Ratio										
PGOVX	—	—	—	—	19.77	8.03	6.40	4.39	3.63	—
Potential Cap Gains Exposure										
PGOVX	-14.61									

(05/31/2016)

Currency is displayed in USD.

* Post tax returns are load adjusted.



Capital Needed to Retire



Annual Spending \$100,000

Divided by

Sustainable Spending Rate (@ 60) 3.2%

Capital Required to Retire (@ 60) \$3,125,000

Age	50	55	60	65	70	75	80	85
Spending Rate	2.8%	3.0%	3.2%	3.5%	3.9%	4.4%	5.1%	6.0%

Source: Ibbotson and Bernstein

\$41,200 is equivalent to \$100,000 in 30 years (assuming 3% inflation)

Capital Needed to Retire

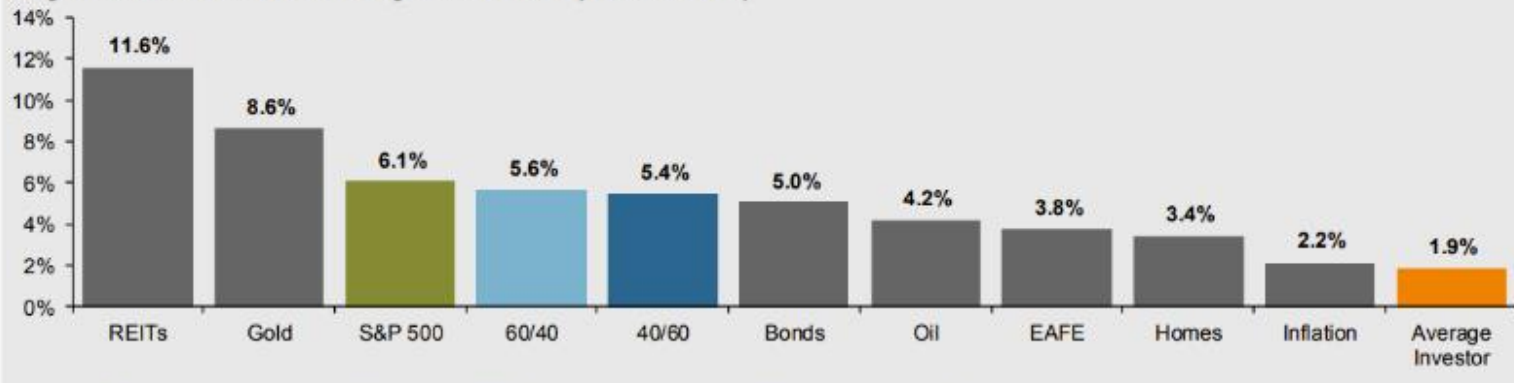
Money Needed to Retire							
Years to Live	Annual Income Needed to Live						
	\$25,000	\$50,000	\$75,000	\$100,000	\$125,000	\$150,000	\$200,000
50 Years	\$785,590	\$1,571,180	\$2,356,770	\$3,142,361	\$3,927,951	\$4,713,541	\$6,284,721
45 Years	\$737,254	\$1,474,508	\$2,211,762	\$2,949,016	\$3,686,270	\$4,423,524	\$5,898,032
40 Years	\$683,887	\$1,367,774	\$2,051,661	\$2,735,548	\$3,419,435	\$4,103,322	\$5,471,096
35 Years	\$624,965	\$1,249,931	\$1,874,896	\$2,499,862	\$3,124,827	\$3,749,793	\$4,999,724
30 Years	\$559,911	\$1,119,823	\$1,679,734	\$2,239,646	\$2,799,557	\$3,359,468	\$4,479,291
25 Years	\$488,086	\$976,173	\$1,464,259	\$1,952,346	\$2,440,432	\$2,928,518	\$3,904,691
20 Years	\$408,786	\$817,572	\$1,226,358	\$1,635,143	\$2,043,929	\$2,452,715	\$3,270,287
15 Years	\$321,232	\$642,463	\$963,695	\$1,284,926	\$1,606,158	\$1,927,390	\$2,569,853
10 Years	\$224,565	\$449,129	\$673,694	\$898,259	\$1,122,823	\$1,347,388	\$1,796,517
5 Years	\$117,836	\$235,673	\$353,509	\$471,346	\$589,182	\$707,019	\$942,692

Assumes 2% return on retirement assets and equal annual withdrawals.
Source: TheMoneyWays.com

- If you spend \$55,000 per year, when you retire in 20 years, it would be the equivalent of \$100,000 (assuming 3% of inflation)
- \$100,000 annual retirement income means you may need to accumulate \$2,499,862 before you retire!

The Average Investor Underperformed

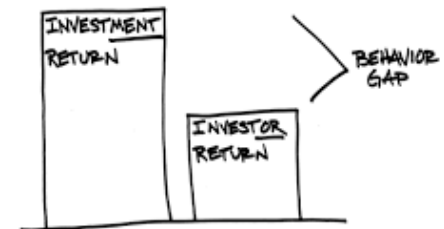
20-year annualized returns by asset class (1999 – 2019)



Source: J.P. Morgan Asset Management; (Top) Barclays, Bloomberg, FactSet, Standard & Poor's; (Bottom) Dalbar Inc. Indices used are as follows: REITS: NAREIT Equity REIT Index, EAFE: MSCI EAFE, Oil: WTI Index, Bonds: Bloomberg Barclays U.S. Aggregate Index, Homes: median sale price of existing single-family homes, Gold: USD/troy oz., Inflation: CPI. 60/40: A balanced portfolio with 60% invested in S&P 500 Index and 40% invested in high-quality U.S. fixed income, represented by the Bloomberg Barclays U.S. Aggregate Index. The portfolio is rebalanced annually. Average asset allocation investor return is based on an analysis by Dalbar Inc., which utilizes the net of aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior. Returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/19 except the average investor which is through 12/31/18 and is based on Dalbar's most recent analysis. Guide to the Markets – U.S. Data are as of March 31, 2020.

J.P.Morgan
Asset Management

The average investor performance over the last 20 years was 1.9% per year (45% cumulative so \$100,000 became \$145,708) while a balanced portfolio composed of 60% in stocks and 40% in bonds had a performance of 5.6% per year (197% cumulative so \$100,000 became \$297,357) which is \$151,649 more!



BEHAVIOR GAP

The Average Investor Underperformed Mutual Funds by 2.4%

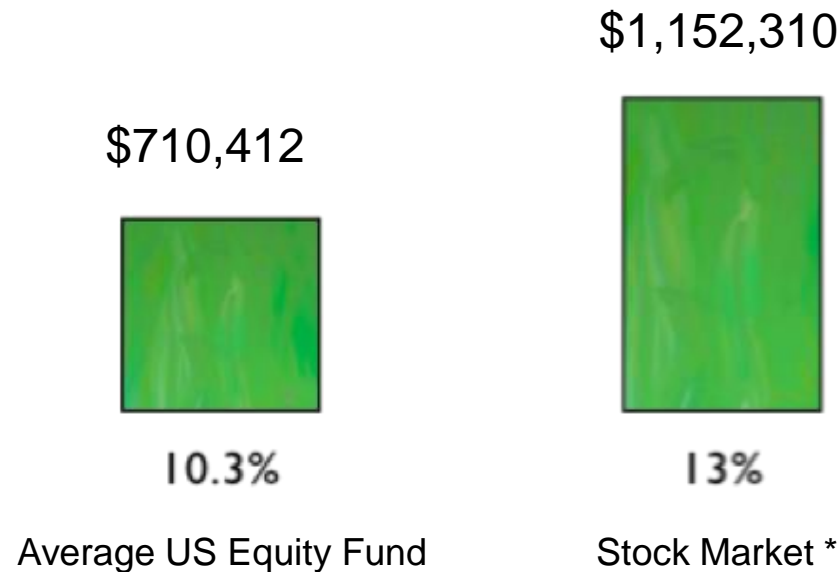
Comparison of returns 1983 – 2003 --- \$100,000 invested



Source: Dalbar

Mutual Funds Underperformed the Stock Market by 2.7%

Comparison of returns 1983 – 2003 --- \$100,000 invested



Source: Dalbar

From 1988 to 2007, the average equity investor return was 4.5%. The market return was 11.8% per year.

