Bogleheads University

Track 1.

Bogleheads 101: Fundamentals

1:30 - 4:30 p.m. CDT

CURRENT SESSION

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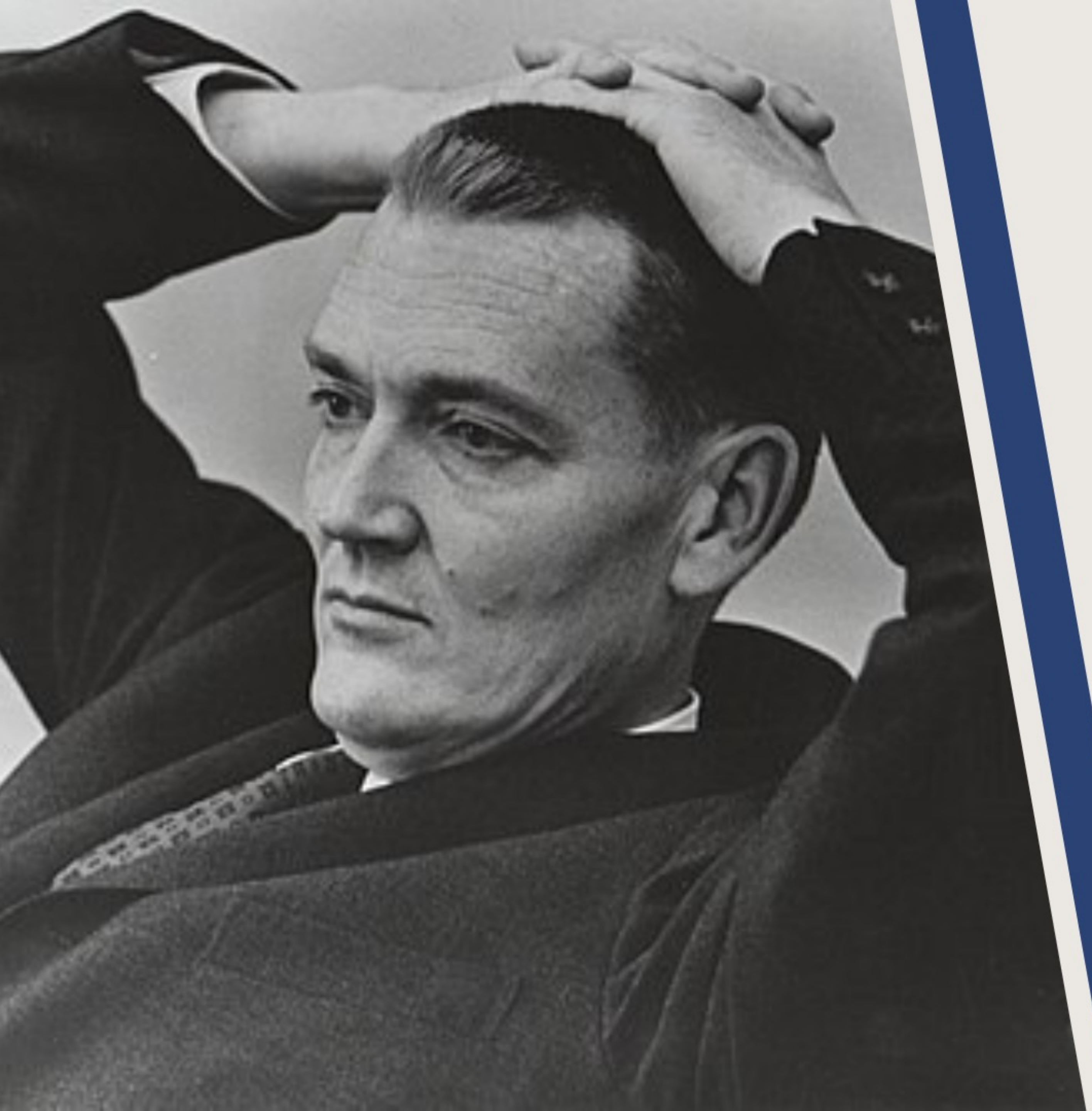

The 11 Boglehead Principles

2025 Bogleheads Conference

James M. Dahle, MD, FACEP

The John C. Bogle Center for Financial Literacy

Disclosures and Disclaimers

- I am not a financial advisor, accountant, or attorney
- I own and/or control The White Coat Investor, a for-profit company with hundreds of business relationships with financial companies including real estate investing companies
- Conflicts of interest are widespread but fully disclosed
- I won't be mentioning any specific companies in this talk (except Vanguard)

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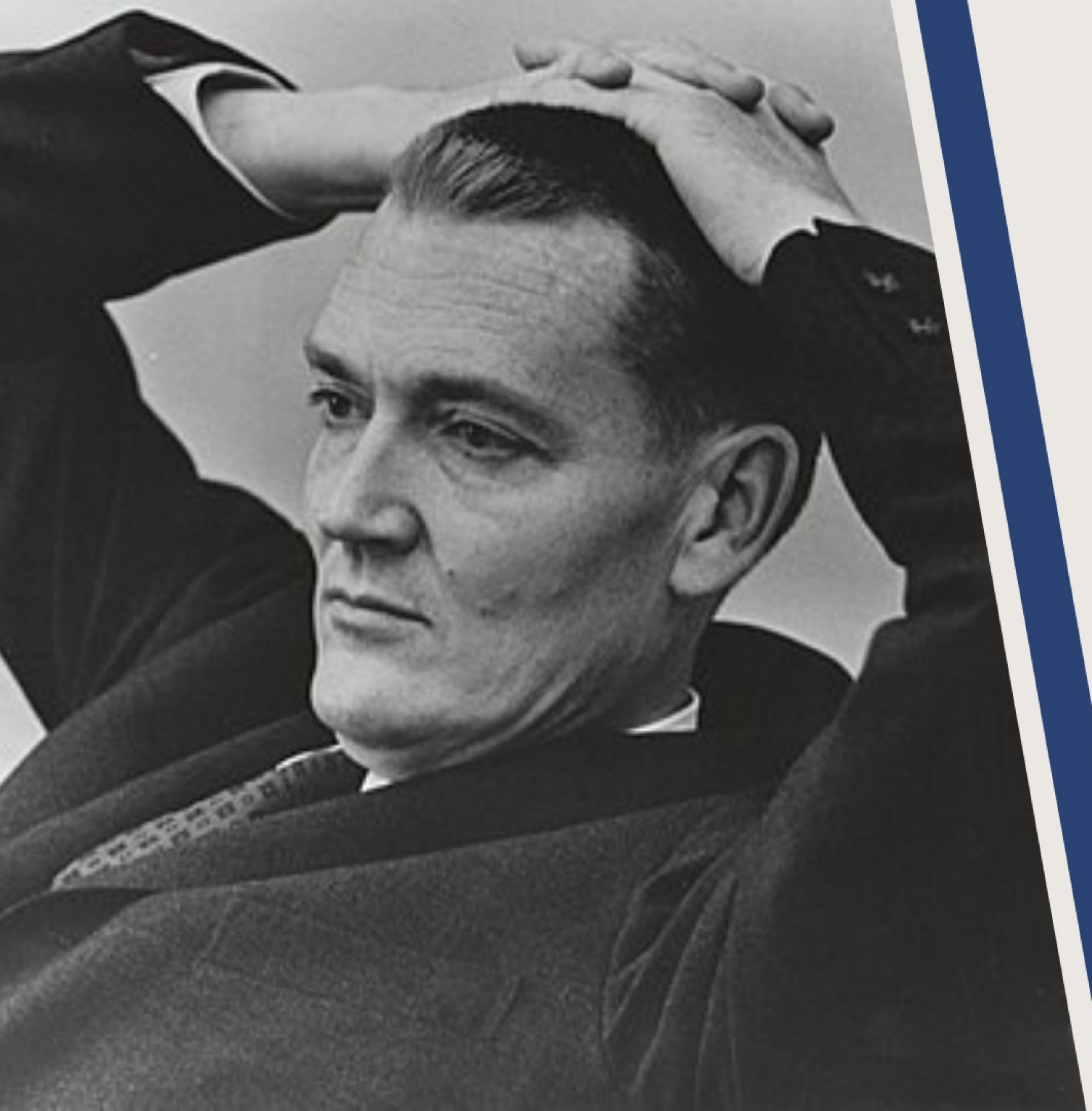
What We Are Going to Talk About

1. Live Below Your Means
2. Develop a Workable Plan
3. Never Bear Too Much or Too Little Risk
4. Invest Early and Often
5. Diversify
6. Invest With Simplicity
7. Use Index Funds When Possible
8. Minimize Costs
9. Minimize Taxes
10. Never Try to Time the Market
11. Stay the Course



1
Live
Below
Your
Means

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How to Get Rich in One Slide

1. Earn a lot of money
2. Don't spend a lot of money
3. Make your money work as hard as you do
4. Don't lose your money to:
    - Death
    - Disability
    - Divorce
    - Creditors
    - Speculative investments

How to Live Below Your Means

- Earn more (review contract, ask for raise, change job, side gig)
- Be a frugalista
- Plan your cash flow (the hardest part of personal finance)
- Most cannot invest until they save
- Calculate your net worth and savings rate each year
- Retirement Saving Rate = Dollars going toward retirement in any account (including match)/gross income (including match)
  - 15% is fine for most people, 20% for high earners, 25%+ for FIRErs/late starters

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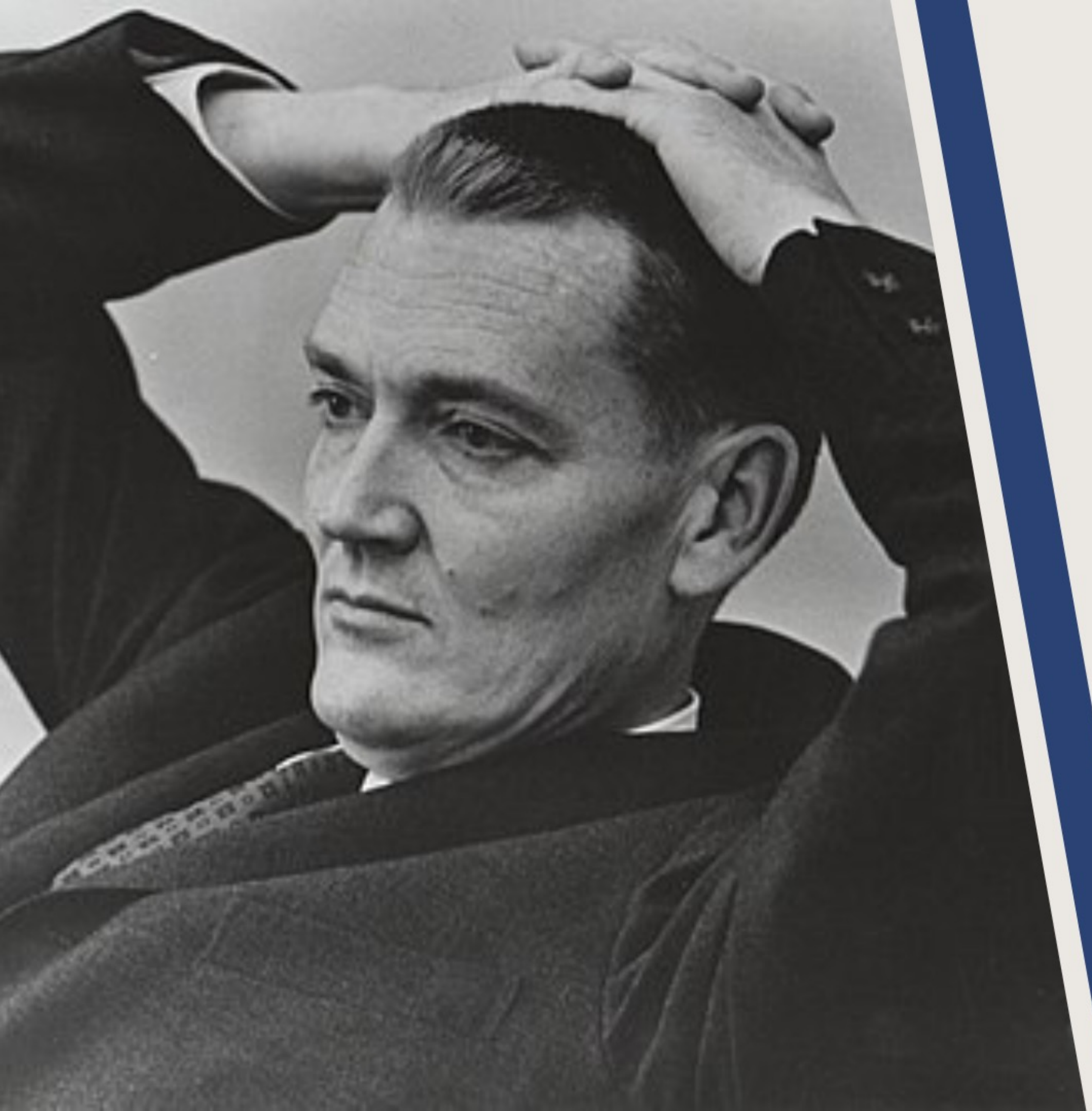

2
Develop a Workable Plan

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Develop a Workable Plan

- Fail to plan, plan to fail
- Write your plan down
  - Yes, it will change
  - A written document can be referred back to when you (or markets) are uncertain
  - The act of writing it down exposes gaps in your plan or your knowledge base that you can then go fill
- Use realistic assumptions (study financial history)

Develop a Workable Plan

- A financial plan is NOT just an investment plan
- Consider
  - Student loan/debt reduction plan
  - Housing plan
  - Estate plan
  - Asset protection plan
  - Spending plan
  - Insurance plan
  - Giving plan
  - Investing plan

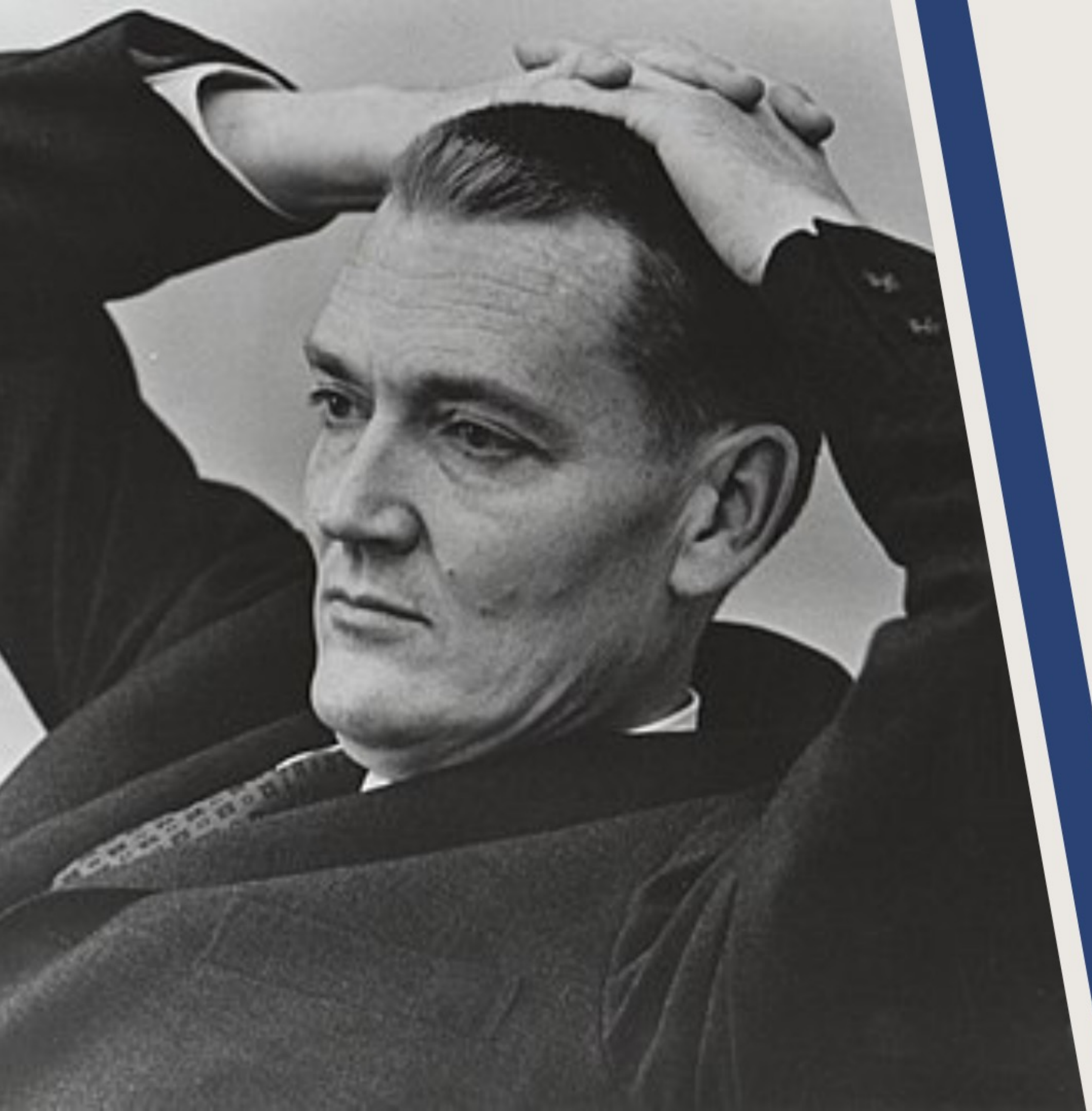
The Basic Process for an Investing Plan

- 4 Steps, Most Try to Skip to Step 4

1. Set SMART goals (I want $2.8 million on Jan 1, 2042)
    1. Specific
    2. Measurable
    3. Attainable
    4. Relevant
    5. Time-limited
2. Choose accounts for each goal
3. Choose an asset allocation (AA) for each goal
4. Choose investments (usually index funds) to give you that AA

3 Options to Get a Plan

1. Hire a financial planner to help you draft one
   - Saves a lot of time, but costs thousands
2. Take a course designed to help you write a plan
   - More time consuming, but saves some money
3. The Do It Yourself approach
   - Free if you ignore the value of your time, but might be fun
   - Consume books, blog posts, podcasts, forums
   - Ask questions, post your plan for feedback on good forums like Bogleheads.org
   - Write your own plan



3
Never Bear Too Much or Too Little Risk

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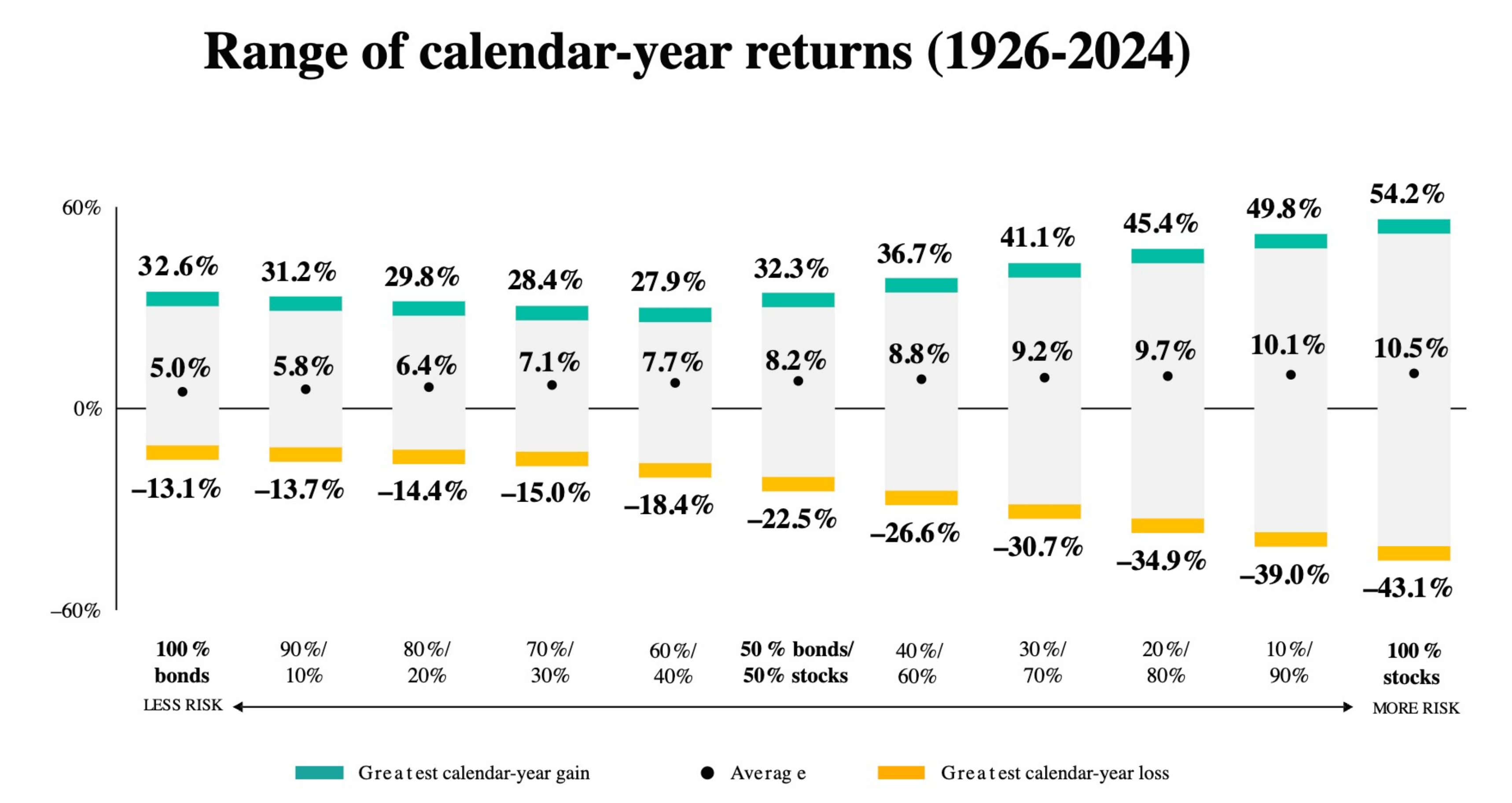
Never Bear Too Much or Too Little Risk