From 1989 to 2009, the average equity investor return was 3.2%. The market return was 8.2% per year.

*US Index Fund or ETF

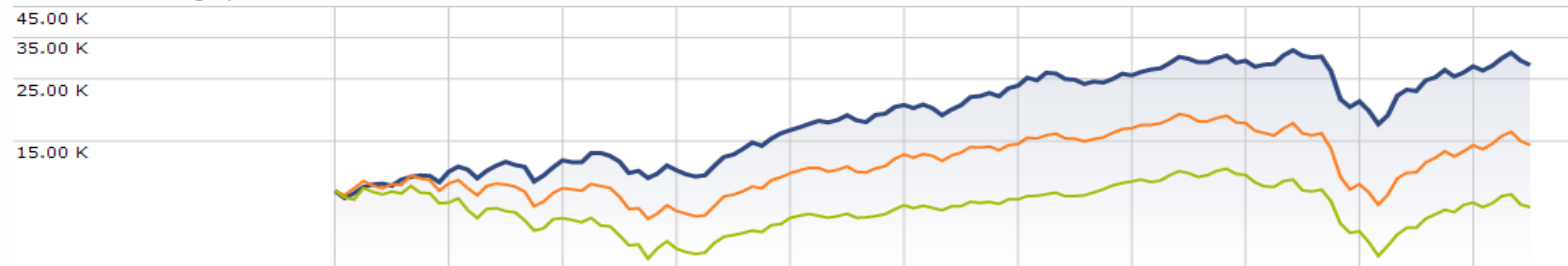
But Some Funds Outperform



Growth of 10,000

[Customize Interactive Chart >>](#)

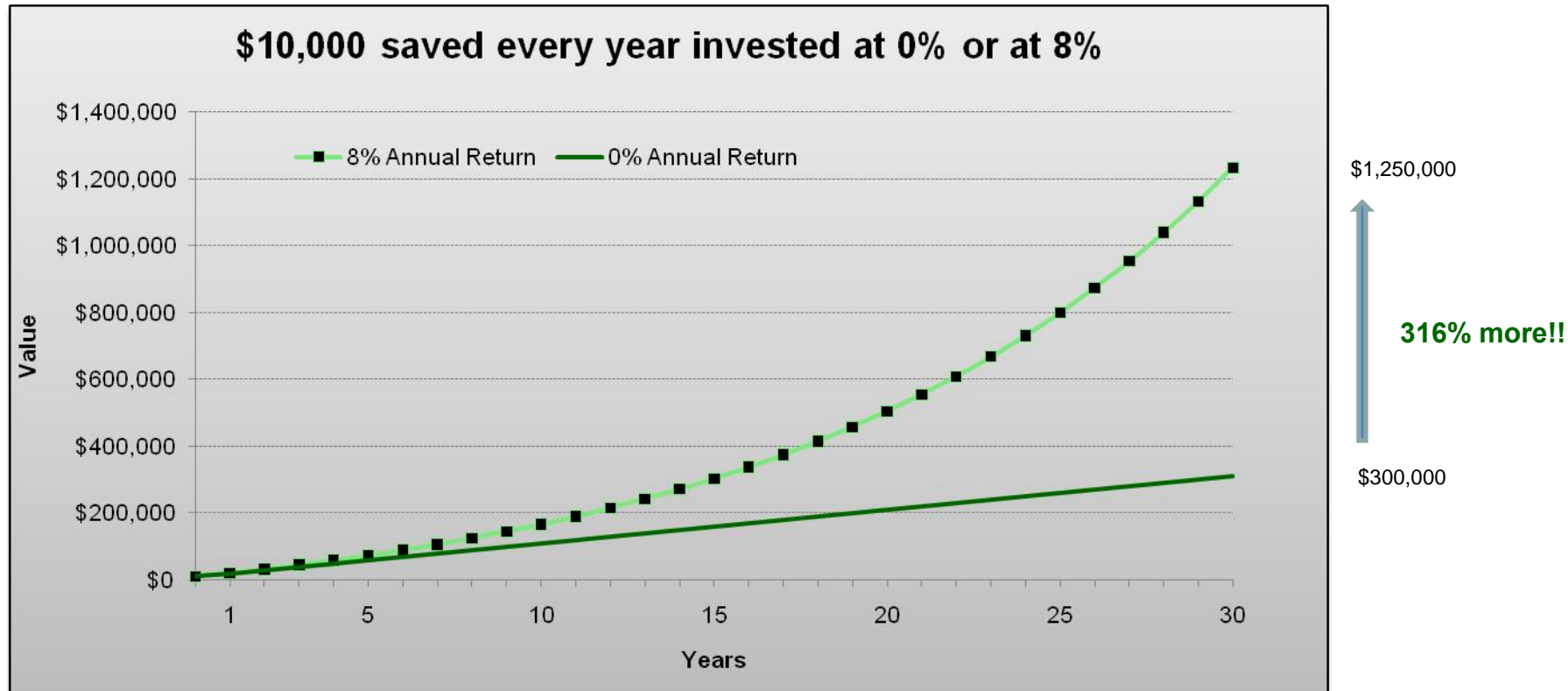
● RYPRX ● Category: MB ● S&P 500 TR



History (05/31/10)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD
RYPRX	17.12	9.61	-7.75	38.74	22.82	17.07	8.81	12.73	-28.29	33.25	4.72
S&P 500 TR	-9.10	-11.89	-22.10	28.68	10.88	4.91	15.79	5.49	-37.00	26.46	-1.50
Category (MB)	18.51	7.25	-17.79	43.08	18.86	6.94	15.21	4.47	-39.30	37.40	3.41
+/- S&P 500 TR	26.23	21.50	14.35	10.05	11.94	12.16	-6.99	7.23	8.71	6.79	6.22
+/- Category (MB)	-1.39	2.36	10.04	-4.35	3.96	10.13	-6.40	8.26	11.01	-4.15	1.31
Rank in Category	60	43	10	65	16	4	93	9	9	58	39

Total Return % (06/04/10)	1-Year	3-Year	5-Year	10-Year	15-Year
RYPRX	17.39	-2.54	7.41	9.86	11.34
S&P 500 TR	15.32	-9.54	-0.23	-1.42	6.63
Category (MB)	21.48	-8.37	1.58	3.06	8.49
+/- S&P 500 TR	2.07	7.01	7.64	11.28	4.71
+/- Category (MB)	-4.09	5.83	5.83	6.80	2.85
Rank in Category	76	6	2	1	10

Higher Return Leads to Higher Gains



If you do not invest, Inflation guarantees an annual loss

Your Retirement Assets Could Last 12 More Years

Results Matter: Even a Small Increase in Returns Can Dramatically Improve Outcomes

Demographic Assumptions

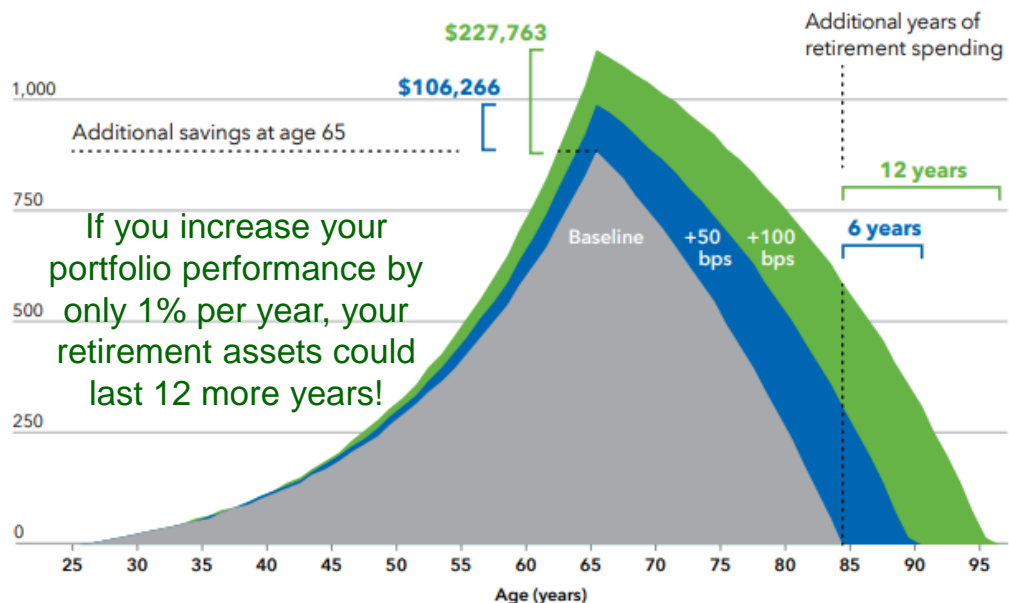
Starting Balance	\$0
Starting Age	25
Starting Salary	\$40,000
Annual Salary Growth Rate	3%
Annual Contribution Rate	10%
Retirement Age	65
Ending Salary at 65	\$130,482

Scenario Assumptions

	Market Baseline	+50 bps	+100 bps
Returns Before 65	5.5%	6.0%	6.5%
Returns After 65	4.0%	4.5%	5.0%
Account Balance at 65	\$886,415	\$992,680	\$1,114,177
Withdrawal (Percent of Ending Salary)	50%	50%	50%
Annual Withdrawal Amount	\$65,241	\$65,241	\$65,241

Impact of 50 bps and 100 bps of Excess Return in a Hypothetical Savings and Withdrawal Scenario

USD, thousands
1,250



Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

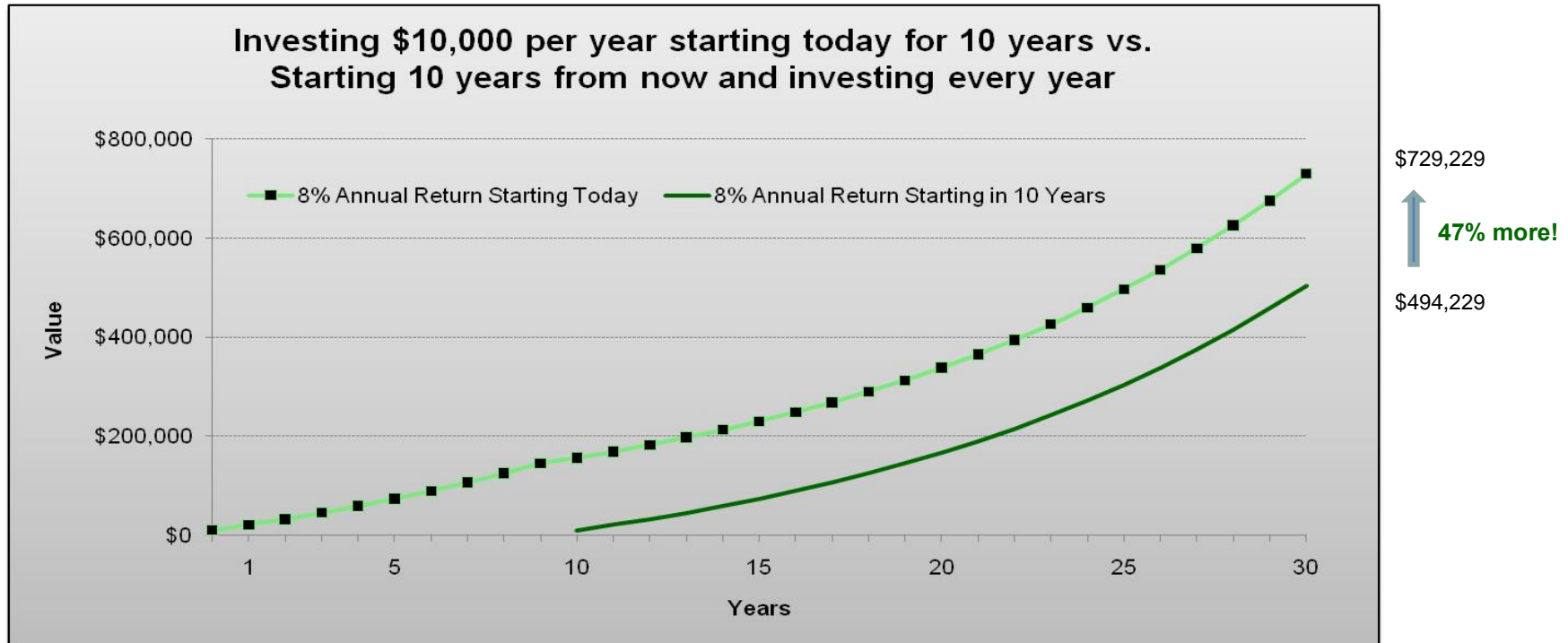
Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.

Source: Capital Group. The demographic assumptions, returns and ending balances are hypothetical and provided for illustrative purposes only, and are not intended to provide any assurance or promise of actual returns and outcomes. Returns will be affected by the management of the investments and any adjustments to the assumed contribution rates, salary or other participant demographic information. Actual results may be higher or lower than those shown. Past results are not predictive of results in future periods. Based on an exhibit from Russell Investments. The additional years of retirement spending are intended to represent a conservative measure.

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Cost of Procrastination - Start Today!

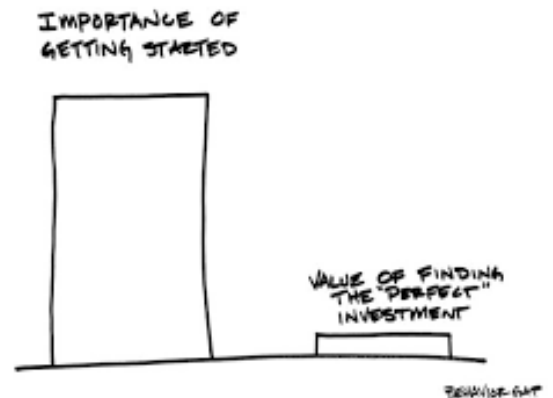
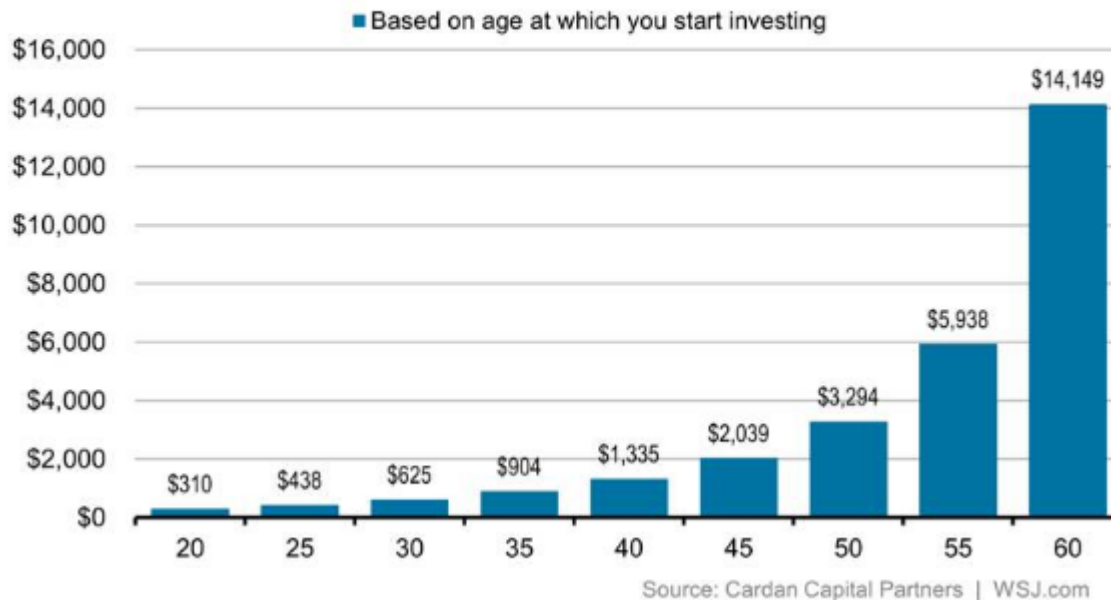


\$10,000 invested every year starting today, for 10 years (\$100,000 invested) at 8% annual return will create 47 % more value, or \$235,000 more than investing twice more (\$200,000 invested) starting 10 years from now for 20 years!