- Applies to investments and insurance
- Insurance has to be a ”bad deal” on average
  - Company must charge enough to pay benefits, cover expenses, and make a profit so benefits always < total of premiums paid on average
  - You should still buy it
  - Insure against financial catastrophes
    - Breadwinner dying young (life insurance)
    - Breadwinner disability (disability insurance)
    - Housing burning to the ground (property insurance)
    - Becoming ill or injured (health insurance)
    - Professional or personal lawsuits (malpractice, umbrella policies)
  - Use emergency fund to self-insure non-catastrophes

Investment Risk Control

- The goal of investing is to reach your goals while taking as little risk as possible
- Two main risks you must balance
  - Risk of not earning enough to reach your goals
  - Risk of real loss or panic selling due to temporary loss
- Only after-inflation, after-tax, after-fee returns count
- Rule of 72
- Main determinant of long term returns is mix of risky to less risky assets
  - i.e. stock to bond ratio

Historic Returns With Stock/Bond Mixes



https://investor.vanguard.com/investor-resources-education/education/model-portfolio-allocation

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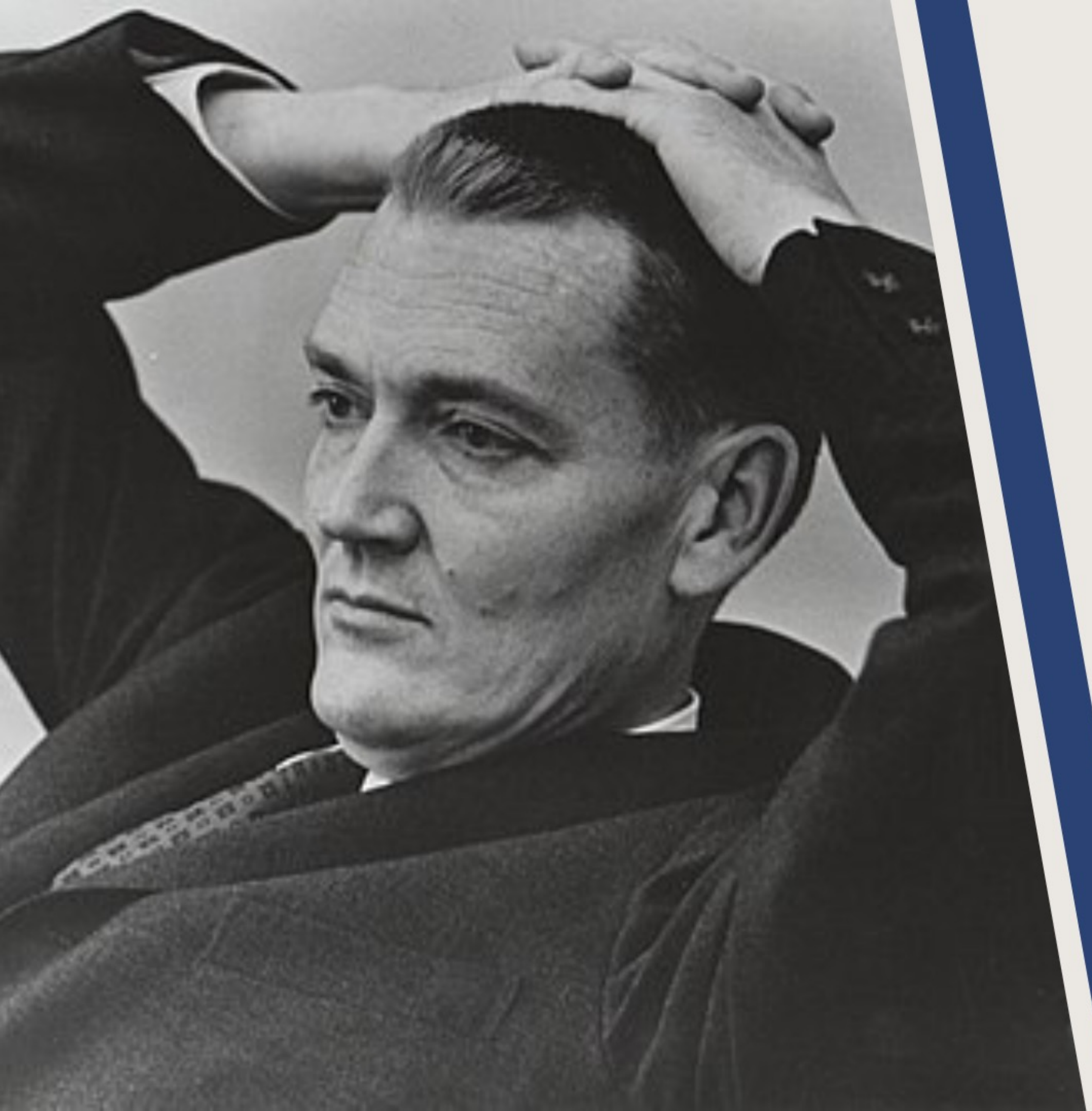
Risk Tolerance

- Risk tolerance changes, but only your risk tolerance at market lows really matters
- Price Is Right philosophy
- When setting asset allocation, err on the conservative side until you've passed through your first bear market
- Stop playing once you've won the game
  - Don't take more risk than you need to in order to reach your goals
- Phil Demuth Quote

Risk Tolerance

- “Even if risk tolerance existed and could be measured accurately, why would it be an important factor to consult when considering how to invest? You should invest in the way that has the greatest prospect to fulfill your investment goals. That might mean taking more or less risk than you would prefer. If you are a sensitive soul who can brook no paper losses, the solution is to get a grip, not to invest ‘safely’ if that locks in running out of money when you are old.” –Phil Demuth



4
Invest Early and Often

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Invest Early and Often

- The miracle of compound interest
  - Let your money do as much of the heavy lifting as possible
  - This requires time, and the more of it you have the better

Invest Early and Often

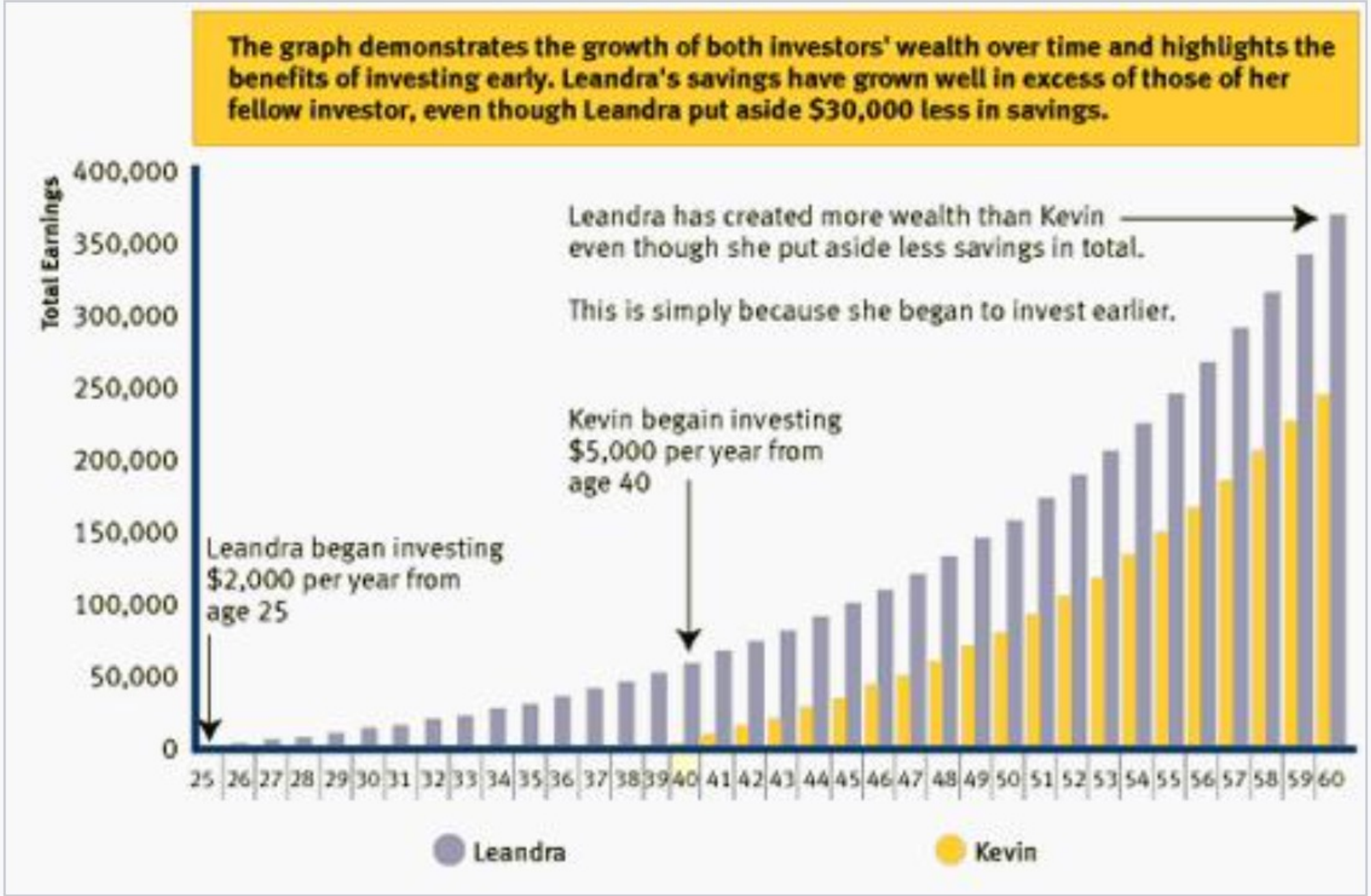

Figure 1. Returns compounded at 8% per annum

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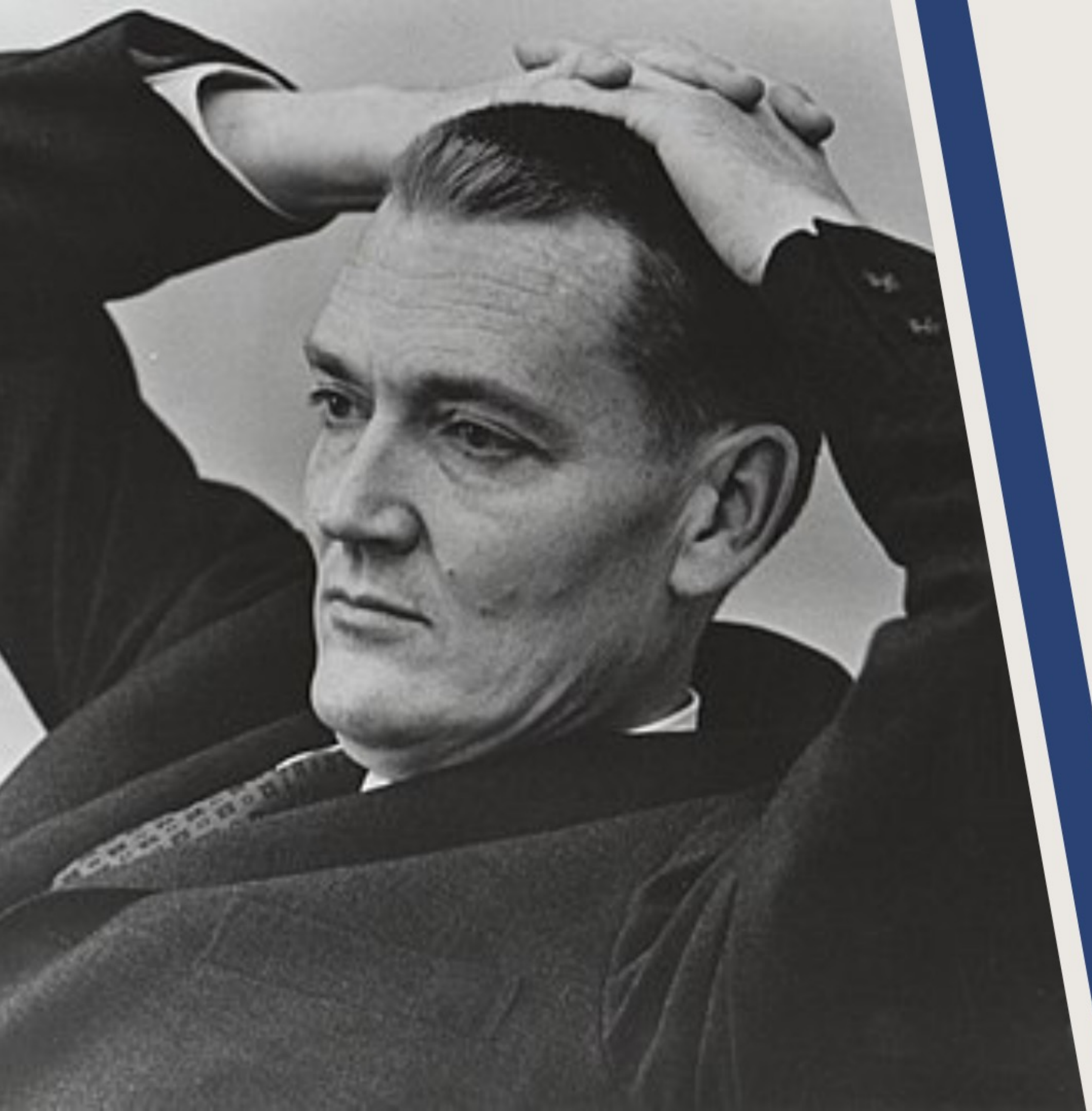

5
Diversify

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Diversify

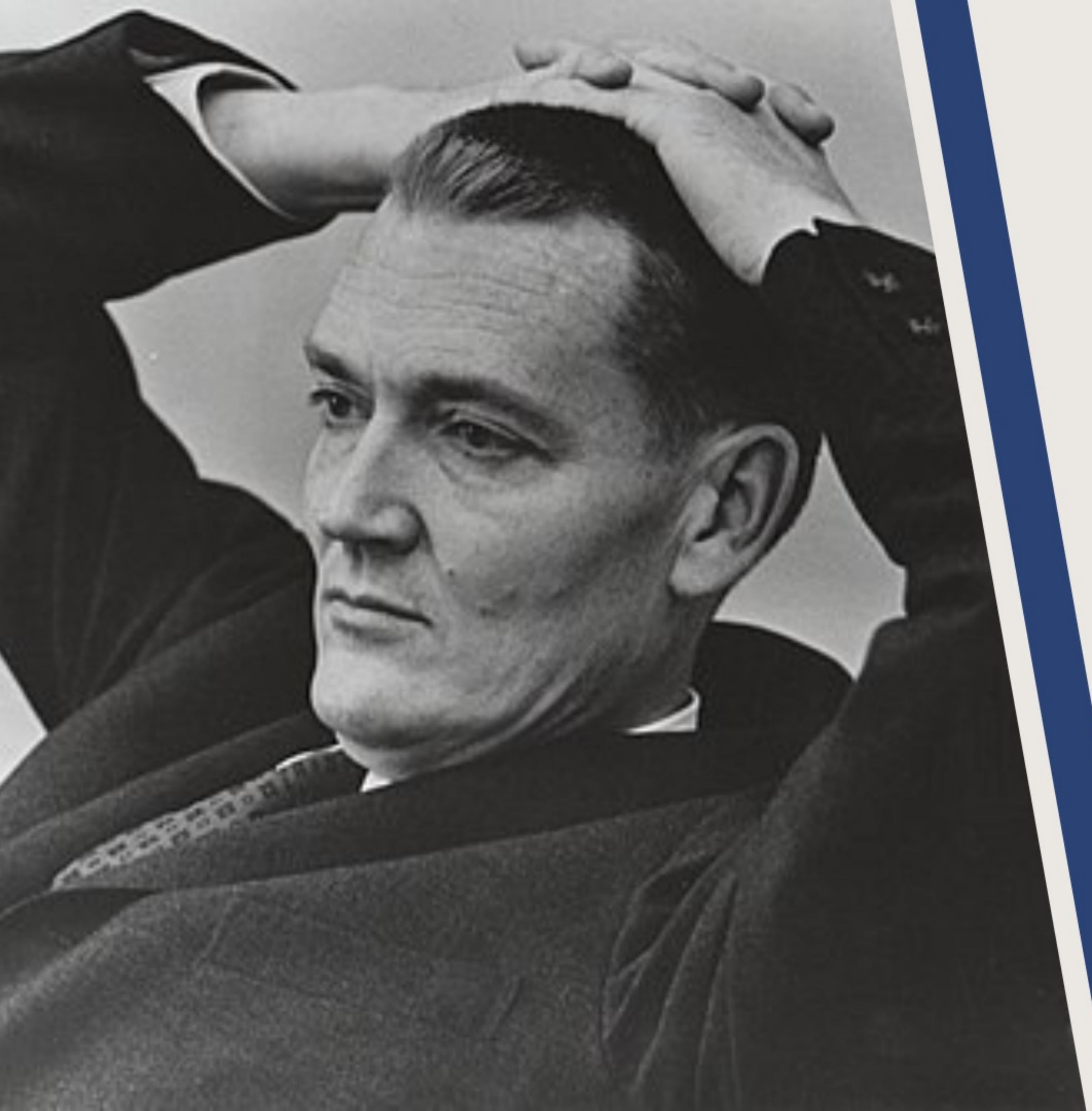
- Diversify between and within asset classes
- Find balance—you don't have to invest in everything to be successful
- You want asset classes with good returns AND low correlation
- 3 Asset classes/subasset classes generally considered minimum
- 4-7 total probably beneficial
- 8-10 might be beneficial
- Beyond 10 you're definitely just playing with your money

Asset Classes to Consider

- Stocks: US, international, large, mid-cap, small, value, growth
- Bonds: US, international, treasury, corporate, mortgage, savings, municipal, short-term, intermediate, long-term
- Real estate: Public REITs, debt, equity, SFHs, multi-family, industrial, retail,
- Speculative/non-productive: precious metals, currencies, cryptoassets, NFTs, art, empty land, commodities

Asset Classes to Consider

- Broadly diversified index or index-like funds generally offer hundreds or even thousands of individual securities
- You do not want a significant part of your fortune tied up with a single company or two, especially if you work for it.