Cost of Procrastination - Start Today!

Monthly Savings Needed to Achieve \$1M at Retirement

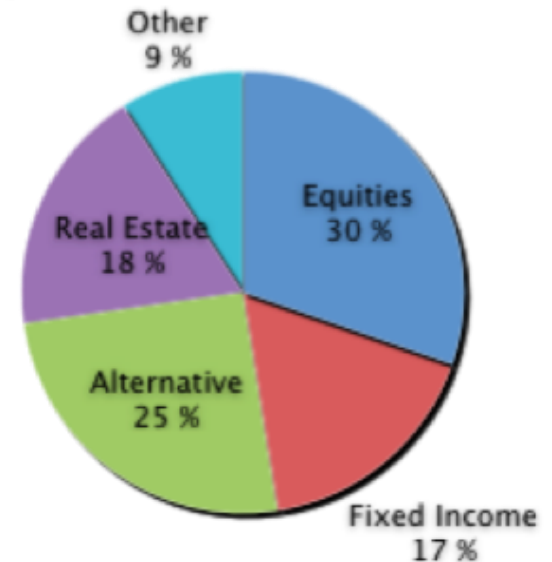
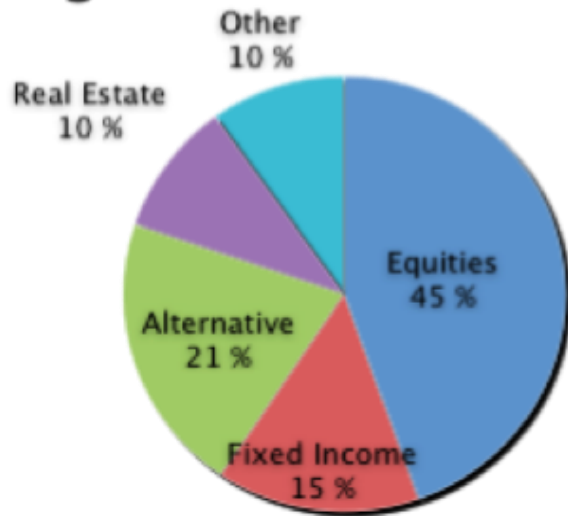
Hypothetical assumes 6.5% annual return and doesn't account for fees or taxes.



Asset Allocation and Diversification

Examples of Asset Allocation

Average Millionaires Americas Average Millionaires Europe



Alternative = Speculative Funds + Private Funds (Example: Hedge Funds, Private equity)

Asset Allocation Drives Performance

Data set	Variability of Returns
Retirement Plans (Brinson, Hood and Beebower, 1986. Period: 1974-1983)	93 %
Retirement Plans (Brinson, Hood and Beebower, 1991. Period: 1978-1987)	91 %
Retirement Plans and Mutual Funds (Ibbotson and Kaplan, 2000. Period: 1993-1997)	88 %
Balanced Mutual Funds (Ibbotson and Kaplan, 2000. Period: 1993-1997)	81 %
Mutual Funds (Vanguard, 2003. Period: 1962-2003)	77 %

* variation in a portfolio's returns over time attributed to asset allocation



Diversification is Key

Best
Performer



Worst
Performer

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	1994-2008 Return
Int'l 7.80%	S&P 500 37.60%	S&P 500 23.00%	Mid Value 34.40%	S&P 500 28.60%	Mid Growth 51.30%	Mid Value 19.20%	U.S. Bonds 8.40%	U.S. Bonds 10.30%	Mid Growth 42.70%	Mid Value 23.70%	Int'l 13.50%	Int'l 26.90%	Int'l 11.60%	U.S. Bonds 5.20%	Mid Value 8.65%
S&P 500 1.30%	Mid Value 34.90%	Mid Value 20.30%	S&P 500 33.40%	Int'l 20.00%	Int'l 27.00%	U.S. Bonds 11.60%	Mid Value 2.30%	Mid Value -9.70%	Int'l 38.60%	Int'l 20.30%	Mid Value 12.70%	Mid Value 20.20%	Mid Growth 11.40%	BFM -31.58%	BFM 6.73%
BFM 0.38%	Mid Growth 34.00%	Mid Growth 17.50%	Mid Growth 22.50%	Mid Growth 17.90%	S&P 500 21.00%	BFM -0.86%	BFM -8.56%	BFM -12.96%	Mid Value 38.10%	Mid Growth 15.50%	Mid Growth 12.10%	S&P 500 15.80%	U.S. Bonds 7.00%	S&P 500 -37.00%	S&P 500 6.46%
Mid Value -2.10%	BFM 27.24%	BFM 14.08%	BFM 20.36%	BFM 16.06%	BFM 19.68%	S&P 500 -9.10%	S&P 500 -11.90%	Int'l -15.90%	BFM 30.44%	BFM 14.94%	BFM 9.12%	BFM 15.58%	BFM 6.82%	Mid Value -38.40%	U.S. Bonds 6.17%
Mid Growth -2.20%	U.S. Bonds 18.50%	Int'l 6.00%	U.S. Bonds 9.70%	U.S. Bonds 8.70%	Mid Value -0.10%	Mid Growth -11.80%	Mid Growth -20.20%	S&P 500 -22.10%	S&P 500 28.70%	S&P 500 10.90%	S&P 500 1.90%	Mid Growth 10.70%	S&P 500 5.50%	Int'l -43.40%	Mid Growth 5.34%
U.S. Bonds -2.90%	Int'l 11.20%	U.S. Bonds 3.60%	Int'l 1.80%	Mid Value 5.10%	U.S. Bonds -0.80%	Int'l -14.20%	Int'l -21.40%	Mid Growth -27.40%	U.S. Bonds 4.10%	U.S. Bonds 4.30%	U.S. Bonds 2.40%	U.S. Bonds 4.30%	Mid Value -1.40%	Mid Growth -44.30%	Int'l 3.58%

BFM is a hypothetical equal weighted portfolio of the 5 other asset classes

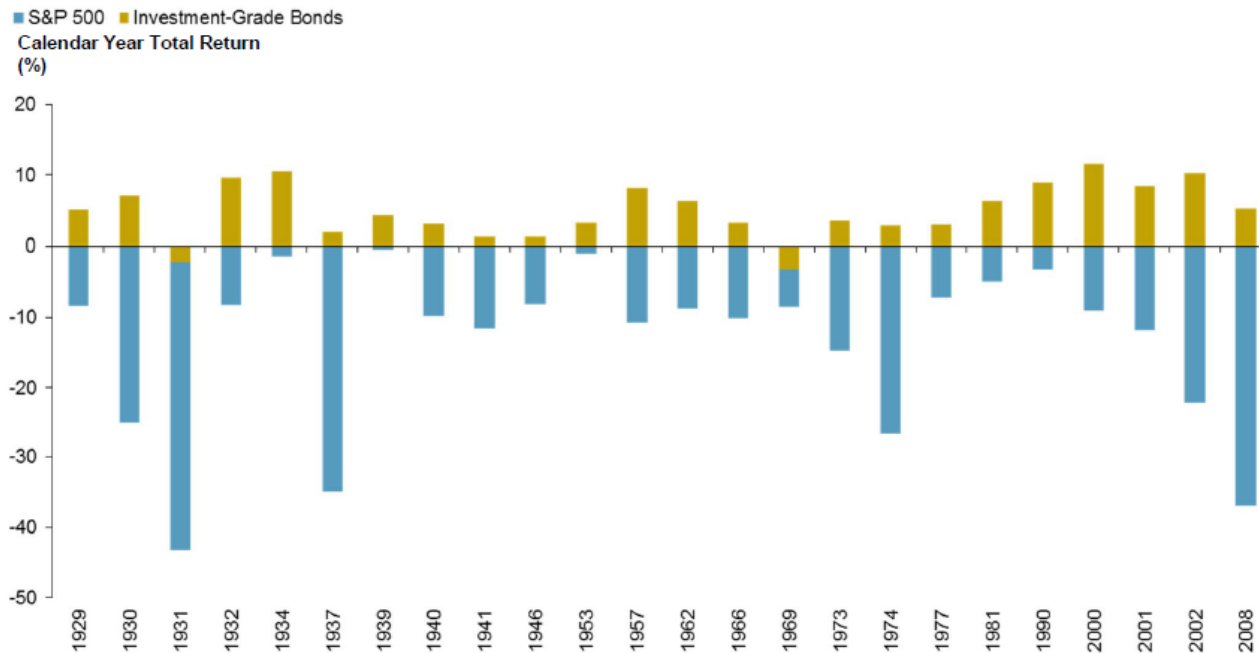
74% More by Diversifying the Portfolio!