6
Invest With Simplicity

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Jack Bogle on Simplicity

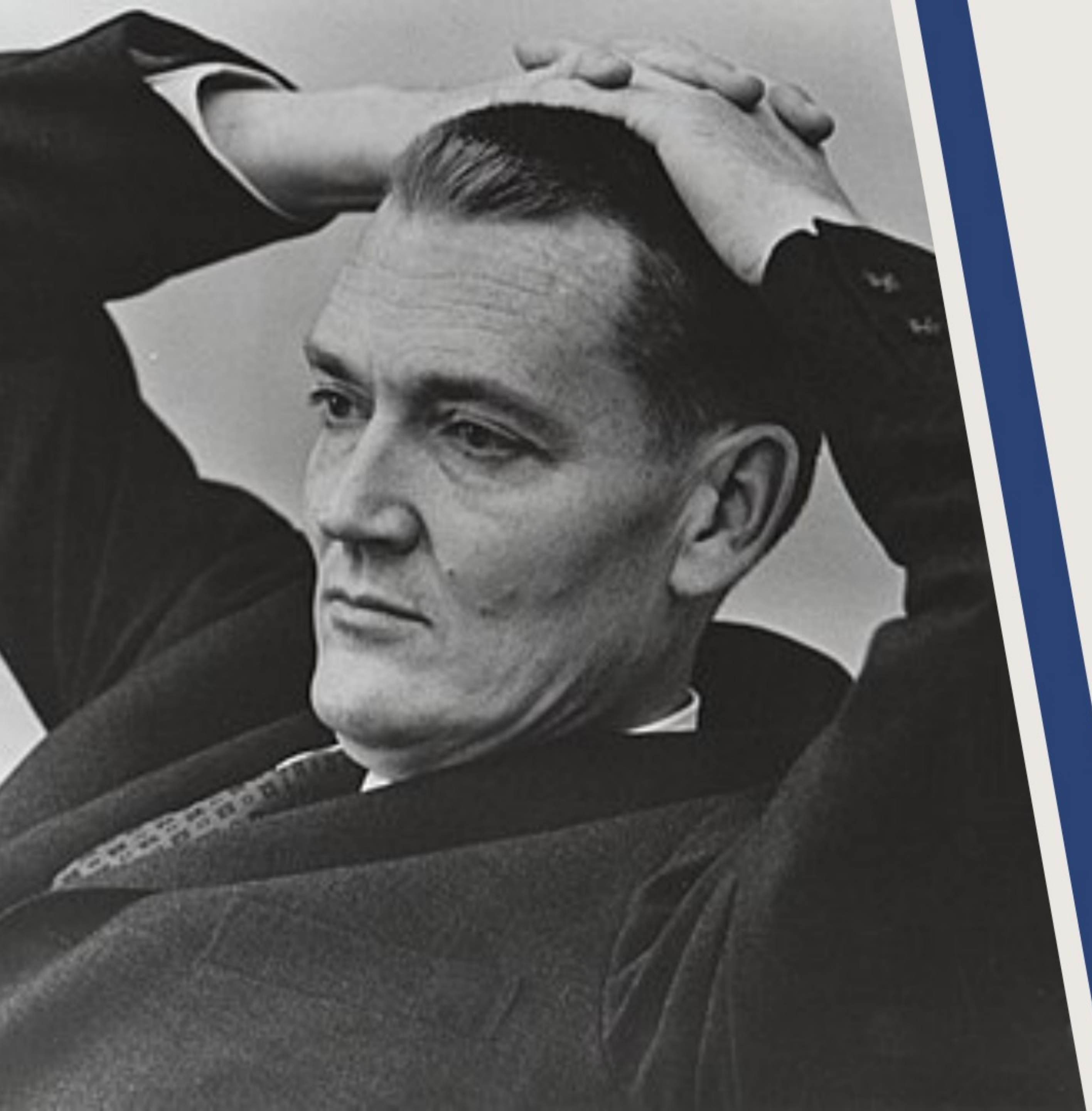
- “When there are multiple solutions to a problem, choose the simplest one.”
- “The great paradox of this remarkable age is that the more complex the world around us becomes, the more simplicity we must seek in order to realize our financial goals. Please underrate neither the majesty of simplicity nor its proven effectiveness as a long-term strategy for productive investing. Simplicity is the master key to financial success.”
- “Investing is not nearly as difficult as it looks. Successful investing involves doing a few things right and avoiding serious mistakes.”

Invest With Simplicity

- There are lots of ways to optimize/add value to your portfolio and other financial activities
  - More asset classes
  - Private investments
  - Market timing schemes
  - Options
  - Credit card/travel hacking
  - Trusts and asset protection schemes
- Each of them adds complexity
- Carefully evaluate where the juice is worth the squeeze
  - It often (usually?) isn't

Invest With Simplicity

- It is not only possible, but reasonable, for many investors to invest in a single multi-asset class mutual fund like a “target retirement” or ”life strategy” fund
- As an enthusiast/hobbyist, try to constantly resist changing your portfolio and adding complexity
- Don’t collect investments
  - Know why you own what you own



7
Use Index Funds When Possible

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SPIVA Report

Report 1a: Percentage of U.S. Equity Funds Underperforming Their Benchmarks (Based on Absolute Return)

Fund Category	Comparison Index	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)	20-Year (%)
All Domestic Funds	S&P Composite 1500®	64.33	74.87	79.32	88.32	90.31	92.52	93.81
All Large-Cap Funds	S&P 500	54.31	72.61	64.87	86.91	85.98	88.29	91.03
All Mid-Cap Funds	S&P MidCap 400	25.34	37.25	66.67	73.54	76.84	83.72	88.81
All Small-Cap Funds	S&P SmallCap 600	22.33	40.58	30.21	61.60	78.42	85.41	87.81
All Multi-Cap Funds	S&P Composite 1500	55.34	69.40	78.38	85.94	89.11	90.85	93.17
Large-Cap Growth Funds	S&P 500 Growth	82.71	86.82	42.45	88.29	90.51	96.29	97.22
Large-Cap Core Funds	S&P 500	66.67	85.32	79.74	83.11	96.57	96.77	92.74
Large-Cap Value Funds	S&P 500 Value	16.06	21.97	78.23	76.14	89.40	91.96	86.22
Mid-Cap Growth Funds	S&P MidCap 400 Growth	17.97	16.15	58.40	75.00	62.65	78.24	84.90
Mid-Cap Core Funds	S&P MidCap 400	27.19	37.50	77.78	66.02	86.18	89.63	97.58
Mid-Cap Value Funds	S&P MidCap 400 Value	29.63	89.29	78.57	76.92	93.85	92.41	90.70
Small-Cap Growth Funds	S&P SmallCap 600 Growth	50.56	34.29	44.39	88.42	78.05	86.40	90.36
Small-Cap Core Funds	S&P SmallCap 600	23.23	42.95	33.47	47.60	83.46	88.55	90.83
Small-Cap Value Funds	S&P SmallCap 600 Value	4.08	51.06	17.46	43.84	72.80	87.50	88.89
Multi-Cap Growth Funds	S&P Composite 1500 Growth	60.00	66.67	66.05	91.01	91.58	91.32	92.36
Multi-Cap Core Funds	S&P Composite 1500	60.85	77.63	83.12	85.65	96.75	93.93	94.00
Multi-Cap Value Funds	S&P Composite 1500 Value	18.64	31.53	74.65	69.59	89.83	92.95	89.50
Real Estate Funds	S&P United States REIT	40.30	50.00	92.59	92.41	81.72	87.00	90.36

Source: S&P Dow Jones Indices LLC, CRSP. Data as of June 30, 2025. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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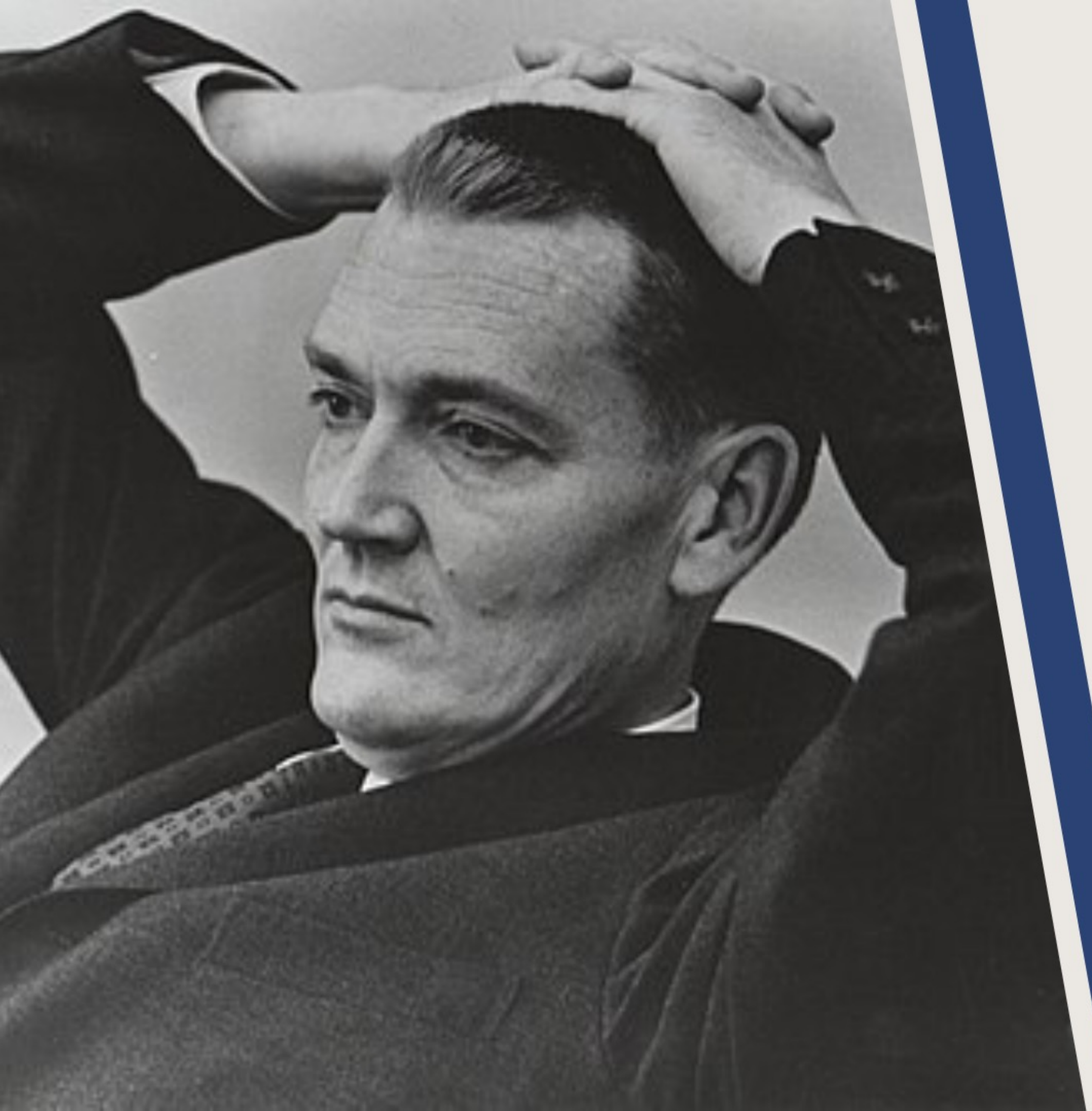
Index Funds Work

- "Just buy all the stocks" is a surprisingly sophisticated approach
- Frees up your time and mental energy for activities that actually matter in your life or at least add value to your portfolio
- If professionals can't pick stocks well enough to beat the market, what makes you think you can?
- If you think you can beat the market, carefully track your returns. You'll probably stop.
  - But if not, open a hedge fund and charge 2 and 20 because your skill is very rare
- Index funds are also more tax-efficient due to low turnover
- No manager risk, less worry



8
Minimize Costs

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Jack Bogle on Costs

- "Gross returns in the financial markets minus the costs of financial intermediation equal the net returns actually delivered to investors".
- "Where returns are concerned, time is your friend. But where costs are concerned, time is your enemy".
- "The miracle of compounding returns is overwhelmed by the tyranny of compounding costs".

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Minimize Costs

- Index funds work not because of the efficient markets hypothesis, but because of the cost matters hypothesis.
- Costs matter- They must come from your return, there is nowhere else for them to come from
- 1% is a much bigger number than it appears at first to most people

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Minimize Costs

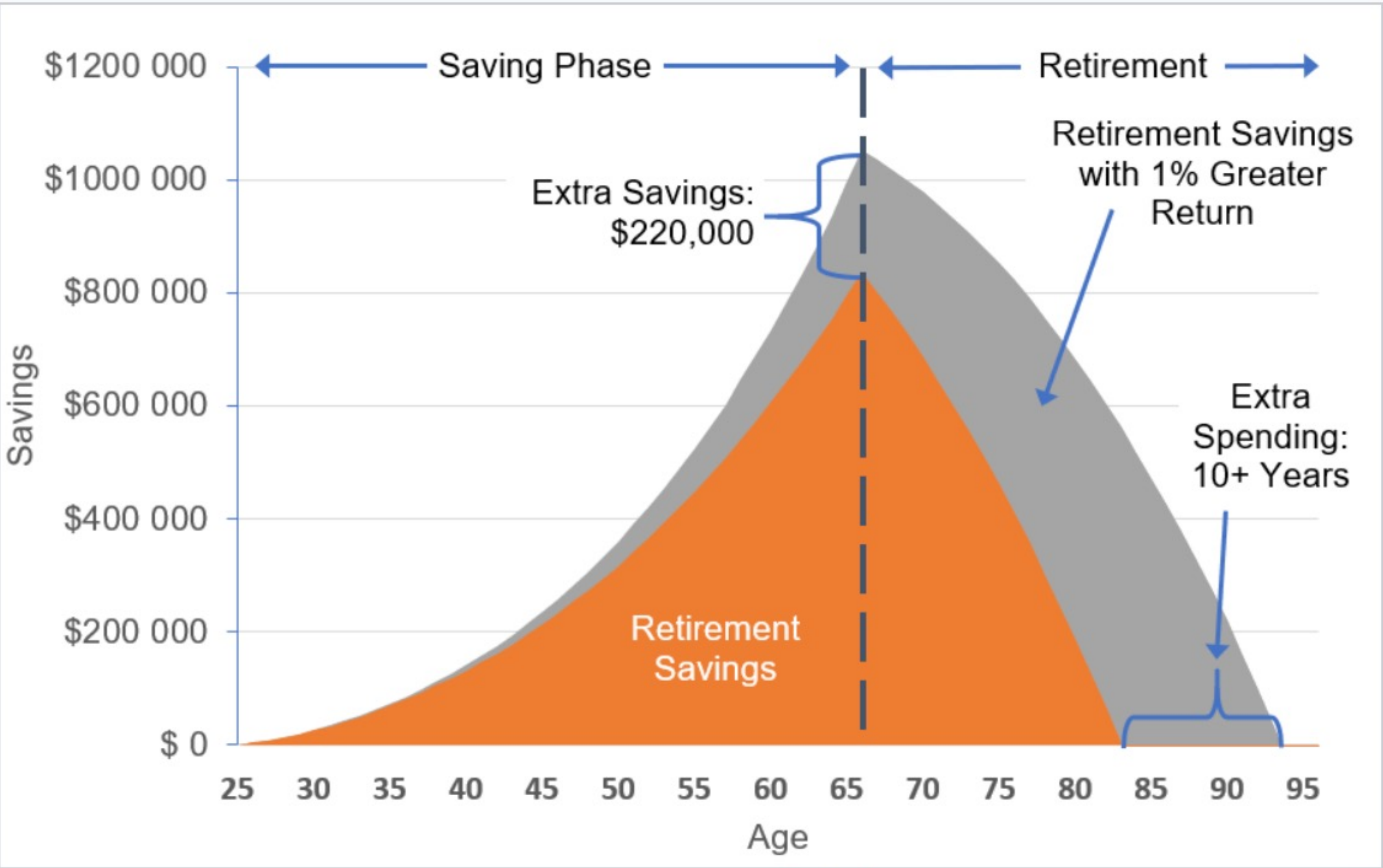

Figure 2. Reducing Expenses by 1% Per Year[note 3]

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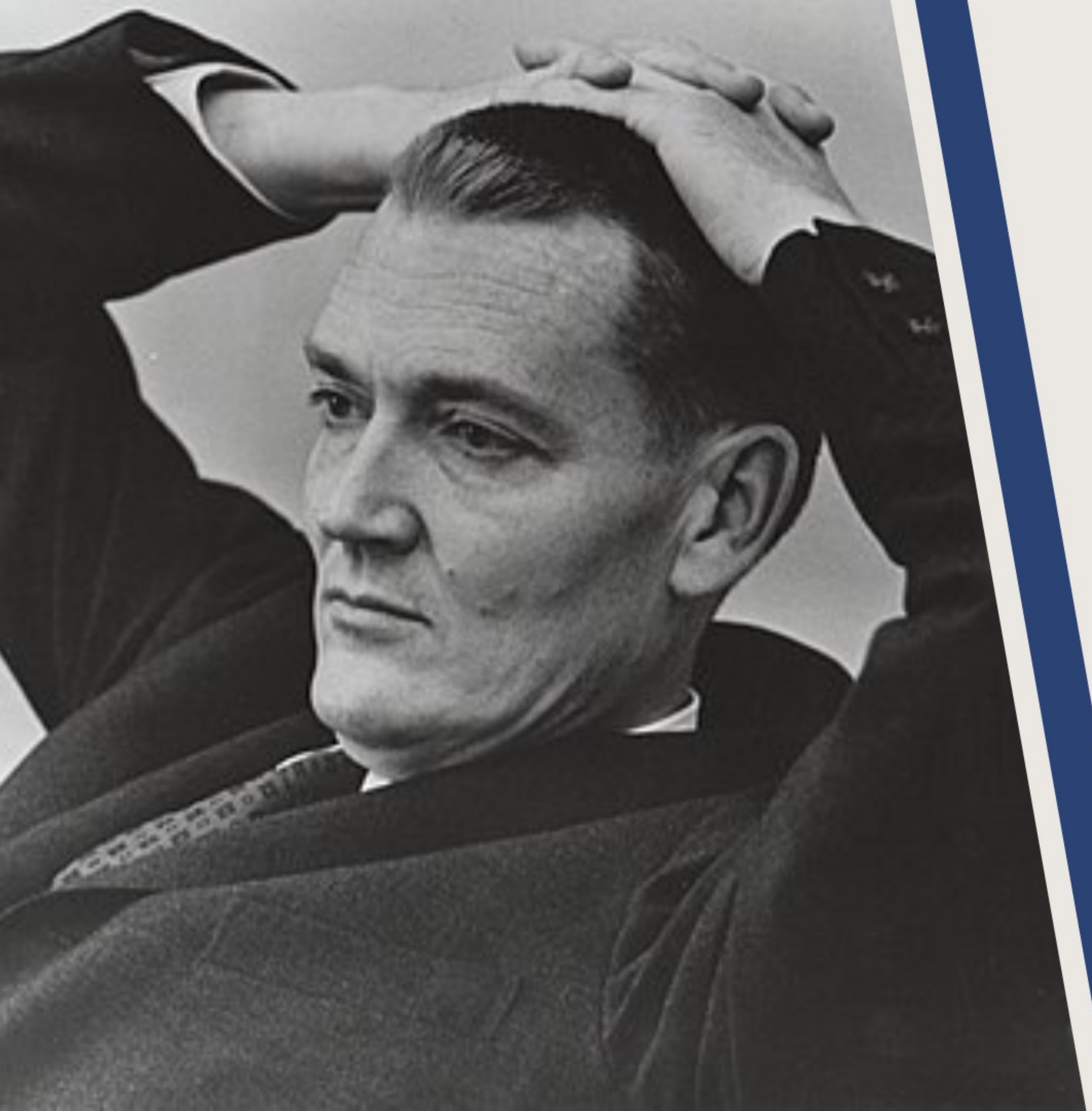
Minimize Costs

- Avoid loads and high commission insurance products designed to be sold, not bought, but don’t go crazy
  - Below 0.15% per year, getting a lower mutual fund expense ratio is unlikely to be the most important thing
- Good advice is worth paying for, just make sure you’re getting good advice at a fair price
  - Going rate for full service financial advisor right now is $7,500-15,000 a year



9
Minimize Taxes

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Minimize Taxes

- Maintain proper perspective
  - Your goal isn't to decrease your tax bill
  - It's to have the most left after paying taxes
- Investing inside tax protected accounts is one of the best ways t reduce tax costs
  - Retirement—401(k)s, 403(b)s, 457(b)s, Roth IRAs, solo 401(k)s etc.
  - Education—529s
  - Health care—Health Savings Accounts (triple tax free)

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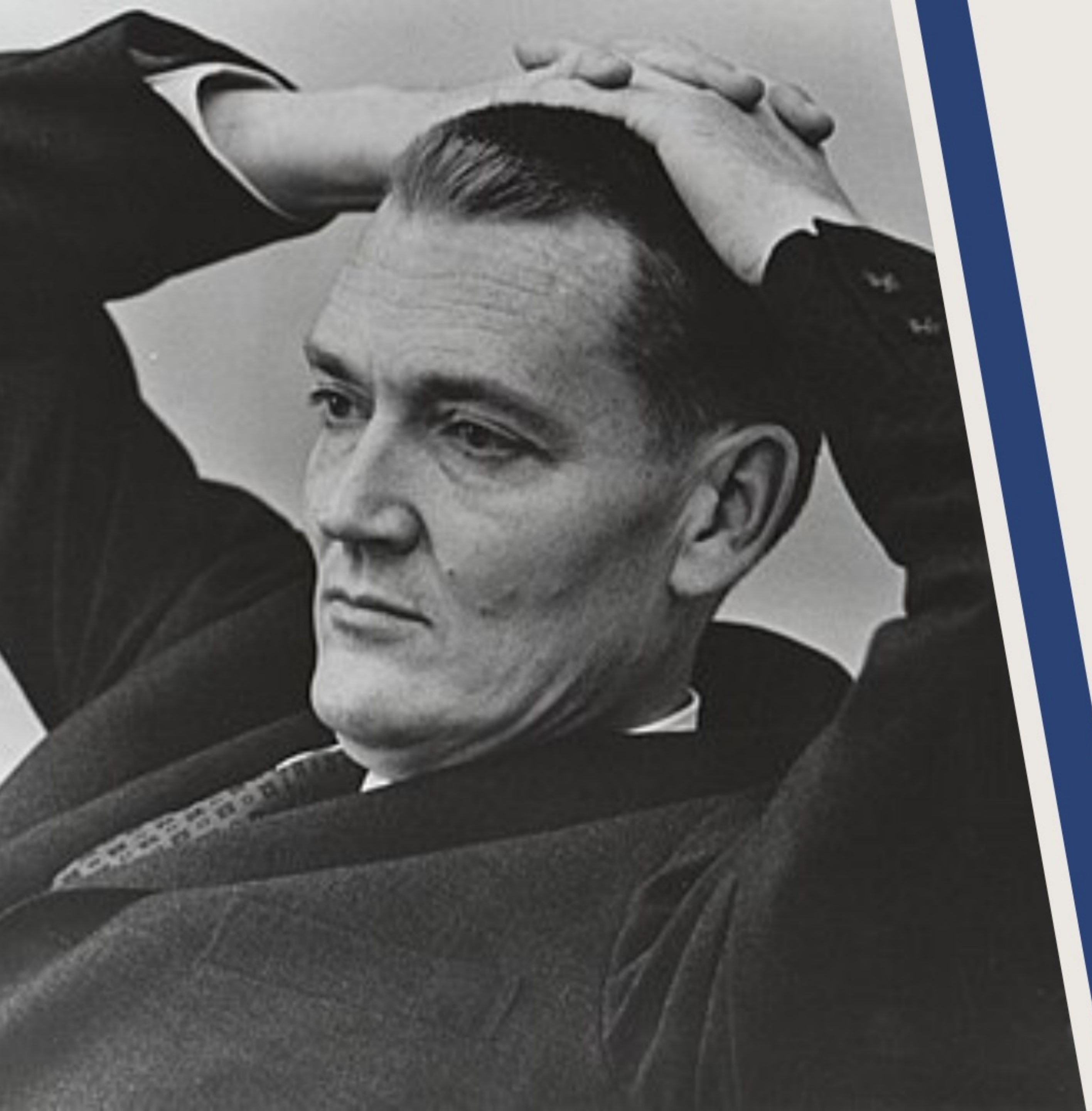
Minimize Taxes

- When investing outside tax-protected accounts, pay attention to tax efficiency
- Tax location: Which asset class should go into taxable next?
- Cover equity real estate income with depreciation losses
- Exchange investment real estate instead of selling it
- Buy and hold (minimum one year)
- Choose low turnover funds
- Tax loss harvest
- Donate/Give appreciated shares to flush out capital gains



10
Never Try to Time the Market

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Jack Bogle on Market Timing

- “The idea that a bell rings to signal when to get into or out of the stock market is simply not credible. After nearly fifty years in this business, I don't know anybody who has done it successfully and consistently”.

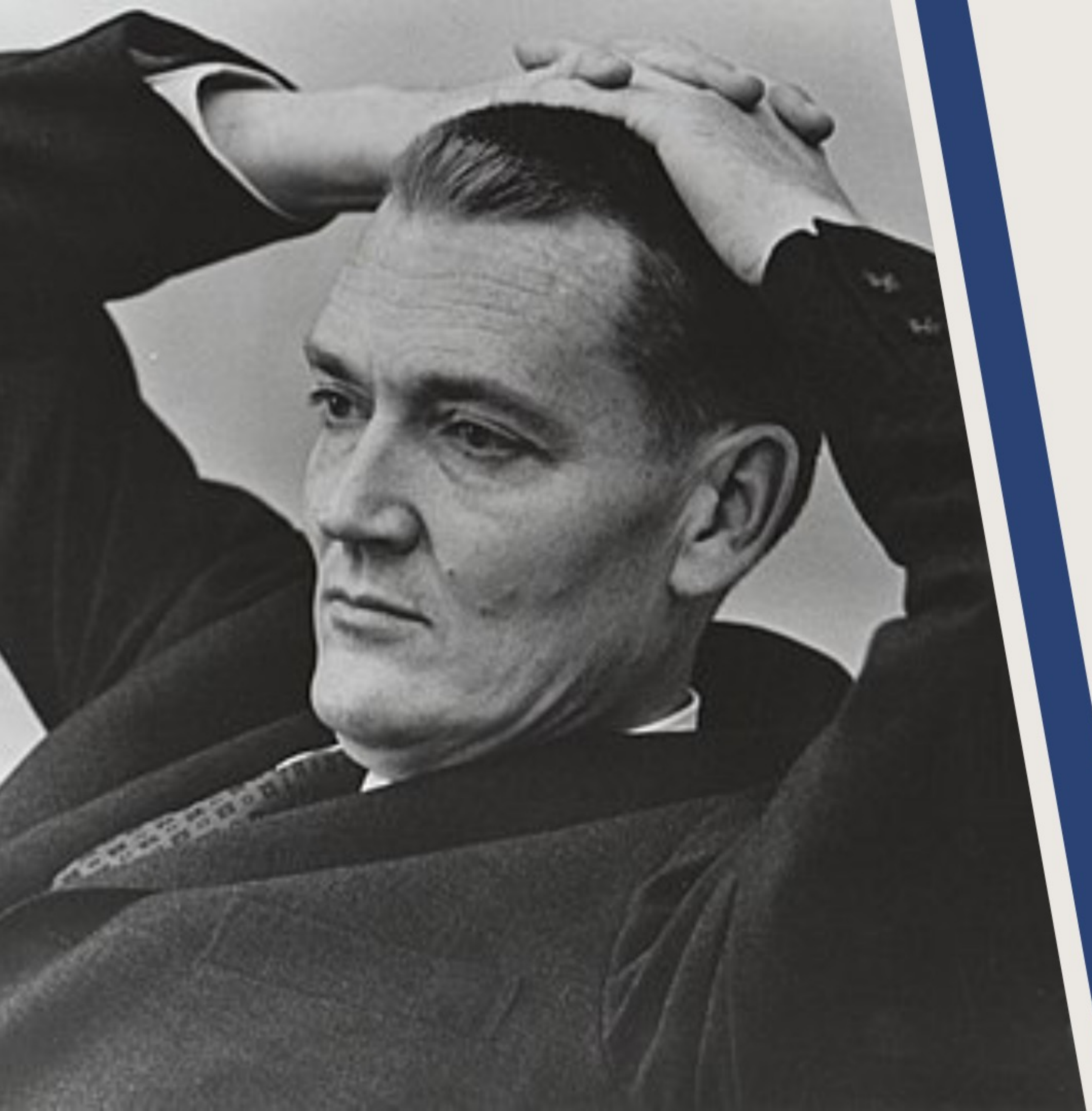
Never Try to Time the Market

- Market timing is very tempting
  - It seems like it should be easy
  - A classic “loser’s game” like amateur tennis
- Very hard to do successfully
  - Especially after tax and after adjusting for risk
- Usually results in buying high and selling low
- Your crystal ball is cloudy, just like everyone else’s
- Time in the market, not timing the market, is what matters

World's Worst Market Timer
(as Explained by Ben Carlson)

Date of Investment	Subsequent Crash	Amount Invested
December 1972	-48%	$6,000
August 1987	-34%	$46,000
December 1999	-49%	$68,000
October 2007	-52%	$64,000
Total Invested		$184,000

- Bought S&P 500, never sold a share. How'd he do?
- By the end of 2013 he would have had $1.1 million
- If he had just bought every year he would have had $2.2 million



11
Stay the Course

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Stay the Course Quotes From Jack Bogle

- “**Stay the course**. No matter what happens, stick to your program. I've said 'Stay the course' a thousand times, and I meant it every time. It is the most important single piece of investment wisdom I can give to you.”
- "Just **stay the course**. Don't do something, just stand there. This is speculation that we're seeing out there, and you can't respond to it.”
- “The winning formula for success in investing is owning the entire stock market through an index fund, and then doing nothing. **Just stay the course**.”
- "If you really have to make a decision, just to keep your own sanity, make it a small and incremental one."

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Stay the Course

- Buy, hold, and rebalance
- Any reasonable plan is fine if you fund it adequately and stick with it for 2-3 decades
- You will be frequently tempted to change your plan
  - Expect it
  - Write a plan to deal with change into your written financial plan
    - 3 month waiting period

What We Have Talked About

1. Live Below Your Means
2. Develop a Workable Plan
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THANK YOU!

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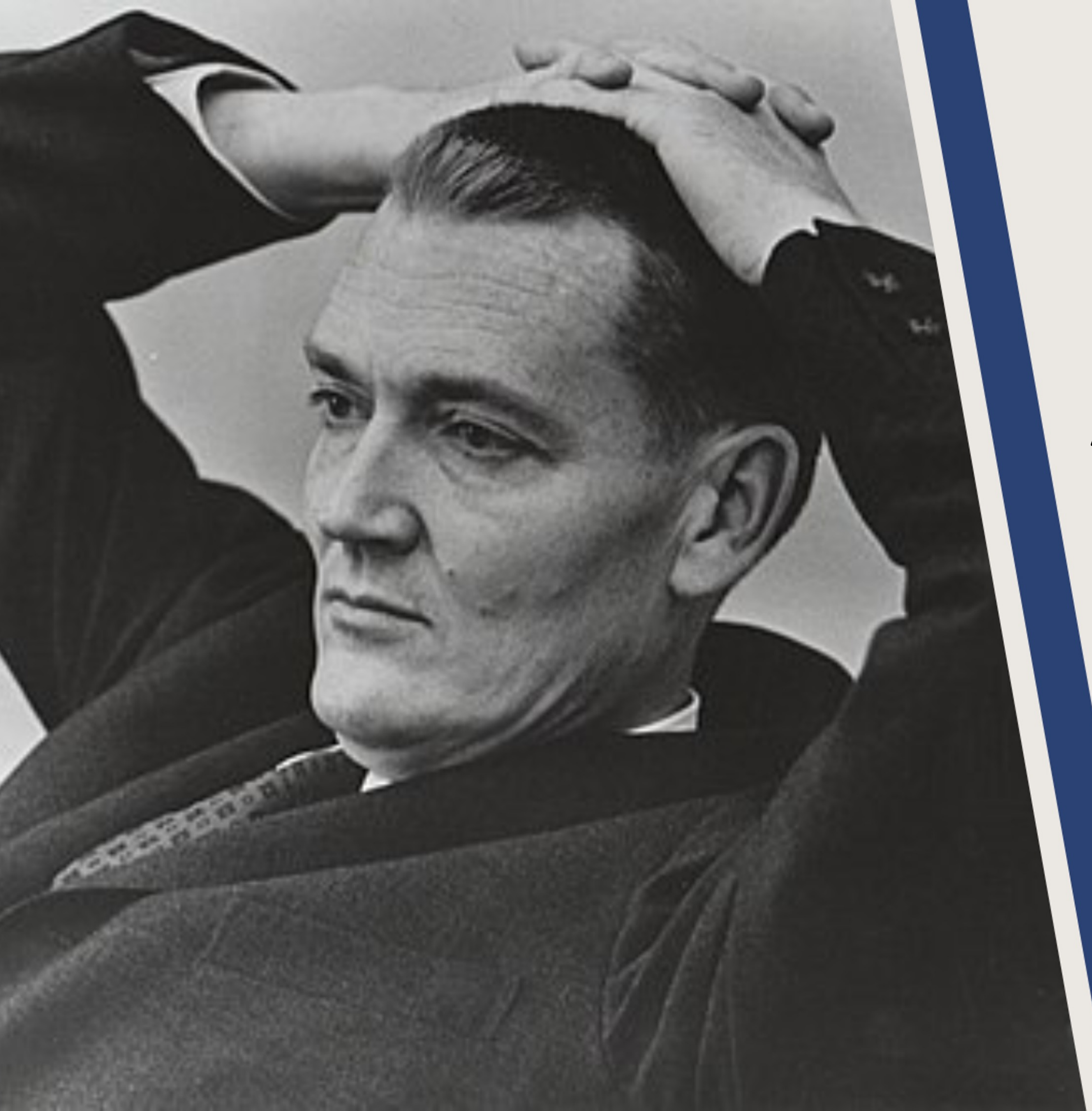

Key Investment Building Blocks and Asset Allocation Basics

Christine Benz

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What I'll Cover:

How have various investment types behaved historically?

The Bogleheads Toolkit

- Stocks
- Bonds
- Cash

How to decide how to allocate your portfolio among them

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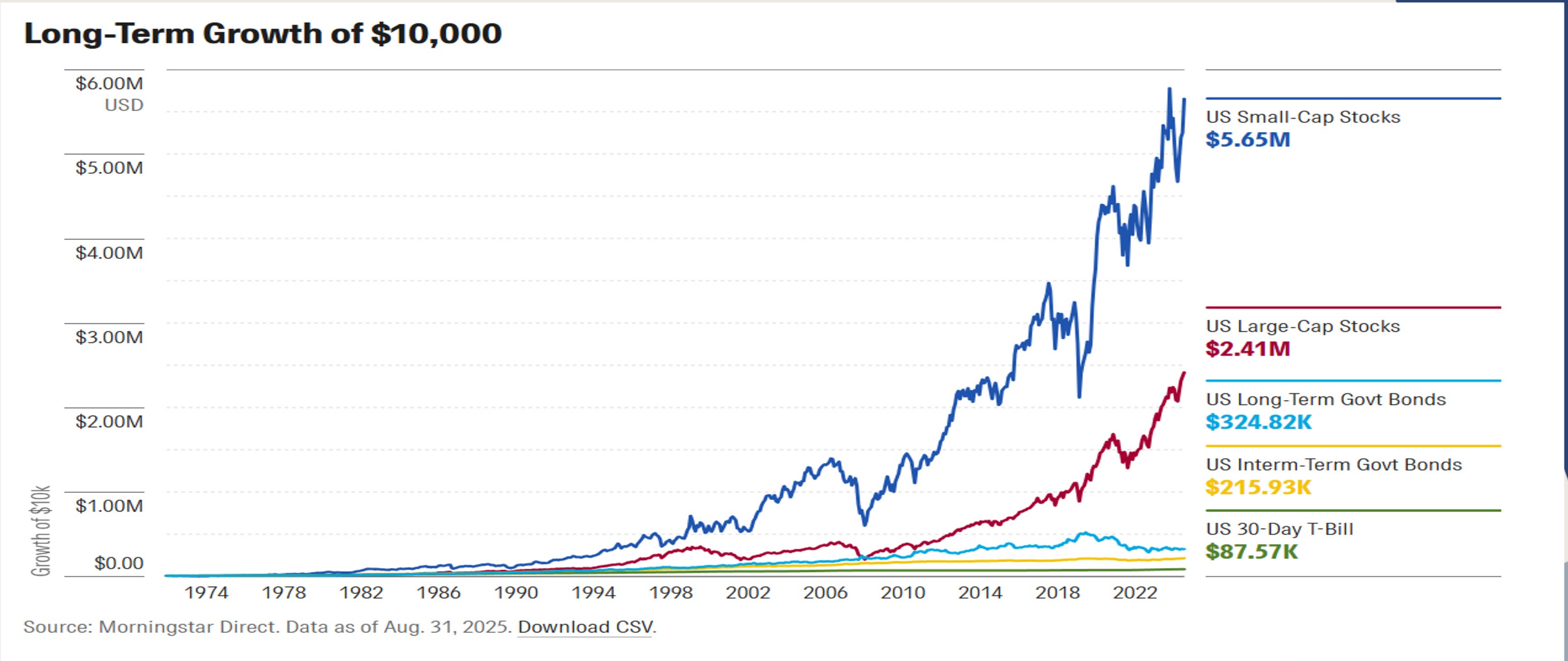
The Global Market Portfolio: A Starting Point

	Full global market portfolio	
	Market cap (in USD trillions)	**Relative size** (in %)
Total	270.7	100%
Fixed Income	141.5	52.3%
Public Equity	108.1	39.9%
Private Real Estate	8.4	3.1%
Listed Real Estate	4.8	1.8%
Private Equity	3.5	1.3%
Listed Infrastructure	3.3	1.2%
Private Credit	0.6	0.2%
Unlisted Infrastructure	0.4	0.2%

Source: MSCI.

Stock Returns Dominate Historically



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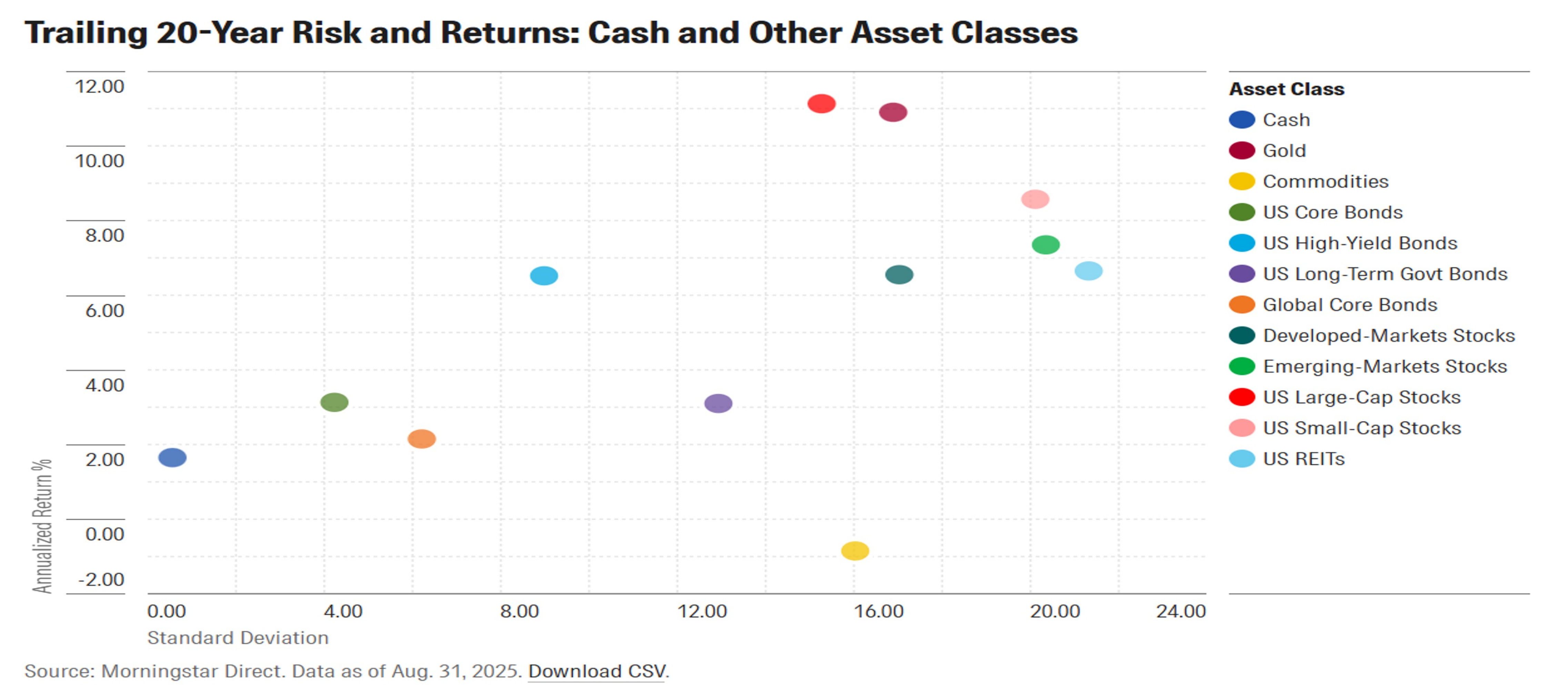
But Volatility Is Also in the Mix



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Stocks: What You Need to Know

- Stock owners own a piece of a company
- Companies can be small, medium, or large
- Companies can be headquartered in the US or outside
- Stock investors get paid in one of two ways, or both:
  - Company pays shareholders a dividend
  - Stock appreciates in price and is worth more when you sell it

Stocks: Pros and Cons

- Pros:
  - Returns for broad stock market indexes have historically beaten other major asset types
  - Simple to gain exposure to a lot of stocks via a mutual fund or ETF
  - Favorable tax treatment: Dividends and long-term capital gains taxed at ordinary income tax rate
- Cons:
  - Volatility has also been much higher for stocks than other asset types
  - Stock returns may be vulnerable to economic conditions (Bill Bernstein: “Bad losses in bad times.”)