	Investment	Annual return	After 30 years
Portfolio A	\$100,000	6%	\$574,349
Portfolio B	\$20,000	0%	\$20,000
	\$20,000	4%	\$64,868
	\$20,000	6%	\$114,870
	\$20,000	8%	\$201,253
	\$20,000	12%	\$599,198
Portfolio B Total		Average 6%	\$1,000,189



Diversification is Key (When Stocks are Down, Usually Bonds are Up!)

Bond Returns in Years Stocks Were Down, 1926-2012



Bond returns are represented by the performance of the Barclays Aggregate Bond Index from January 1976 through December 2013 and by a composite of the IA SBBI Intermediate-Term Government Bond Index (67%) and the IA SBBI Long-Term Corporate Bond Index (33%) from January 1926 through December 1975. Stock returns are represented by the performance of the S&P 500 Index. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Index performance is not meant to represent that of any Fidelity mutual fund. Diversification does not ensure a profit or guarantee against a loss. Source: Morningstar EnCorr, Fidelity Investments (AART) as of 12/31/13.

Diversification is Key

Old Portfolio

	<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>		<u>3-Year Performance</u>
	Weight	Return	Weight	Return	Weight	Return	
Fund A	60%	6.0%	60%	-10.0%	60%	5.0%	0.2%
Fund B	40%	4.0%	40%	-5.0%	40%	5.0%	3.7%
Annual Performance		5.2%		-8.0%		5.0%	1.6%
Growth of \$100		\$ 105		\$ 97		\$ 102	

New Portfolio

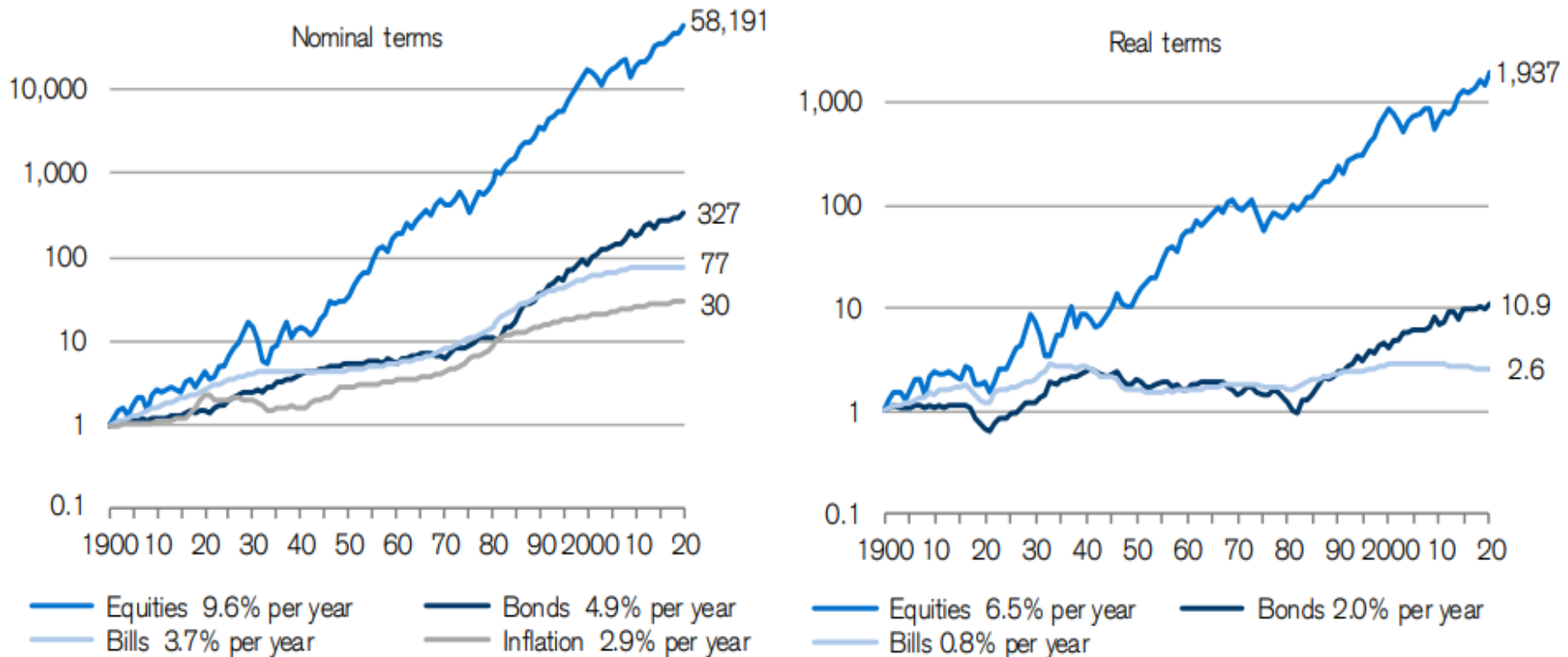
	<u>Weight</u> <u>Return</u>		<u>Weight</u> <u>Return</u>		<u>Weight</u> <u>Return</u>		
Fund A	50%	6.0%	50%	-10.0%	50%	5.0%	0.2%
Fund B	40%	4.0%	40%	-5.0%	40%	5.0%	3.7%
Fund C	10%	6.0%	10%	30.0%	10%	-30.0%	-3.5%
Annual Performance		5.2%		-4.0%		1.5%	2.5%
Growth of \$100		\$ 105		\$ 101		\$ 103	

The power of diversification/correlation. Adding a fund C with negative performance (but non correlated) in a portfolio could increase the performance of the portfolio