Jack Bogle said it best:

"Absolutely no one knows what the stock market is going to do tomorrow, let alone next year. Nor which sector, style, or region will lead and which will lag behind. Given this absolute uncertainty, the most logical strategy is to invest as broadly as possible…"

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Bonds: What You Need to Know

- A bond is a type of debt security where an investor loans money to an issuer in exchange for periodic interest payments
- Bond investors get paid in one of two ways
  - Income payments (main return engine)
  - Bond appreciates in price over holding period (less common)
- Key bond types include:
  - Government bonds (e.g., US Treasuries)
  - Corporate bonds
  - Asset-backed bonds (e.g., mortgage-backed bonds)
  - Bonds issued outside the United States
  - Municipal bonds (issued by state and local governments)

Bonds

- Two main determinants for bonds' risk and return
  - Maturity/duration (How long are you loaning the money?)
    - Shorter maturity: Lower return, less risk and volatility
    - Longer maturity: Usually more return, more risk and volatility
  - Credit quality (How likely are you to get paid back?)
    - High credit quality: Lower return, less risk and volatility
    - Lower credit quality: Higher return, more risk and volatility

Bonds' Risk/Reward Varies by Type

Morningstar Category	Standard Deviation	Max Drawdown %	Worst Quarterly Return %
Corporate Bond	6.29	-19.47	-7.27
High Yield Bond	8.34	-32.46	-18.48
Inflation-Protected Bond	5.39	-13.80	-6.61
Intermediate Core Bond	4.35	-17.16	-5.89
Intermediate Government	3.72	-15.75	-4.81
Multisector Bond	5.65	-18.96	-8.95
Short-Term Bond	2.11	-7.25	-2.92
Ultrashort Bond	1.47	-8.71	-4.59

Source: Morningstar Direct. Data as of Aug. 31, 2025. Download CSV.

Bonds: Pros and Cons

- Pros:
  - You can lose money in bonds, but losses are less likely and less severe than with stocks
  - Bond returns have historically been higher than cash investments'
  - Bonds often hold steady or gain value when stocks are falling
  - It's easy to obtain exposure to lots of different bond types through a mutual fund or ETF
- Cons:
  - Bonds do entail some risk and your principal isn't guaranteed
  - Bond returns are modest in absolute terms and are vulnerable to inflation
  - Bond income is taxed at your ordinary income tax rate

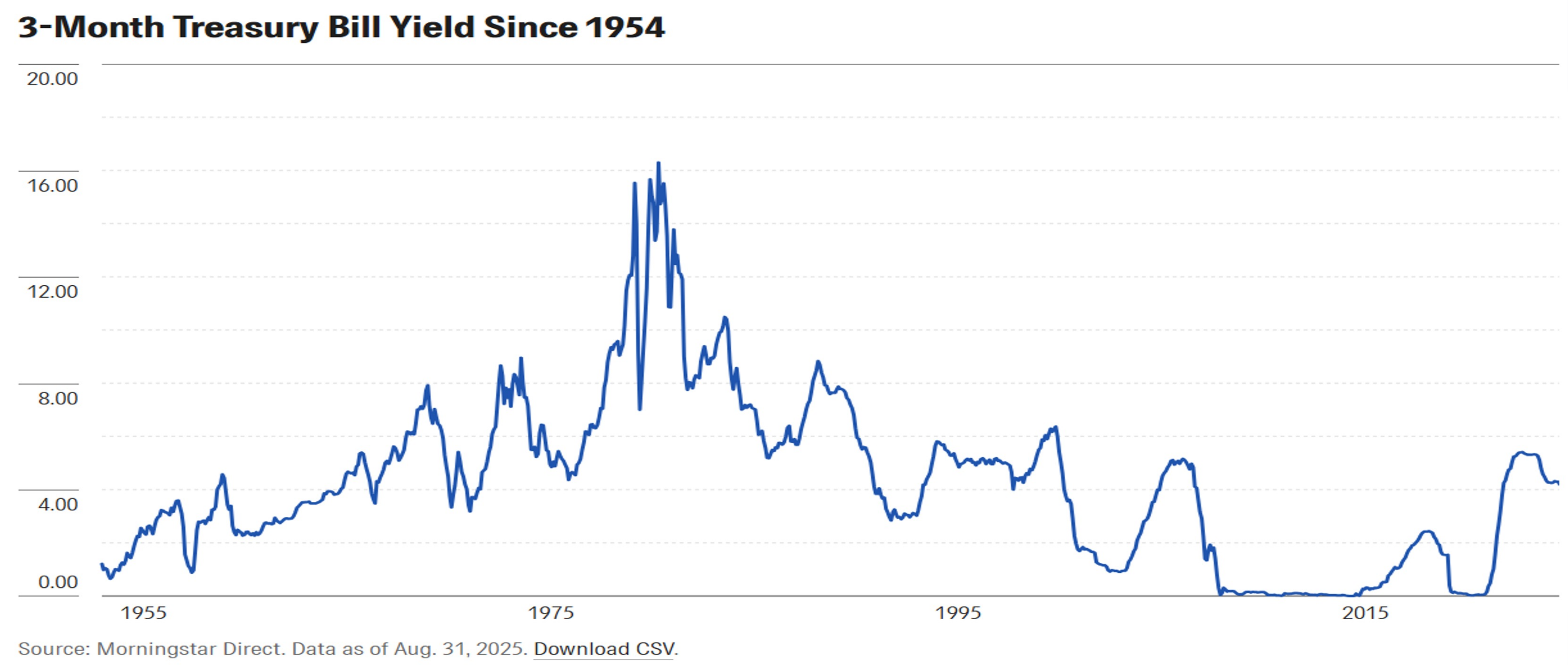
Cash: What You Need to Know

- An asset type that encompasses debt obligations (or funds that hold them) with short maturities, typically less than 90 days
  - Certificates of deposit
  - High-yield savings accounts
  - Money market accounts (bank)
  - Money market mutual funds (investment firms)
- May or may not be covered by FDIC (principal guaranteed, up to limits)

Cash: Pros and Cons

- Pros:
  - Holds principal value steady
  - Generates some yield (beats “money under the mattress”)
- Cons
  - Long-term return potential is low
  - Inflation can gobble up any interest you earn
  - Interest ebbs and flows with prevailing interest-rate environment
  - If you own cash in a non-retirement account (i.e., taxable brokerage), you’ll owe ordinary income tax on your income

Yields Declined for 3+ Decades, But They've Improved Lately



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Cash Yields Often Track Inflation (Loosely)

Annualized Returns for Cash and Inflation by Decade (%)

Benchmark	1930s	1940s	1950s	1960s	1970s	1980s	1990s	2000s	2010s	Jan. 2020 - Aug. 2025
Cash	0.55	0.41	1.87	3.88	6.31	8.89	4.92	2.51	0.52	2.84
Inflation	-2.04	5.36	2.22	2.52	7.36	5.10	2.93	2.43	1.75	4.17

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How to Allocate Your Portfolio Among the Major Asset Types

Consider risk capacity

How much risk can you take based on when you might need your money

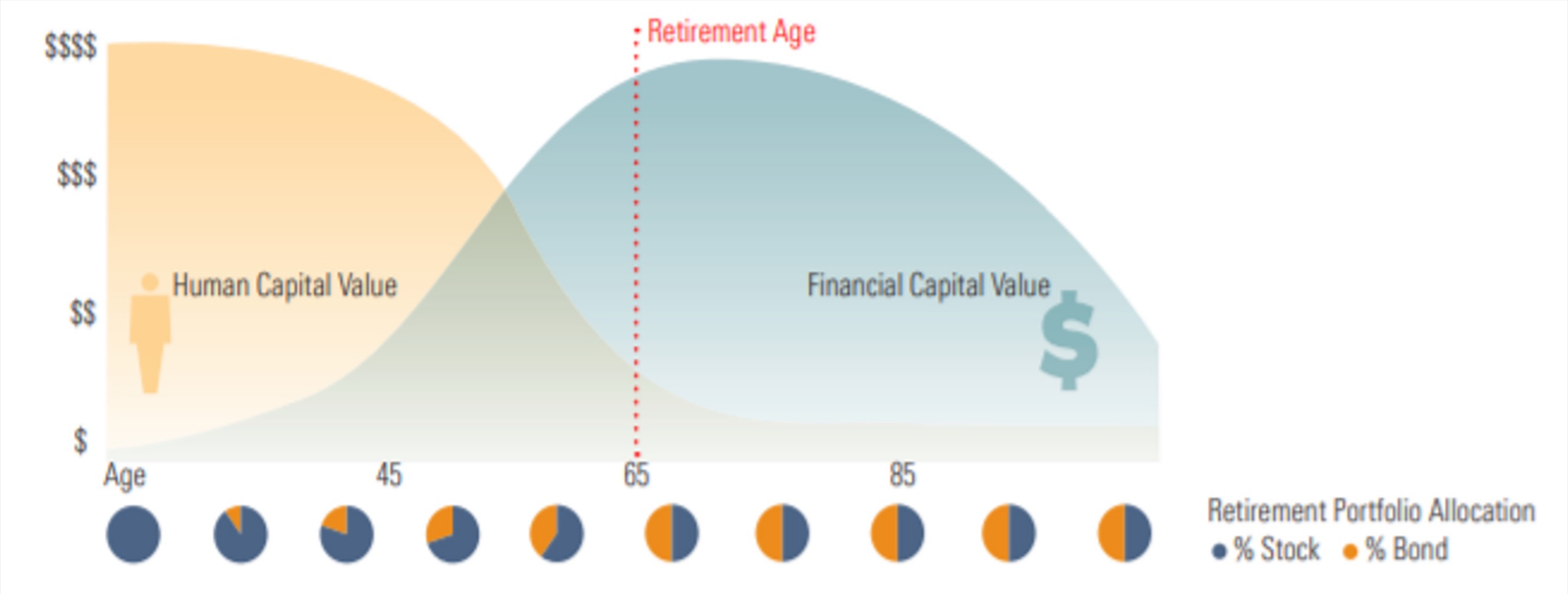
- Time horizon > 10 years: Stocks
- Time horizon between 2 and 10 years: Bonds
- Time horizon < 2 years: Cash

Consider risk tolerance

How comfortable are you with short-term losses?

Is there a risk that you'll sell when your investments are down?

For retirement portfolios, risk capacity connects to human capital



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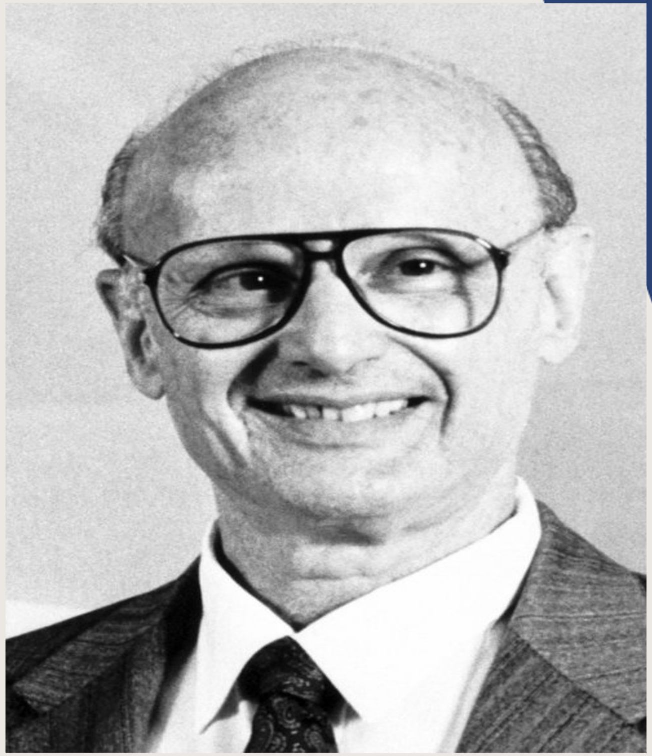
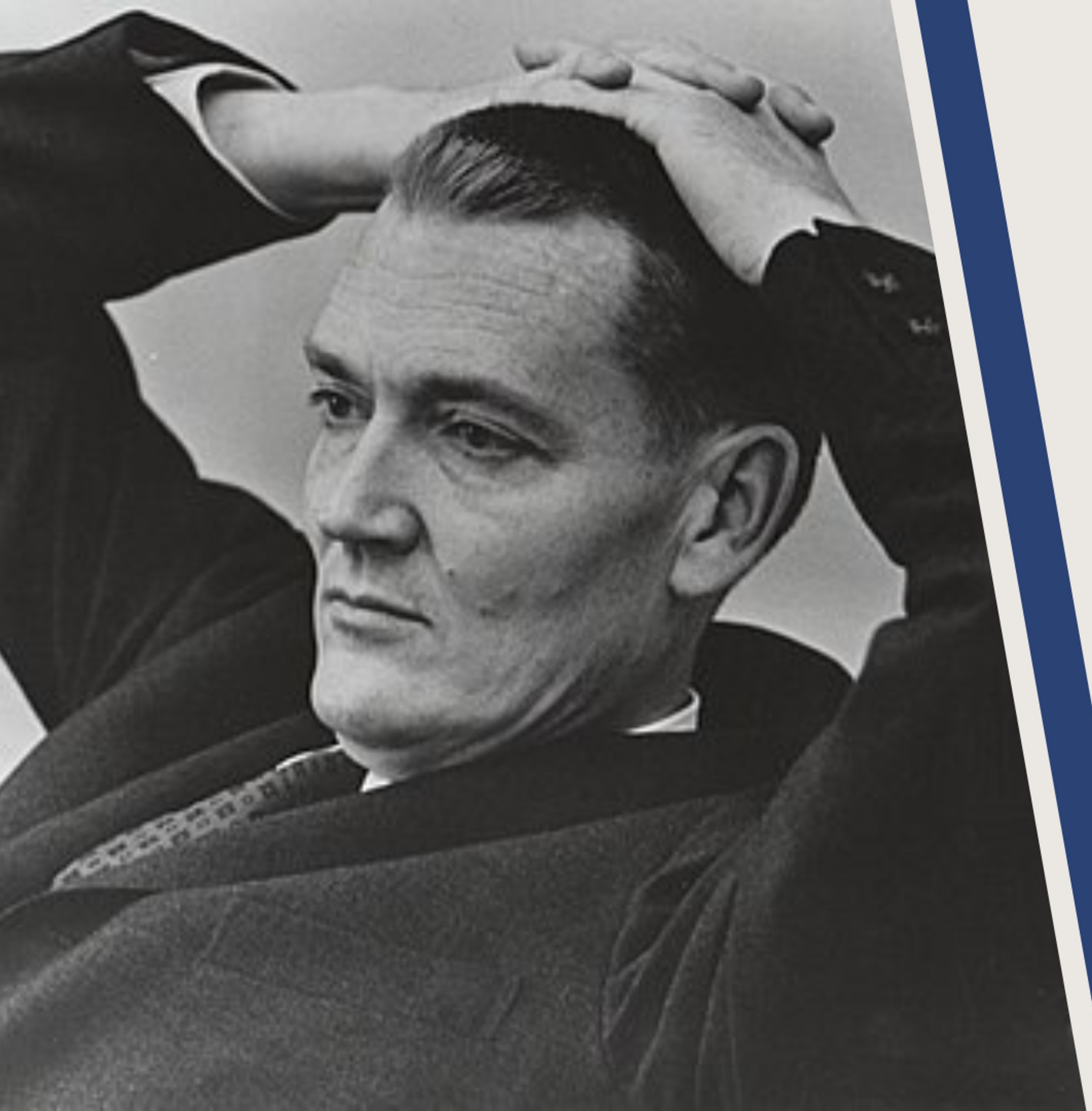
Bring Humility to the Party



"A good portfolio is more than a long list of good stocks and bonds. It is a balanced whole, providing the investor with protections and opportunities with respect to a wide range of contingencies."—Harry Markowitz

The “3 Fund” Portfolio is beautifully diversified

- Vanguard Total Stock Market: 3,525 stocks
- Vanguard Total Int’l Stock Market: 8,647 stocks
- Vanguard Total Bond Market: 17,652 bonds



Thank You!

Christine Benz

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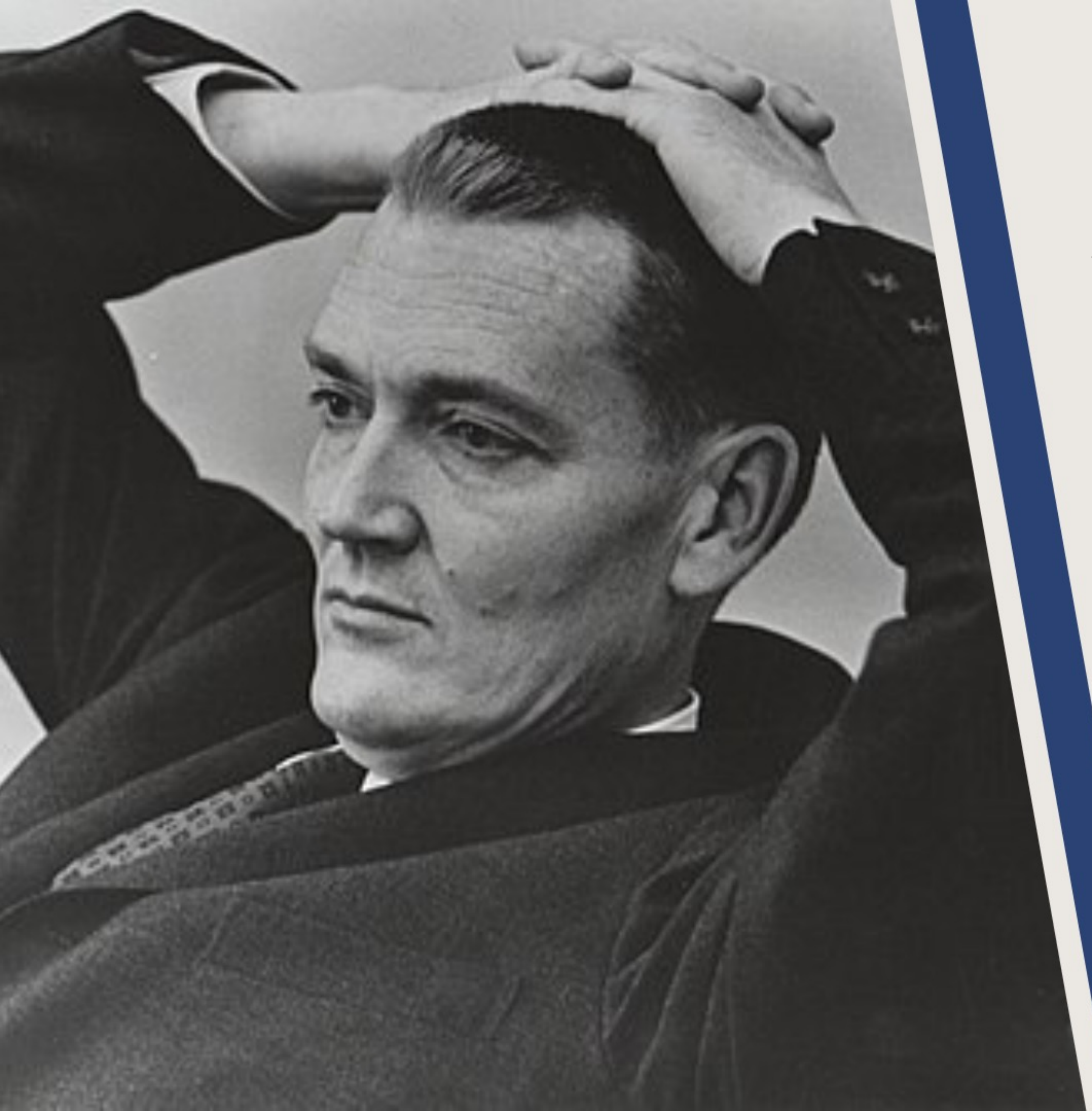

All-In-One Funds

The Most Boring Way to Success

Jon Luskin, CFP®

JonLuskin.com

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Disclaimer

- Not investment advice.
- For educational purposes only.
- Speak with your financial professional before making decisions.

All-In-One Funds

- What are All-In-One Funds?
  - A Comparison (BBQ Analogy)
  - Technical Details
- Why Use All-In-One Funds: Why Not a DIY Portfolio?
  - DIY'ers Rarely Rebalance
  - Ignoring More Important Projects
- Benefits
- Critiques
  - Critiques of Critiques
- Selecting All-In-One Funds
- Moving to All-In-One Funds


All-In-One
Funds
Bogleheads®

What are All-In-One Funds?

- One fund for all your investing goals
- Set-it-and-forget-it solutions, requiring little maintenance

What are All-In-One Funds?

- Target date funds in 401(k)s, 403(b), etc.
  - Lifecycle (L) Funds in Thrift Savings (TSP)
- Target enrollment in a 529 College Savings Account
- Balanced funds, like Vanguard's LifeStrategy series

Technical Details

- But first – an analogy

BBQ!

Restaurant:
expensive, but convenient

vs.

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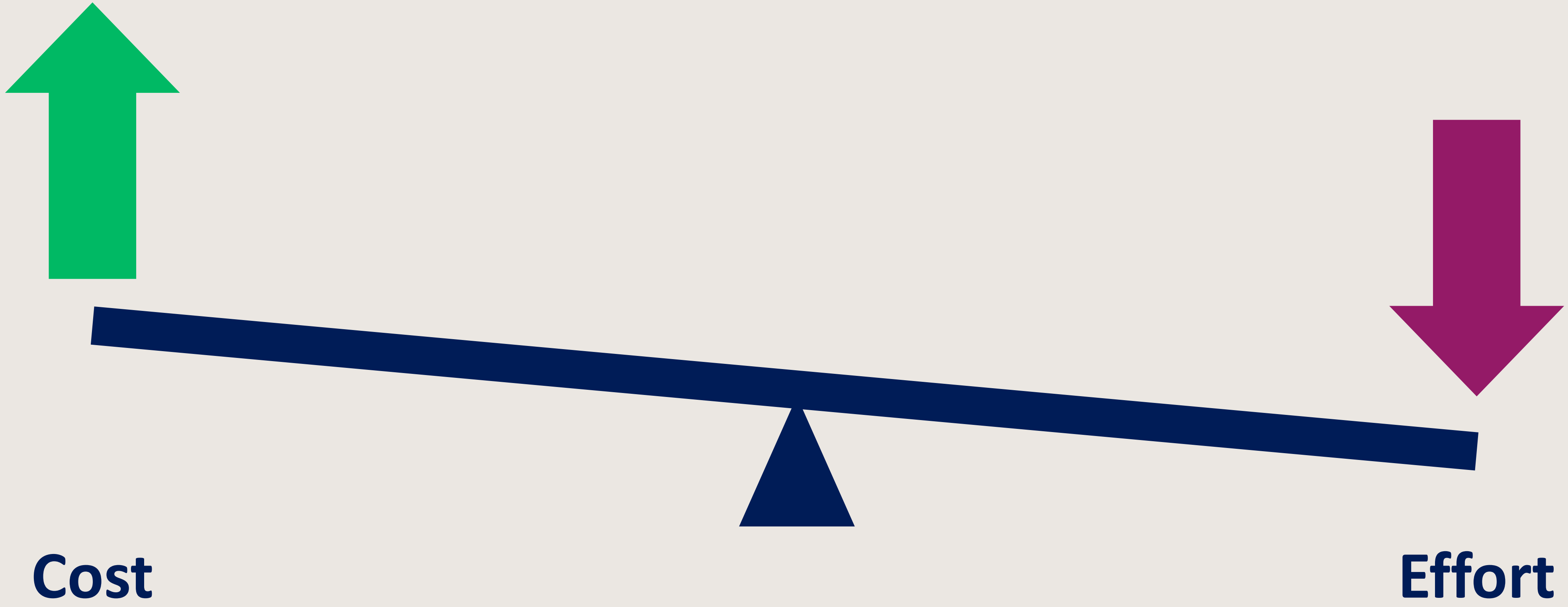
BBQ!

Restaurant:
expensive, but convenient

VS.

Do-It-Yourself:
frugal, but *in*convenient

BBQ!



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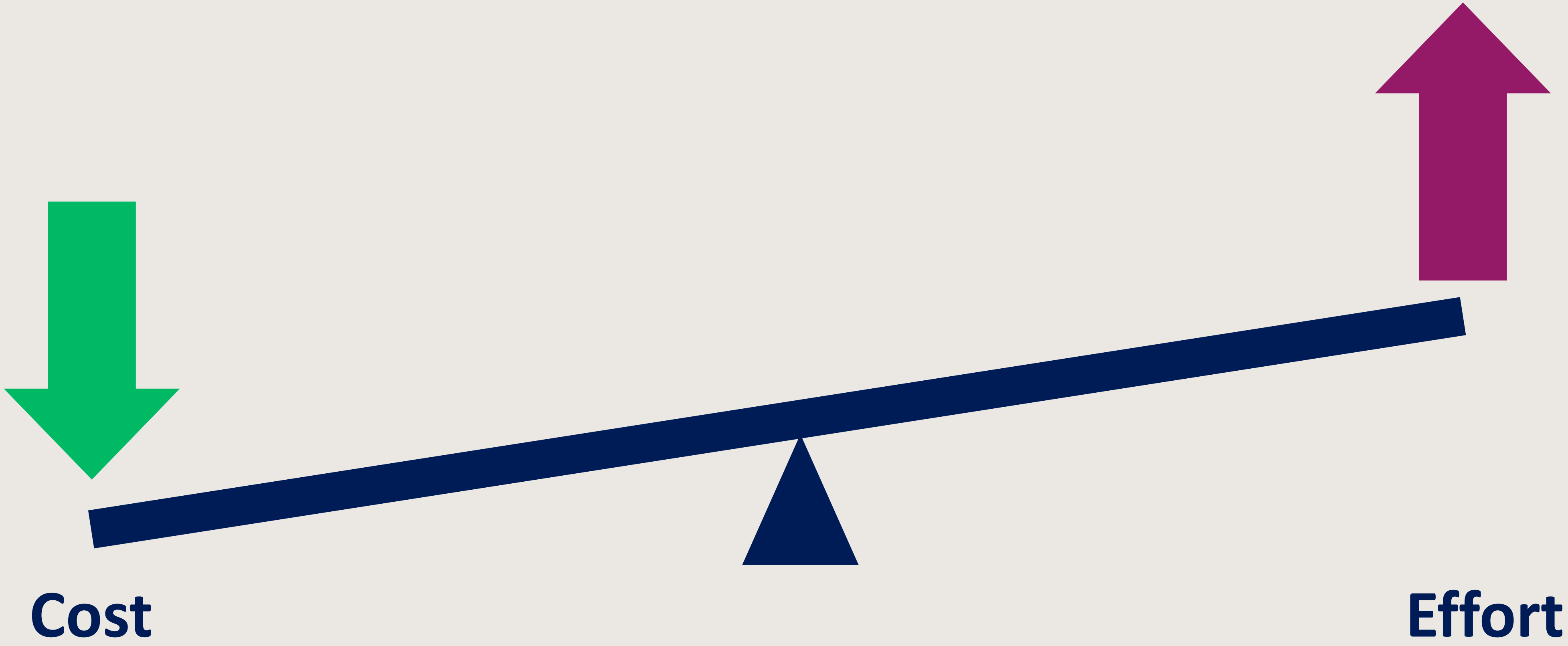
BBQ!



BBQ!

high cost

Restaurant:
expensive, but convenient

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BBQ!

Restaurant:
expensive, but convenient

BBQ!

high cost

low effort

Restaurant:
expensive, but convenient

VS.

low cost

high effort

Do-It-Yourself:
frugal, but *in*convenient

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DIY BBQ!

Offset smoker:
high maintenance

VS.

Pellet smoker:
low maintenance

The Goldilocks of BBQ

Restaurant **Offset smoker**

The Goldilocks of BBQ

high cost

low effort

Restaurant

low cost

high effort

Offset smoker

Pellet smoker

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The Goldilocks of BBQ

high cost

low effort

Restaurant

low cost

high effort

Offset smoker

low'ish cost

low'ish effort

Pellet smoker

The Goldilocks of Investing

high
cost

Conventional Management

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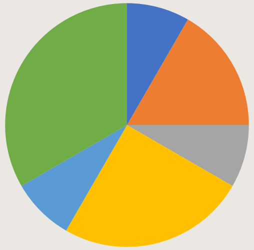
The Goldilocks of Investing

Conventional Management

The Goldilocks of Investing



high cost

low effort

low cost

Conventional Management

DIY Portfolio

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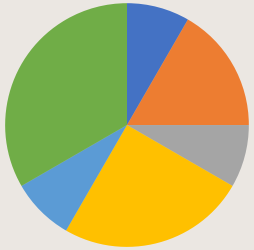
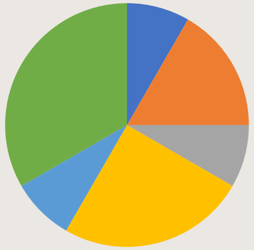
The Goldilocks of Investing



Conventional Management

DIY Portfolio

The Goldilocks of Investing



Conventional Management

DIY Portfolio

All-In-One Funds

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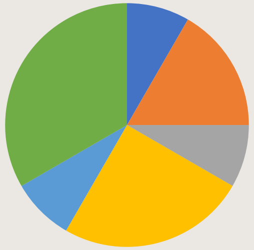
The Goldilocks of Investing



high cost | low effort

Conventional Management

low cost | high effort

DIY Portfolio

low'ish cost | low'ish effort

All-In-One Funds

Technical Details

- A fund-of-funds
  - Total U.S., total international, U.S. and foreign bonds

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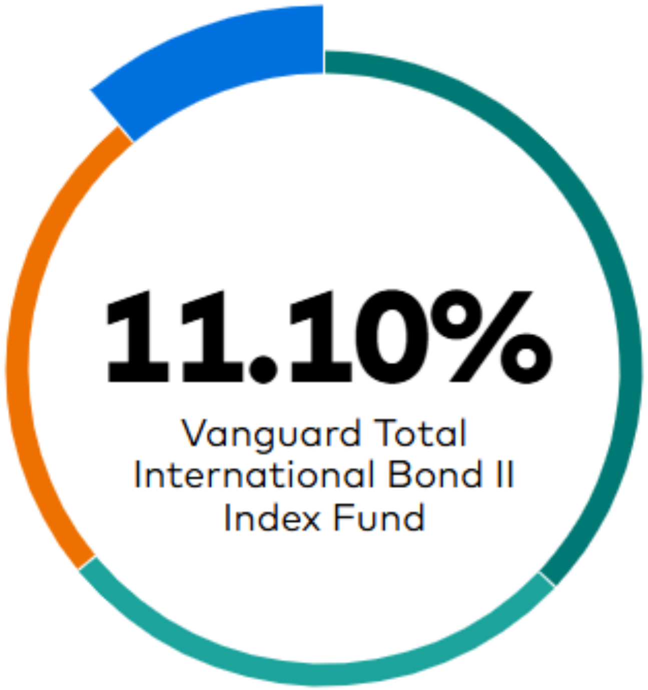
Portfolio composition

Allocation to underlying funds

as of 08/31/2025



	Funds	LifeStrategy Mod Growth
●	Vanguard Total Stock Market Index Fund	37.10%
●	Vanguard Total Bond Market II Index Fund [9]	27.00%
●	Vanguard Total International Stock Index Fund	24.80%
●	Vanguard Total International Bond II Index Fund	11.10%

Technical Details

- A fund-of-funds
  - Total U.S., total international, U.S. and foreign bonds
  - Or can be further sliced & diced

iShares Core 60/40 Balanced Allocation ETF

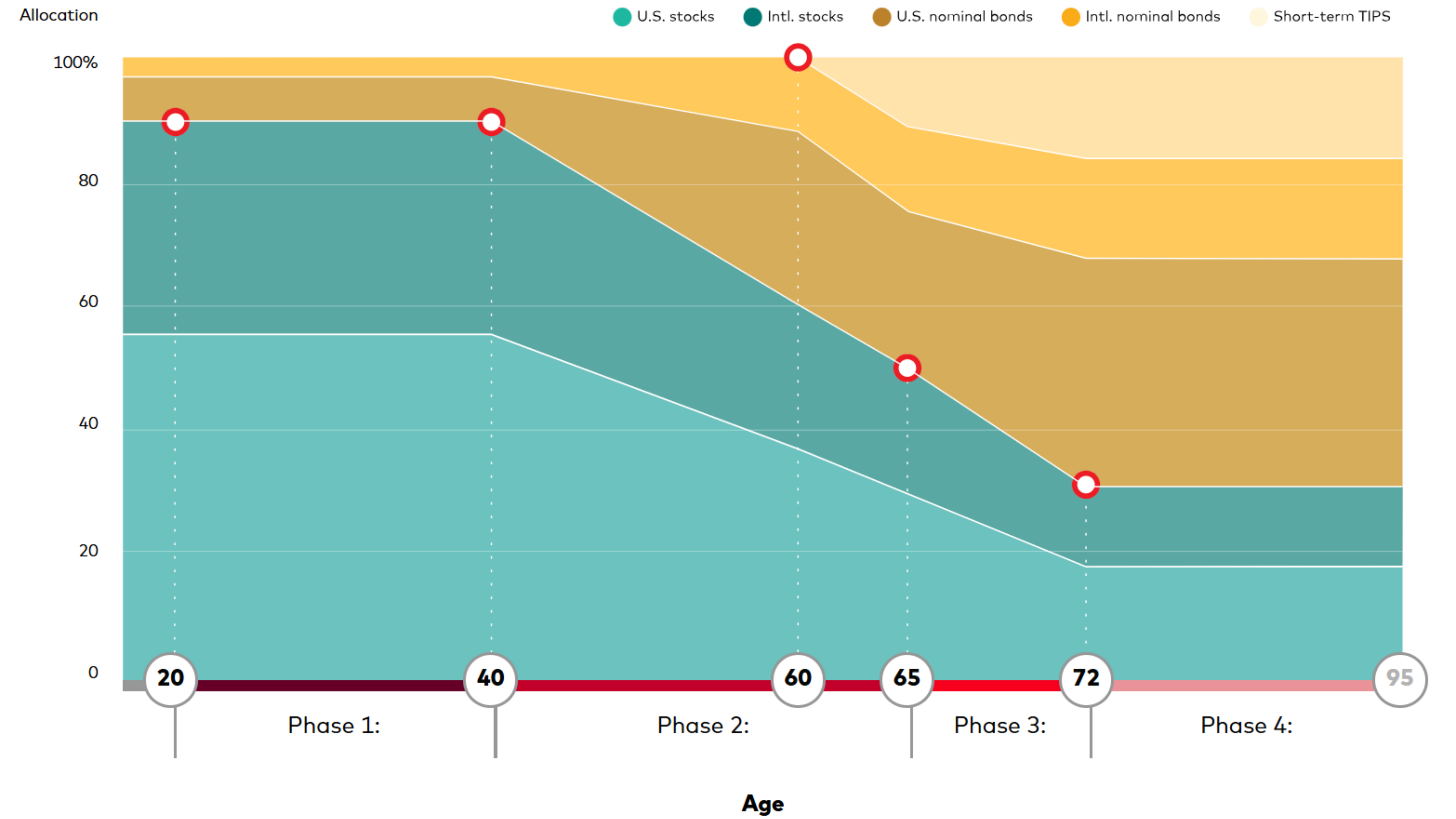
AOR

Product Brief | Fact Sheet | Prospectus | Financial and Legal Documents | Data Download

Ticker ▶	Name ▶	Sector ▶	Asset Class ▶	Market Value ▶	Weight (%) ▼
IVV	ISHARES CORE S&P ETF TRUST	Corporates	Equity	$1,058,085,803.52	37.44
IUSB	ISHARES CORE TOTAL USD BOND MARKET	Corporates	Fixed Income	$864,631,356.92	30.60
IDEV	ISHARES CORE MSCI INT DEVEL ETF	Corporates	Equity	$468,824,289.24	16.59
IEMG	ISHARES CORE MSCI EMERGING MARKETS	Corporates	Equity	$195,969,789.54	6.93
IAGG	iShares Core Intl Aggregate Bnd ET	Corporates	Fixed Income	$150,845,416.26	5.34
IJH	ISHARES CORE S&P MID-CAP ETF	Corporates	Equity	$57,498,292.88	2.03
IJR	ISHARES CORE S&P SMALL-CAP ETF	Corporates	Equity	$27,536,851.43	0.97
XTSLA	BLK CSH FND TREASURY SL AGENCY	Cash and/or Derivatives	Money Market	$2,809,108.12	0.10
USD	USD CASH	Cash and/or Derivatives	Cash	$-152,503.23	-0.01

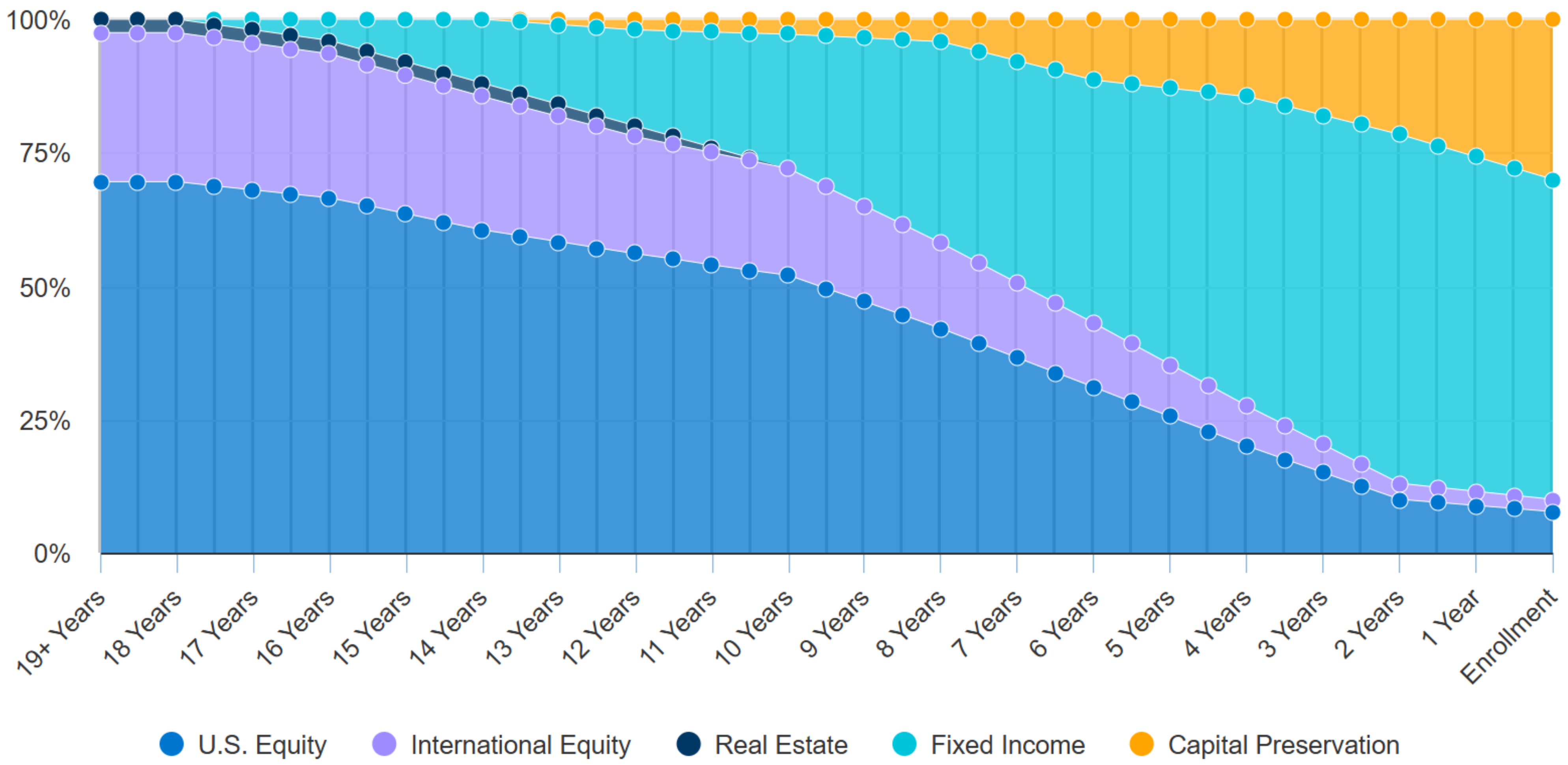
Technical Details

- Just reviewed: fixed (static) stock/bond mix
- Or, a changing risk profile
  - Based on when you retire (target date/enrollment)