Stock Market Basics

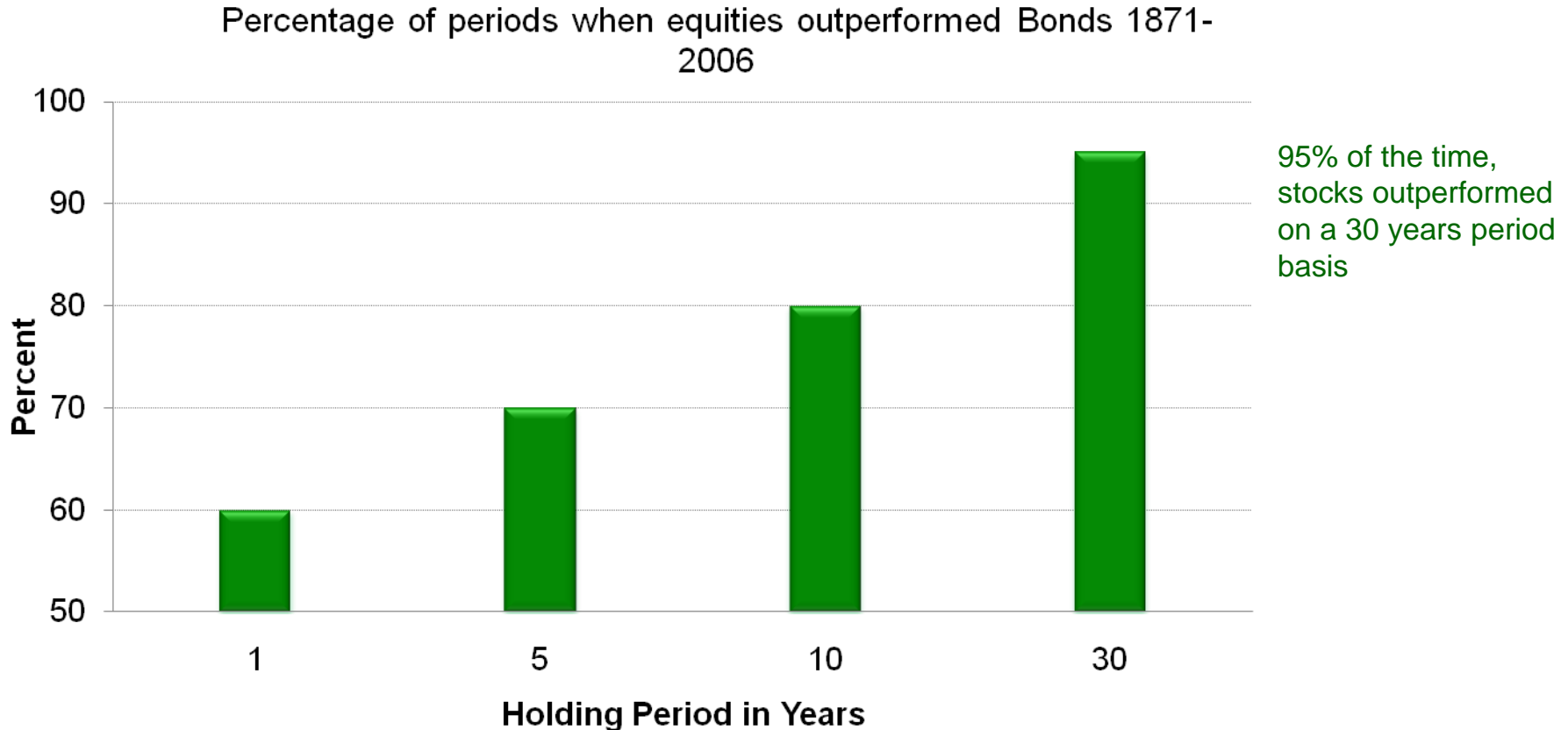
Stocks Outperformed

Cumulative returns on US asset classes in nominal terms (left) and real terms (right), 1900–2019



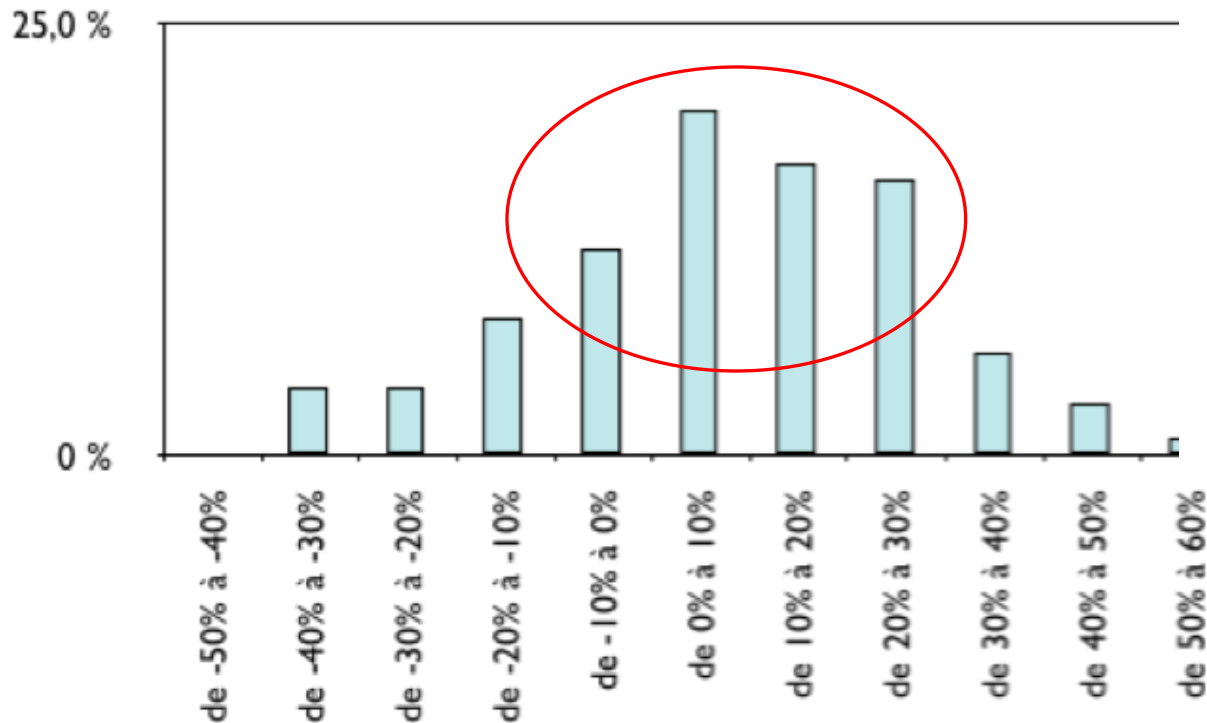
Sources: Elroy Dimson, Paul Marsh and Mike Staunton, *Triumph of the Optimists*, Princeton University Press, 2002, and *Global Investment Returns Yearbook*, Credit Suisse, 2020.

Stocks Outperformed...In the Long Run

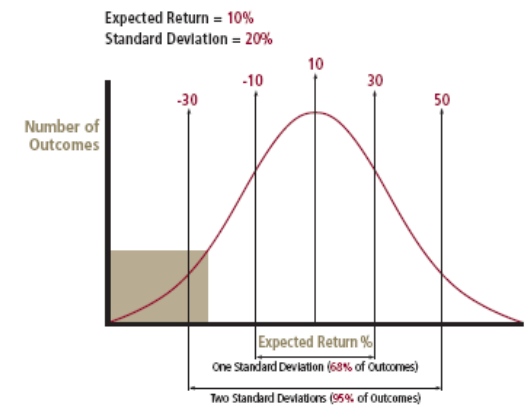


But Stocks are More Volatile

~70+% of the time, stock fluctuate between -10% and 30% in one year























Annual performance since 1872



In the Long Run, Stocks were Less Risky

Probability of Negative Absolute Return for Select Asset Classes (Rolling Total Returns, December 1969 through 2008)

	1 Month	1 Year	5 Years	10 Years
S&P 500	38.9% 	23.8% 	11.1% 	0.8% 
L/T Treasury Bonds	39.4% 	17.7% 	1.7% 	0.0% 
T-Bills	0.2% 	0.0% 	0.0% 	0.0% 
Gold	47.1% 	39.3% 	33.4% 	36.6% 
Real Estate	37.4% 	25.2% 	3.9% 	0.0% 

Stocks are Necessary to Offset Inflation



The S&P 500 index returns have exceeded the inflation rate during every rolling 20-year period since 1926. Bonds trailed inflation in 16 of those 64 periods, while cash lagged behind inflation in 20 of the 64 periods (Ibbotson).