Allocation
U.S. stocks
Intl. stocks
U.S. nominal bonds
Intl. nominal bonds
Short-term TIPS
100%
80
60
40
20
0
20
40
60
65
72
95
Phase 1:
Phase 2:
Phase 3:
Phase 4:
Age

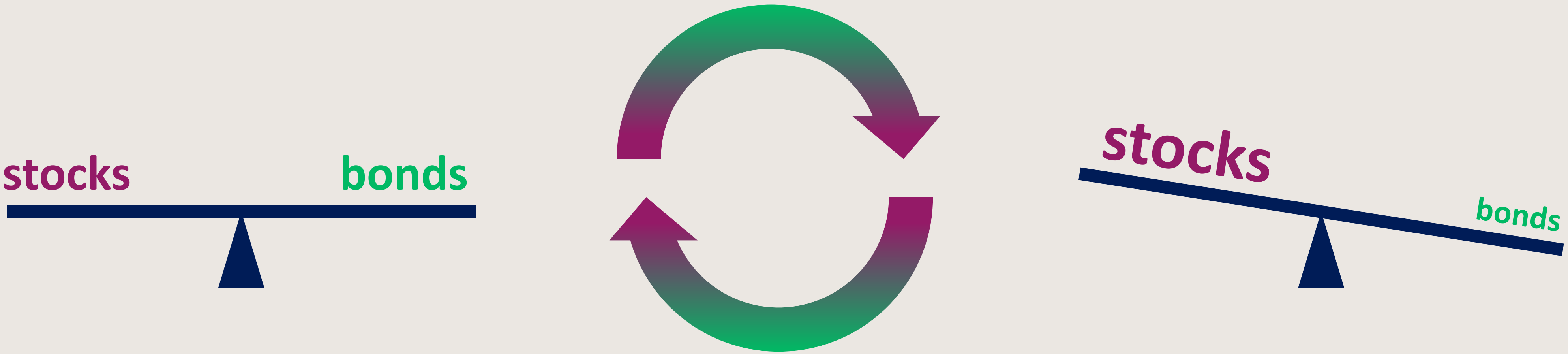
19+ Years | 17-18 Years | 15-16 Years | 13-14 Years | 11-12 Years | 9-10 Years | 7-8 Years | 5-6 Years | 3-4 Years | 1-2 Years

Selected Year of Enrollment Portfolio: **2044 - 2045**



Technical Details :Automatic Rebalancing

- portfolios require maintenance (rebalancing)
- to help manage risk



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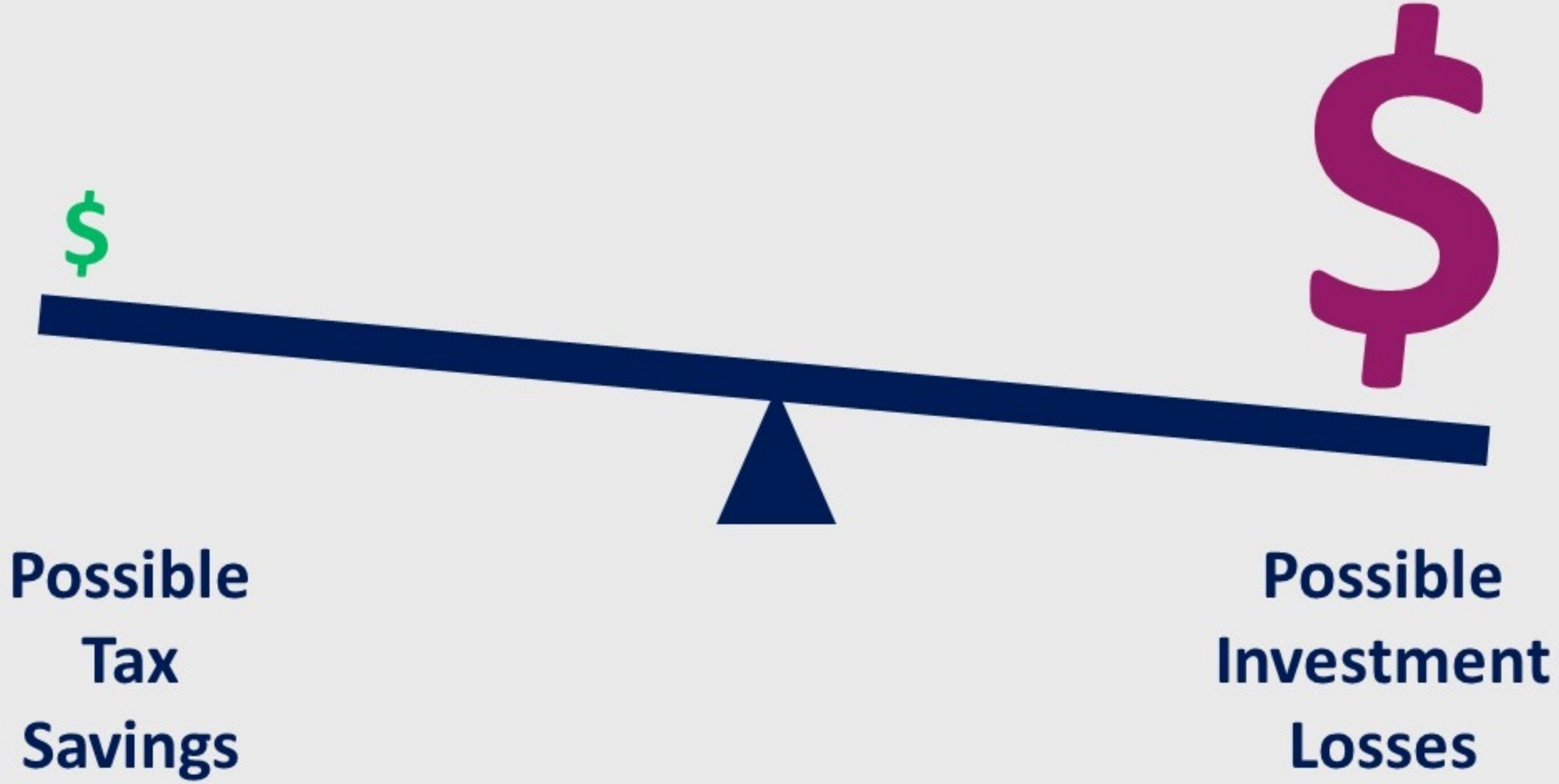
Why Use All-In-One Funds?

- DIY'ers almost never rebalance appropriately
  - Why Don't DIY'ers Rebalance?
- Leaves More Time for More Important Projects

Why Don’t DIY’ers Rebalance?

- Performance chasing
  - letting U.S. allocation drift
- Taxes ahead of investing
  - not selling winners, but losers, increasing risk

IF OUR INVESTMENTS DON'T REFLECT OUR GOALS



Why Don't DIY'ers Rebalance?

- Media consumption
- Complexity:
  - Storytime: 10-fund portfolio


Create
a
12-Fund
Portfolio
Rebalance
Quarterly
Update
Excel
File
Oh,
nvm
imgflip.com

Why Not DIY? Ignoring Important Tasks

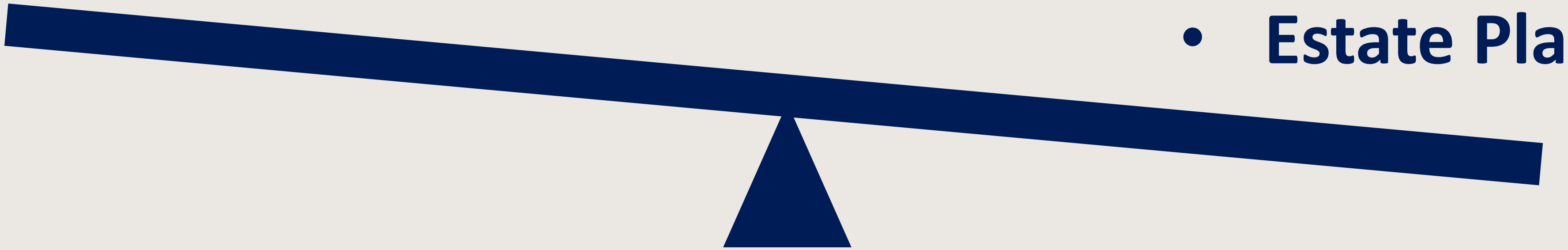
- Time, Attention & Energy are Limited
- Storytime:
  - Bond duration & neglecting a will
  - Limit orders on individual stock & blended family


TIPS
Ladder
DIY
Investors
Estate
Planning

Importance

Portfolio Optimization

- **Insurance**
- **Estate Planning**



All-In-One Fund Benefits

- Simplicity
- Automation

All-In-One Fund Benefits

- Behavior-proofing
  - Investors tend to do better when using all-in-one funds.

  ~Morningstar, "Mind the Gap: 2025"
- Enthusiasm-proofing
  - 10-fund portfolio story

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All-In-One Fund Benefits

- Legacy planning
  - Surviving spouse/partner: death or disability
  - Future self: cognitive impairment
    - Financial literacy typically peaks at age 54 and then declines:

      Rafal Chomik, economist

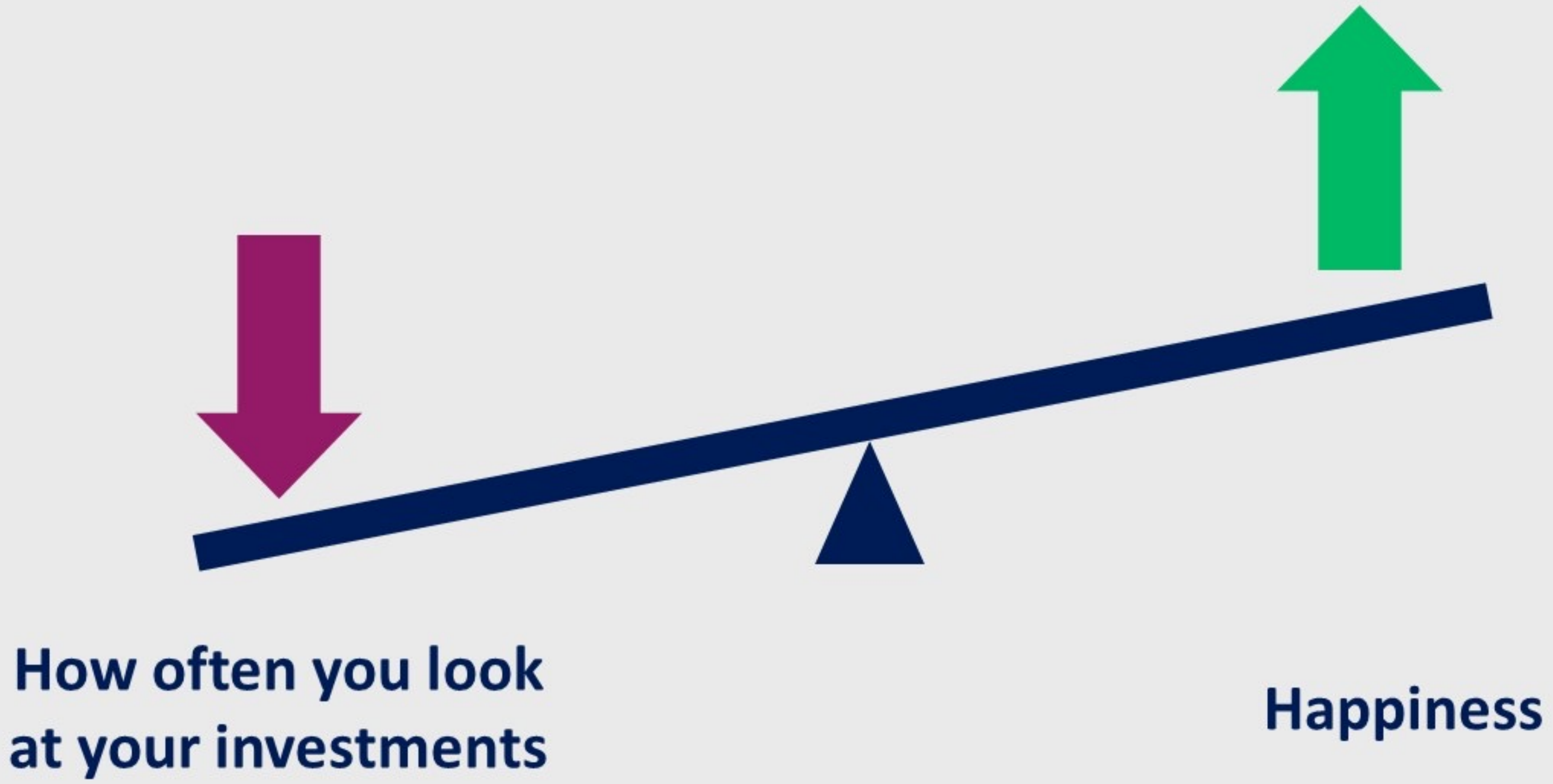
      ARC Centre of Excellence in Population Ageing Research
- Theft detection
  - ACAT transfer fraud

All-In-One Fund Benefits

- Happiness

“So then we put everything in AOR.
And I slept like a baby for the first time in four months.
Market tanked yesterday?
I deleted the Fidelity app off my phone and didn't even look.
It's like I had a cancer removed.”

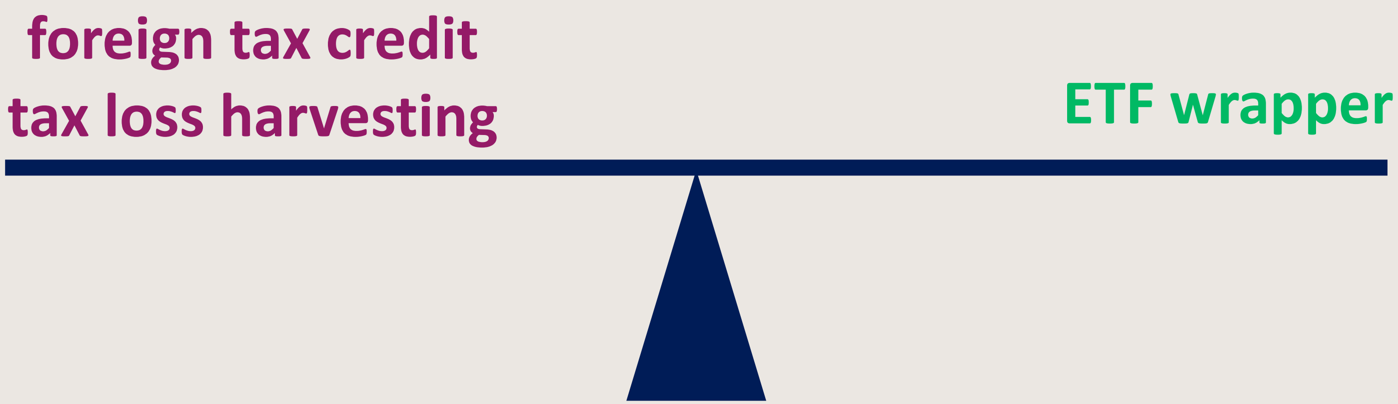
THE KEY TO HAPPINESS



All-In-One Fund Critiques

- Fees (higher)
  - negligibly higher than a DIY portfolio
    - single-digit basis points
  - materially higher for active funds, which generally should be avoided
- Tax efficiency – only applicable to taxable accounts
  - MF vs ETF breakdown
  - loss of foreign tax credit
  - lesser tax loss harvesting
  - perhaps offset by ETF wrapper

All-In-One Fund Critiques: Tax Efficiency



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All-In-One Fund Critiques

- Flexibility (allocation)
  - market timing, panic selling
    - swapping government bond funds
    - Behavior-proofing is the benefit
  - “ . . . don’t sell stocks when they’re down.”

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All-In-One Fund Critiques

- Fund company changing design at the fund level
  - Adding foreign bonds

All-In-One Fund Critiques

- Allocation Optimization
  - asset classes (foreign bonds inclusion, high-yield exclusion, etc.)
  - U.S. / international stock split
  - glidepath: too conservative, too early

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All-In-One Fund Critiques

- Those critiques involve some forecast for the future:
- “If stocks do better, this target-date fund will underperform.”
- “If tax laws don’t change over my lifetime, I’d save taxes with across-account allocation.”

All-In-One Fund Critiques

I can't know what the future holds.

But, I do know that a more complicated investing plan is more challenging to manage.

So, you'll only come out ahead with that more complicated approach, if:

- 1.) You can guess correctly about the future.
- 2.) You can maintain that more complicated investment plan.

People tend to be terrible at both things.

All-In-One Fund Critiques

*"The *optimal asset allocation* can only be determined *after the fact*. The same goes with *asset location*.

It's only when I'll die that survivors will be able to determine what asset allocation and location would have been optimal during my life."

— *longinvest*

All-In-One Fund Critiques

“There’s no perfect portfolio. There are plenty of perfectly fine portfolios.”

— Mike Piper, CPA

“Looking back, I believe investing everything in <an all-in-one fund> would have been a fine move.”

— SimpleGift

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Selecting All-in-One Funds

- Target-date (enrollment)
  - choosing the vintage year coinciding with your spending needs
  - Sticking with low-cost funds

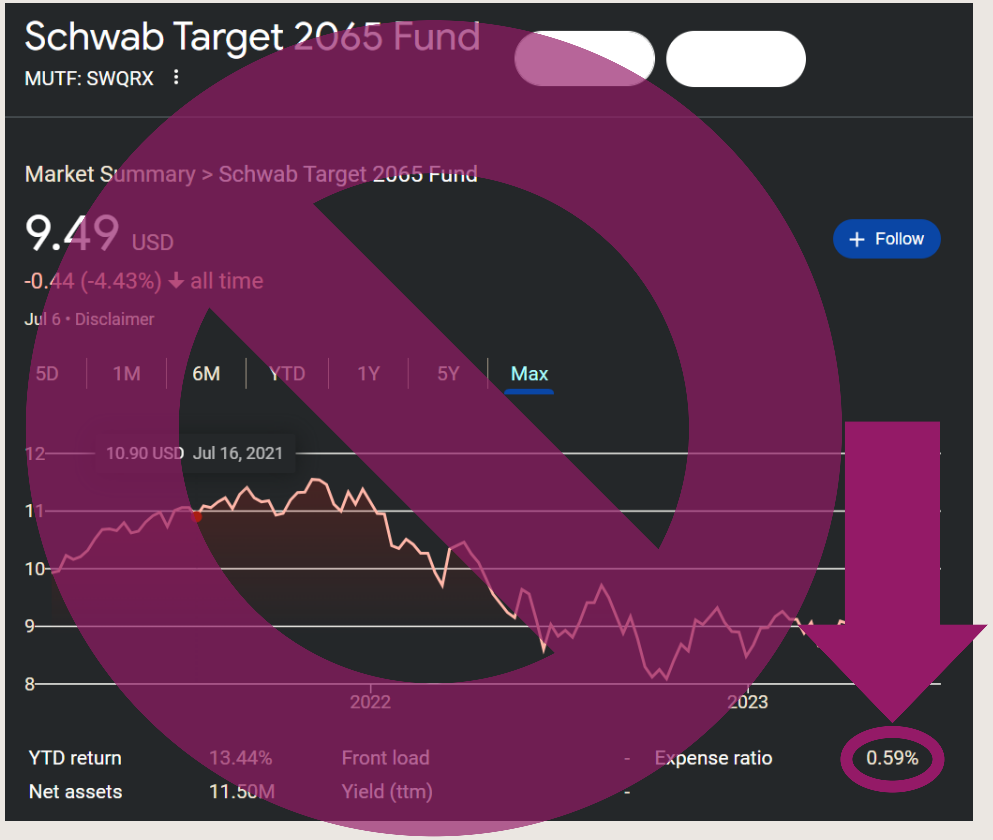
Target-Date Funds

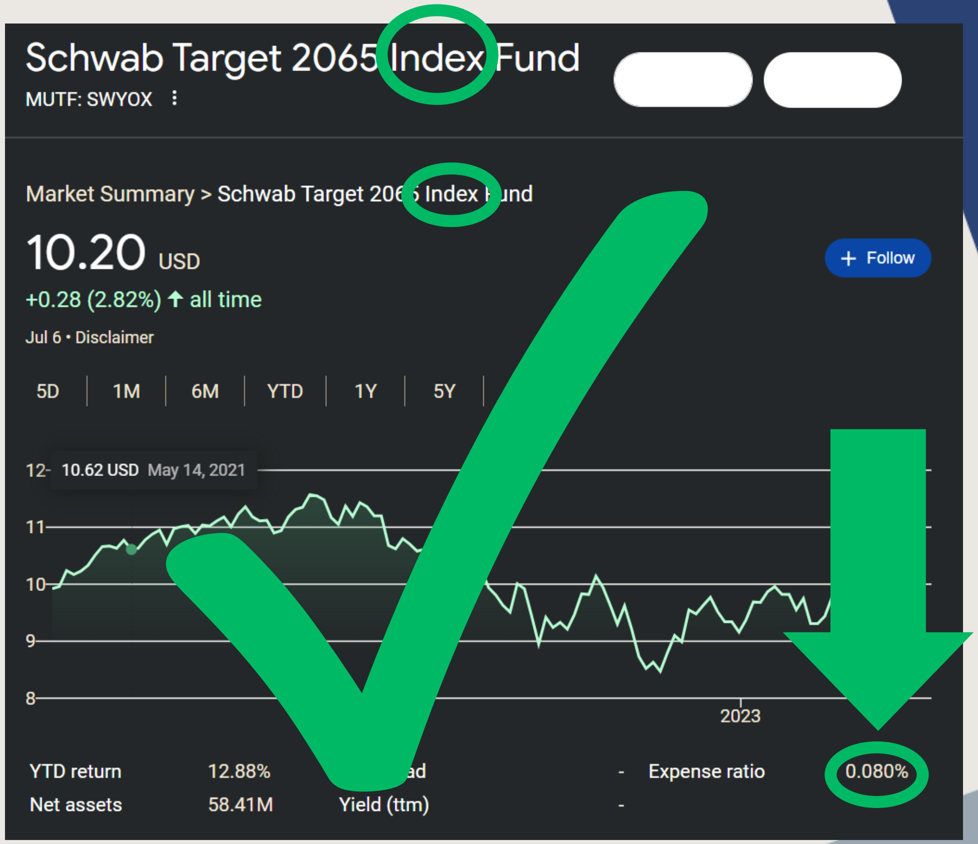
- Vanguard’s Target Retirement Funds
- Schwab Target *Index* Funds
- Fidelity Freedom® *Index* Funds
- iShares Target Date ETFs
  - better suited for taxable accounts

Fees on Target-Date Funds

- Vanguard is fine
- Fidelity & Schwab will mislead you
- Note expense ratios on other funds

Shame on Schwab & Fidelity





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Investors

Active Managers

Selecting All-in-One Funds: Fixed Funds

- LifeStrategy Fund/Allocation ETF
  - choosing the right stock/bond mix (risk) for you:
  - 60% stocks, 40% bonds, etc.