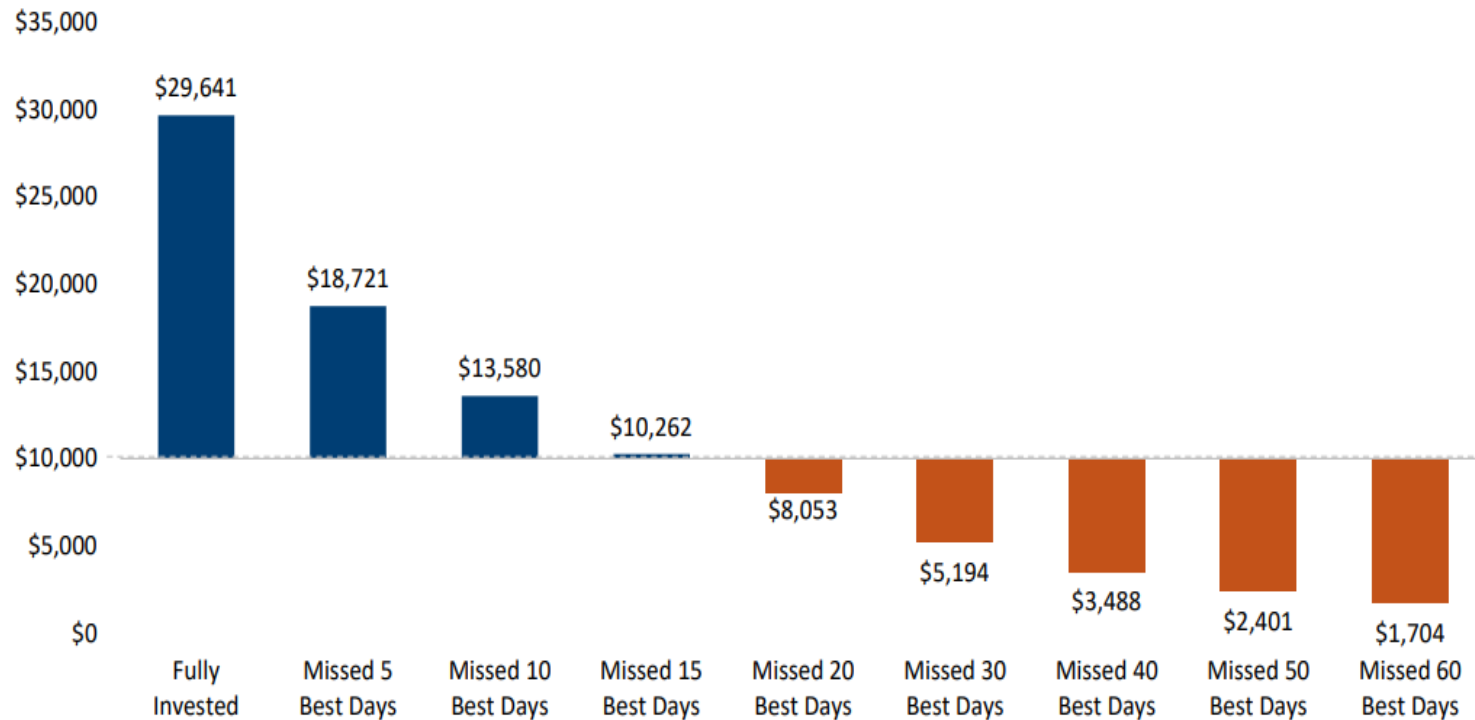
→ The best way to protect against down markets while maintaining a potential for real growth (adjusted for inflation) is to have a diversified portfolio that includes stocks, bonds and cash.



Buy and Hold vs. Market Timing

Staying invested is the best long-term strategy

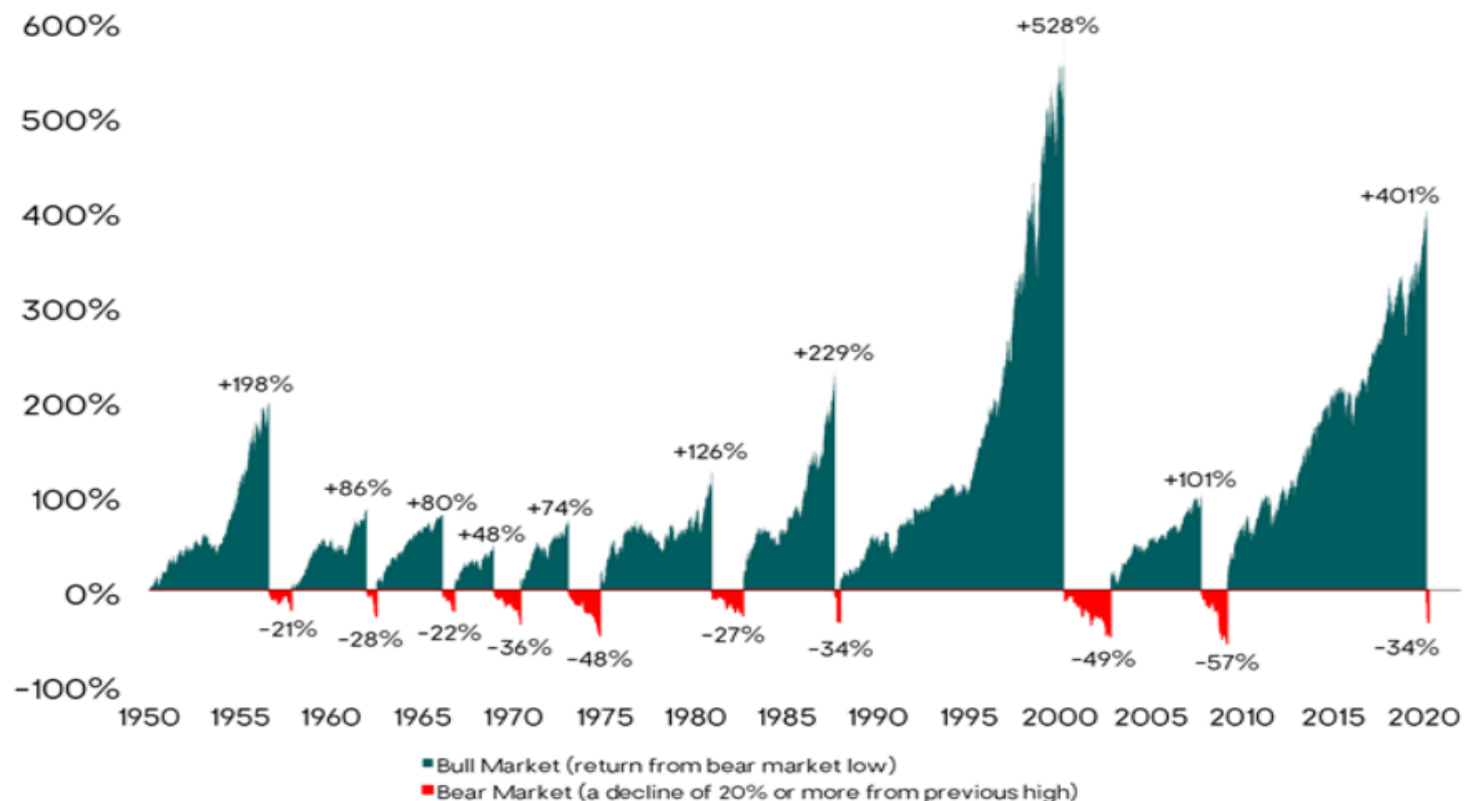
Growth of \$10,000, S&P 500 Index, 20 years ending 4/30/2020



Source: Morningstar. Performance data quoted represents past performance, which is no guarantee of future results. The S&P 500 Index is generally considered representative of the U.S. stock market.

Why We Were Optimistic Mid-March 2020

Bull and Bear Markets: Putting Even Extreme Declines into Perspective



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Pay Attention to Simulations of Insurance Products

\$250,000 Whole Life Policies issued in 1993 to a Male Issue Age 45 - Results in 2013

Listed by highest Actual Total Cash Value Internal Rate of Return (IRR)

Company	1993 Dividend Interest Rate*	Annual Premium	Total Cash Value			Total Death Benefit	
			Original IRR**	Actual IRR**	Actual Value	Actual IRR**	Actual Benefit
Northwestern Mutual 90 Life Select	9.25	5,815	5.36	4.67	194,434	10.85	406,807
Northwestern Mutual 90 Life Std NS^	9.25	6,185	4.51	4.17	195,168	10.37	408,024
Northwestern Mutual 90 Life Class I^	9.25	6,185	3.42	3.54	181,780	9.92	385,823
Massachusetts Mutual Life	9.45	4,730	4.67	3.47	138,001	11.01	337,475
New York Life	8.05	4,895	5.14	3.42	141,950	11.00	348,979
Guardian Life	9.75	4,591	5.33	3.14	129,038	10.40	303,616
Metropolitan Life	8.80	4,920	5.19	2.94	135,257	10.20	317,649
Penn Mutual	9.70	5,088	5.53	2.87	138,753	10.28	331,880
State Farm	—	4,708	4.21	2.26	120,002	10.71	323,611

Based on information provided in Blease Research Full Disclosure 2013 Whole Life Edition. Results are for major competitors only.

Policy results are based on \$250,000 whole life policies issued in 1993 to a 45 year old male in the best underwriting class. ^ Policy information compiled by Northwestern Mutual.

*1993 Dividend Scale Interest Rates from survey conducted by Northwestern Mutual. State Farm rate is not available.

**Cash value internal rate of return (IRR) based on actual dividends used to purchase additions. The IRR is the level annual return needed on the premium to produce the respective value or benefit. A higher IRR is more favorable. IRR does not take into account the time value of money.

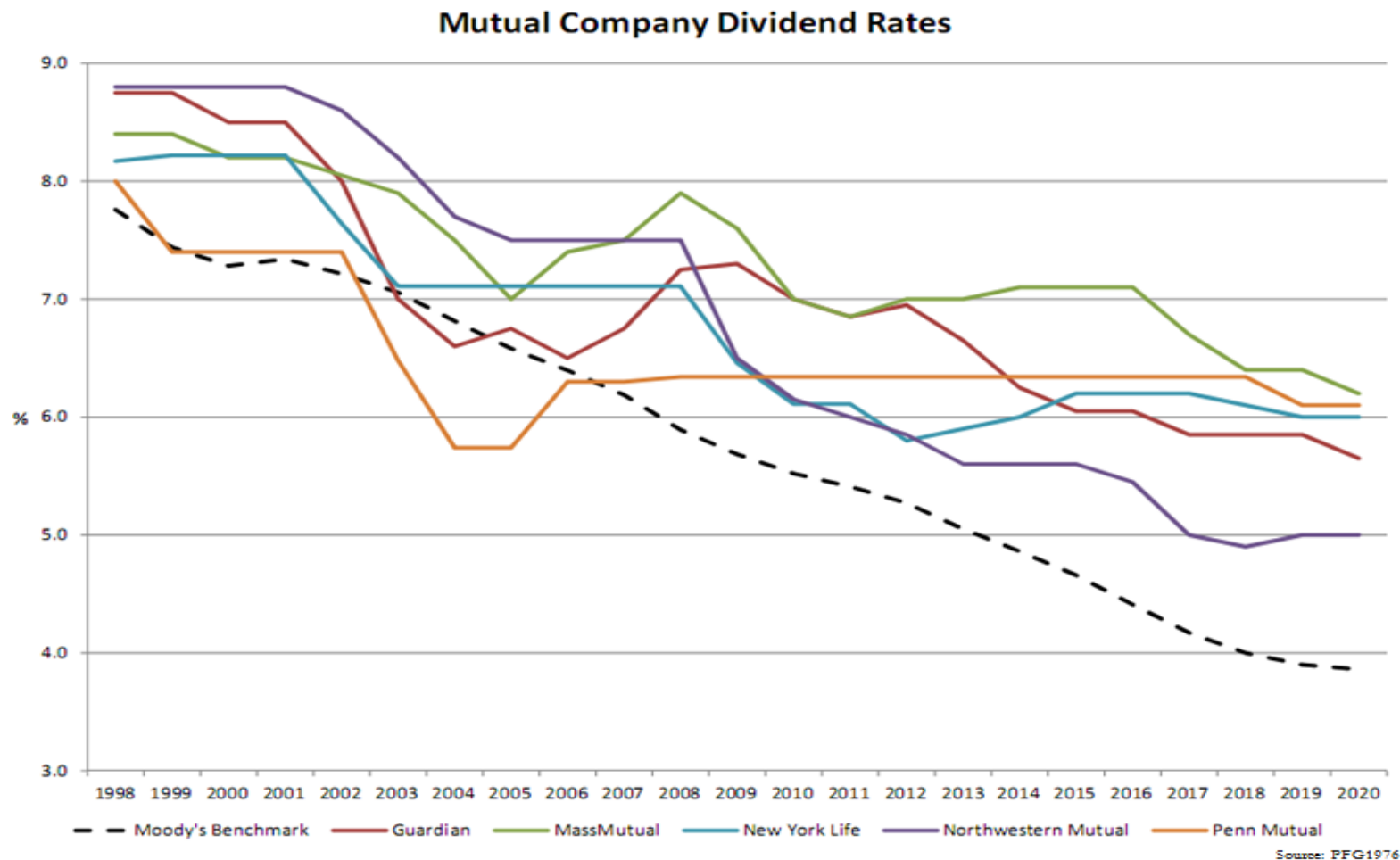
Roger Blease, was the founder of Blease Research and a former manager of product analysis for one of the nation's top credit rating agencies. His company published software that enabled subscribers to conduct detailed comparisons of cash value life insurance policies based on data provided by more than 50 of the nation's leading life insurance companies.

Prepared by The Northwestern Mutual Insurance Company - Milwaukee, WI (1014)

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, (NM)(life and disability insurance, annuities) and its subsidiaries.

71-0113

Pay Attention to Simulations of Insurance Products



Pay Attention to Simulations of Insurance Products

					Non-Guaranteed		
<u>Year</u>	<u>Age End Year</u>	<u>Contract Premium</u>	<u>Guaranteed Cash Value End Year</u>	<u>Guaranteed Death Benefit End Year</u>	<u>Annual Dividend End Year</u>	<u>Cash Value of Additions End Year</u>	<u>Total Cash Value End Year</u>
1	44	5,000	1,583	124,813	173	173	1,756
2	45	5,000	4,353	124,813	298	478	4,831
3	46	5,000	8,510	124,813	435	928	9,438
4	47	5,000	12,836	124,813	575	1,534	14,370
5	48	5,000	17,340	124,813	722	2,307	19,647
6	49	5,000	22,029	124,813	764	3,147	25,177
7	50	5,000	26,912	124,813	809	4,061	30,973
8	51	5,000	31,993	124,813	861	5,057	37,050
9	52	5,000	37,278	124,813	917	6,142	43,420
10	53	5,000	42,775	124,813	980	7,326	50,101

Source: MassMutual (05/2020)

Conclusions

- Retirement may be long
- Healthcare costs may be high
- Inflation and Taxes have large negative effects
- The capital you may need to retire may be higher than expected
- The average investor and mutual fund underperformed
- The cost of procrastination is impressive: start to save more today!
- Asset allocation and diversification are very important
- Stocks outperformed but they are more volatile
- Don't try to do market timing





**"Who the hell
wants to hear
actors talk?"**

H.M. Warner, Warner Brothers,
1927

Pay Attention to What People Do... Not What they Say...

"Who the hell wants to hear actors talk?"

H.M. Warner, Warner Bros., 1927

"I think there is a world market for maybe 5 computers."

Thomas Watson, Chairman of IBM, 1935

"TV won't be able to hold on to any market. People will soon get tired of staring at a plywood box every night."

Darry Zanuck, 20th Century Fox, 1946

"No one will need more than 637kb of memory, 640 kb ought to be enough for anybody."

Bill Gates, Microsoft, 1981

Who We Are

Patrick Bourbon – CFA, CFP®, Founder

Patrick is knowledgeable in preserving and growing your wealth, risk management, asset allocation, and mutual funds selection.

- 20-year+ investment experience
- Managed billions for 70,000+ people
- UBS Global Asset Management (2000 - 2010)
- Chartered Financial Analyst (CFA - 2003)
- Certified Financial Planner
- Master of Science in Finance (Chicago)
- Master of Science in Engineering (Paris)



Board of Advisors



BFM Helps You Meet Your Goals Thanks To:

- Independence
- Diversification
- Rebalancing
- Fund Selection
- Education



BFM enables our clients to increase their wealth through independent financial advice (we do not sell product and we have no commissions since we are fee only) and balanced long-term investments.

Key Reason to Choose BFM

6

KEY REASONS TO CHOOSE **BFM**

1. Affordable and straightforward flat fee
2. Fee only - No commission
3. No minimum assets
4. You keep full control of your accounts
5. Disciplined investment process
6. Independent fiduciary

BFM has Fiduciary Duty

- Act prudently and in the best interests of clients
- Avoid conflicts of interest, or ensure they are properly disclosed
- Treat all clients in a fair and equitable manner
- Always place the interests of clients ahead of its own interests

More on BFM

- Manage Globally Diversified Balanced Portfolio
- Our Core Beliefs:
 - Asset Allocation is the most important determinant of performance
 - Globally diversified portfolio reduces risk
 - A disciplined investment process is critical
 - Owning our firm allows us to focus solely on our client interests
- Our Investment Advisory Committee Provides Oversight to the Investment Process and Reviews the Long Term Strategy
- Portfolios are Monitored at least Annually for Drift from Strategy





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