Fixed All-in-One Funds

- Vanguard LifeStrategy Funds
  - 80%, 60%, 40%, *20*% equity
- iShares Core Allocation ETFs
  - 80%, 60%, 40%, *30*% equity
  - better suited for taxable accounts

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Vanguard's Other All-in-One Funds

- Vanguard's other funds lack international diversification and/or have slightly higher fees

Vanguard’s Other All-in-One Funds

Vanguard Wellington™ Inv (VWELX)
(as of 06/30/2025)

U.S. markets	95.08%
Developed Ex U.S.	4.83%
Emerging markets	0.09%

Vanguard Wellesley® Income Inv (VWINX)
(as of 06/30/2025)

U.S. markets	88.15%
Developed Ex U.S.	11.85%
Emerging markets	0.00%

Vanguard STAR Inv (VGSTX)
(as of 06/30/2025)

U.S. markets	65.01%
Developed Ex U.S.	28.61%
Emerging markets	6.38%

Vanguard Balanced Index Adm (VBIAX)
(as of 07/31/2025)

U.S. markets	99.54%
Developed Ex U.S.	0.44%
Emerging markets	0.02%

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Transitioning to All-in-One Funds

- Likely already defaulted to in your workplace retirement plan
  - Note the fees
- Tax-free in tax-advantaged accounts
- Be thoughtful when transitioning in a taxable account

Choosing Between MF & ETFs

- ETFs are better suited to taxable accounts
  - less likely to have capital gain distributions with ETFs
- ETFs may be slightly more expensive than comparable MFs

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How about Vanguard All-in-One ETFs?

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All-In-One Funds

- What are All-In-One Funds?
  - Technical Details
- Why Not a DIY Portfolio Instead?
- All-In-One Fund Benefits
- All-In-One Fund Critiques
  - Critiques Of Critiques
- Selecting All-In-One Funds
- Transitioning to All-In-One Funds

The Education of an Index Investor

"Born in darkness,
finds indexing enlightenment,
overcomplicates everything,
embraces simplicity."

— Rick Ferri, CFA

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The Education of an Index Investor

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All-In-One
Funds
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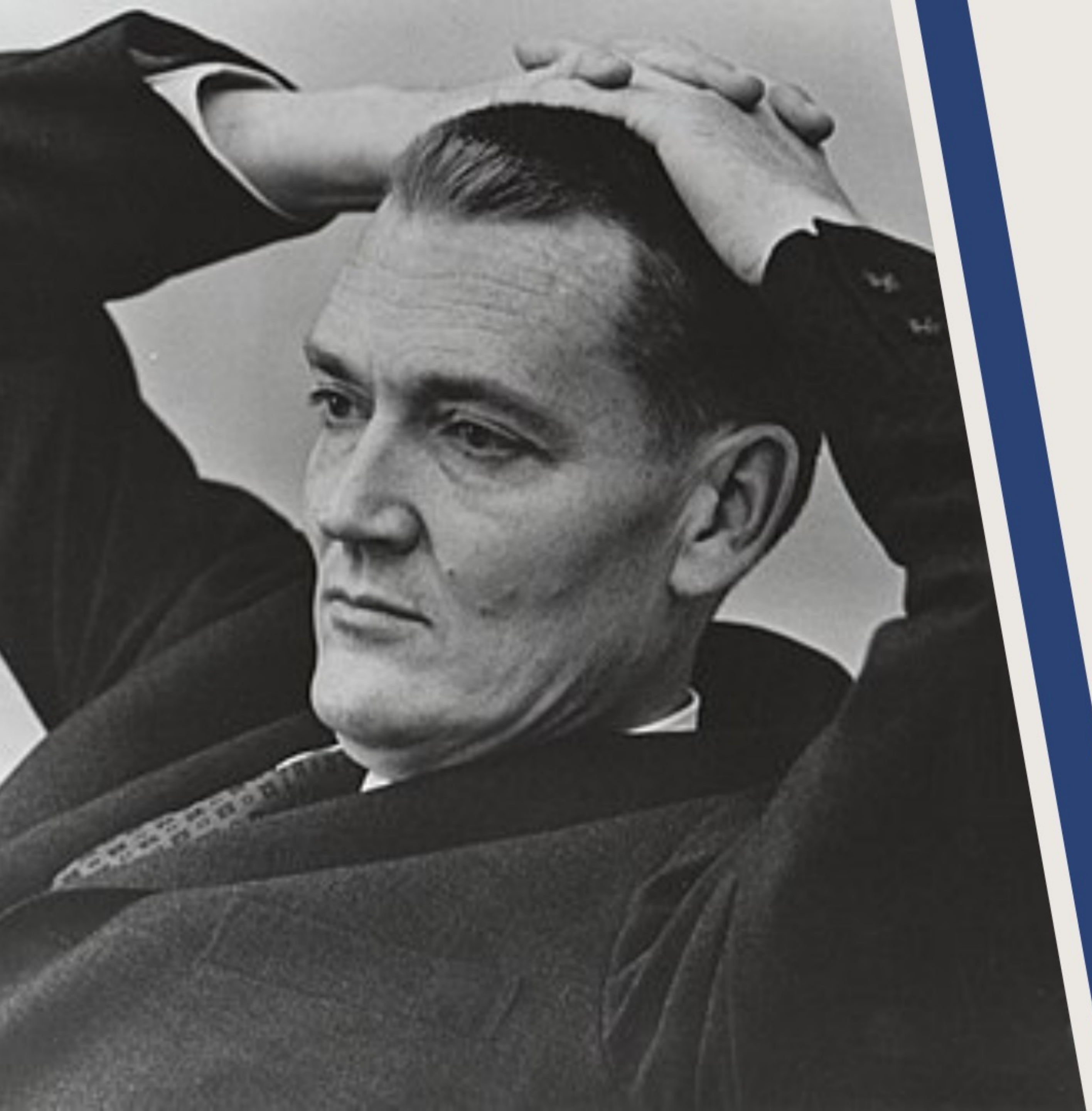

Thank You!

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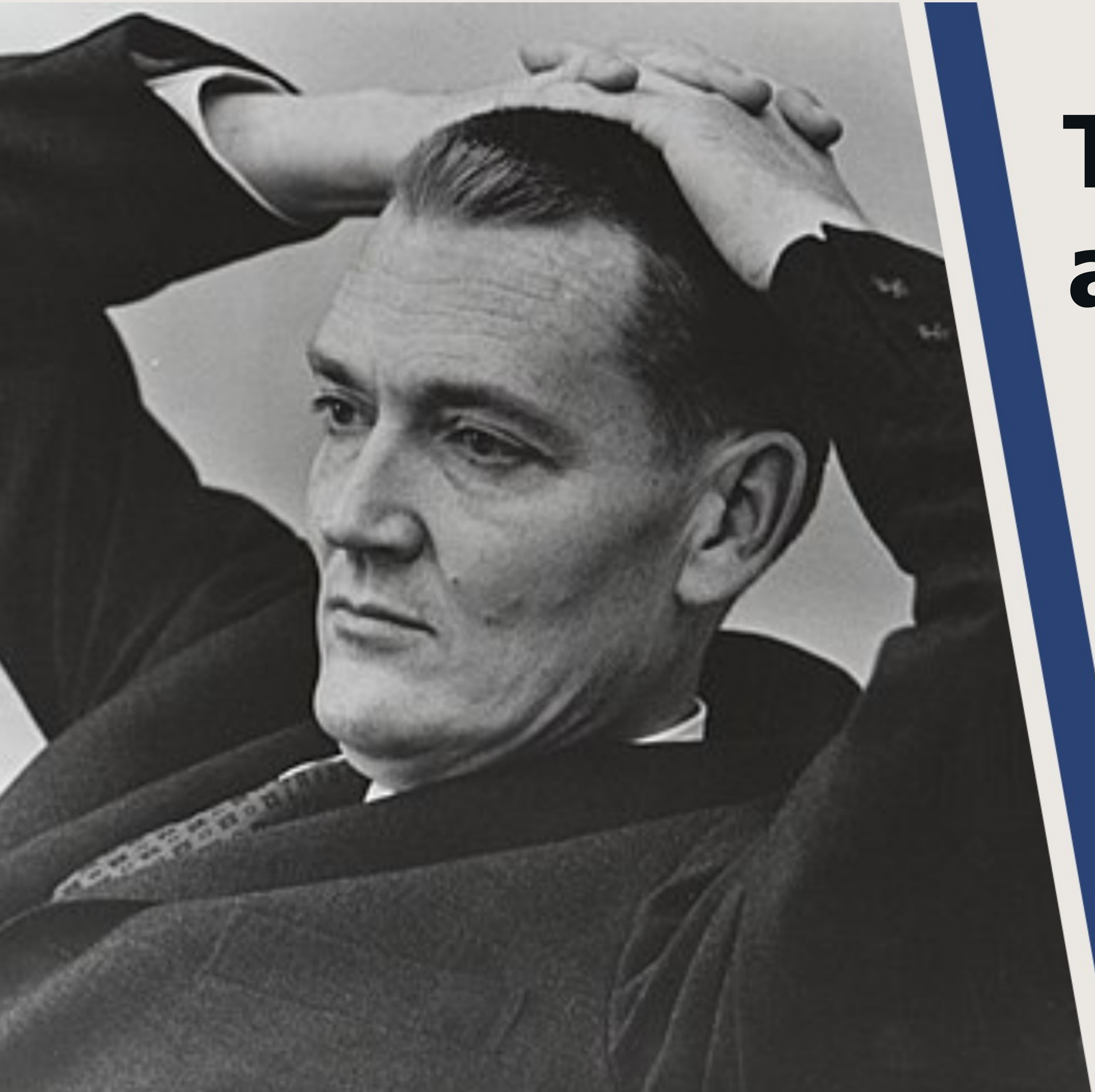

Tax Management and Tax-Efficient Investing

Valerie Rivera, CFP®
Founder &
Financial Planner
FirstGen Wealth

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Center for Financial Literacy

About me: Valerie Rivera, CFP®

- CERTIFIED FINANCIAL PLANNER professional with nearly 20 years of experience advising clients averaging $10MM–$20MM portfolios.

- Business owner with active fee-only practice using that same expertise to empower First0Gen Wealth Builders.

- A proud First-Gen who built her own financial safety net and reached Coast FI by 40. Passionate about tax planning, travel, and helping others design lives of freedom and purpose.

- Lifelong Chicagoan and hopelessly devoted White Sox fan. I know a thing or two about patience and managing disappointment.

Today's 30 Min Roadmap

- Asset Allocation vs. Asset Location
- The Three Tax Buckets
- Real Life Client Examples
- Q&A

Allocation builds wealth. Location helps you keep it.

- **Asset Allocation** = What you own.
- Examples: stocks, bonds, cash.

- **Asset Location** = Where you own it.
- Examples: pre-tax 401(k), Roth IRA, brokerage account.

- We're going to focus on **Asset Location** together.

Mapping Out Your Accounts

The Three Tax Buckets

🟢Tax Now	🟡Tax Later	🔵Tax Never Again
Checking / Savings / Brokerage	Traditional IRA / 401(k) / 403(b) / 457 / SEP IRA	Roth IRA / Roth 401(k) / HSA*

🟦 *HSA = Triple tax-exempt**

Contributions are deductible, growth is tax-free, and withdrawals are tax-free for qualified medical expenses.

How “Tax Now” Bucket Works:

- **<u>Cash</u> (checking, savings, money market):**
  - Interest is taxed as ordinary income

- **<u>Brokerage Account:</u>**
- Annual tax on interest/dividends (a 1099 is issued regardless of sales):
  - **Qualified dividends:** taxed at capital gains rates (0%, 15%, or 20%)
  - **Non-qualified dividends:** taxed at your ordinary income rate — same as wages
- When you **sell investments**, any gains are taxed as:
  - **Short-term (< 1 year):** ordinary income aka wages
  - **Long-term (≥ 1 year):** capital gains rate (0%, 15%, or 20%)

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How Long-Term Cap Gains Work:

Your cap gains rate is based on your ordinary income

LONG–TERM CAPITAL GAINS TAX			
Rates apply to LTCGs and qualified dividends, and are based on taxable income.			
TAX RATE	**0% RATE**	**15% RATE**	**20% RATE**
MFJ	≤ \$96,700	\$96,701 - \$600,050	> \$600,050
SINGLE	≤ \$48,350	\$48,351 - \$533,400	> \$533,400
ESTATES/TRUSTS	≤ \$3,250	\$3,251 - \$15,900	> \$15,900
3.8% NET INVESTMENT INCOME TAX			
Paid on the lesser of net investment income or excess of MAGI over:			
MFJ	\$250,000	**SINGLE**	\$200,000

How “Tax Later” Bucket Works:

Account Examples: pre-tax 401k, Rollover IRA, Traditional IRA

- In the year of contribution, there is a one time income deduction.
- Funds grow tax deferred (no annual 1099)
- Upon withdrawal, the entire amount of contribution and decades of growth are taxed as Ordinary Income aka wages.
- At age 73, RMDs begin. They continue to increase annually. With higher income, can push “Tax Now” bucket into higher Capital Gains rate.
- Subject to the unknown of future tax rate. The longer the time frame, the bigger the risk factor.

How “Tax Later” Bucket Works:

Know your marginal vs. effective rate. Also, state tax, if applicable.

FEDERAL INCOME TAX

Rates apply to taxable income (i.e., income after deductions).

TAX RATE	MFJ	SINGLE
10%	$0 - $23,850	$0 - $11,925
12%	$23,851 - $96,950	$11,926 - $48,475
22%	$96,951 - $206,700	$48,476 - $103,350
24%	$206,701 - $394,600	$103,351 - $197,300
32%	$394,601 - $501,050	$197,301 - $250,525
35%	$501,051 - $751,600	$250,526 - $626,350
37%	Over $751,600	Over $626,350
ESTATES & TRUSTS		
10%	$0 - $3,150	
24%	$3,151 - $11,450	
35%	$11,451 - $15,650	
37%	Over $15,650	

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How “Tax Never Again” Bucket Works:
Account Examples: Roth 401k, Roth IRA

- You pay income tax in the year a contribution is made.
- Funds grow tax-free (no annual 1099)
- Withdrawals are tax-free if meet the criteria:
  - you need to have had the account open for at least five years and be at least age 59 ½
- The unknowns of future tax rate is irrelevant to you in this bucket because there is no taxation upon withdrawal.

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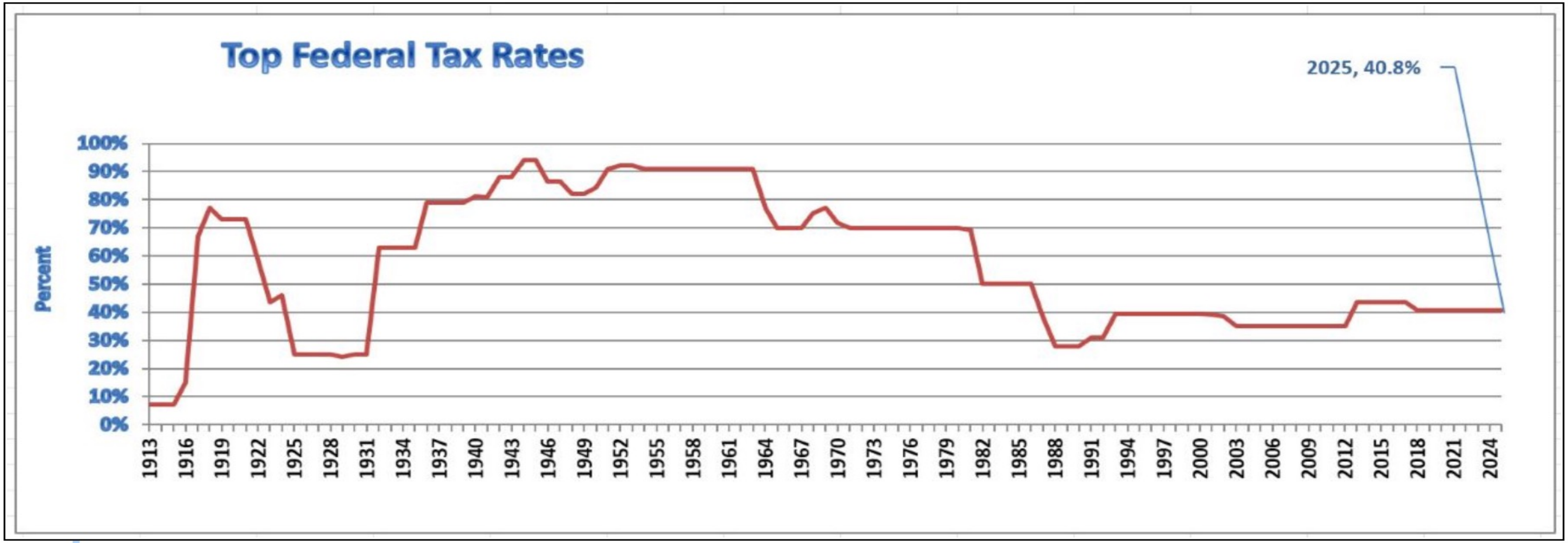
Are taxes really that high?

History of Tax Rates: 1913 – 2025



Client Examples

Let’s See How Different People Filled Their Buckets Based on Their Individual Situation…

Client Scenario #1: David & Sarah

Ages 32, both in tech, live in Seattle

- **Income:** $790K (salary + RSUs), **Tax:** 37% top /26% effective, **Net Worth:** $4M

Strategy

- David: Max pre-tax 401(k) + $35K After-Tax (ATRA → Roth) Sarah: Max Roth 401(k)
- Both: $7K backdoor Roth IRAs each
- Extra cash flow → brokerage + 529 pre-funding
- Expect higher tax rates → pay taxes now for flexibility

Tax Buckets

- **Tax Now:** Brokerage – flexibility and access
- **Tax Later:** Pre-tax 401(k) – deductions today while income is high
- **Tax Never Again:** Roth 401(k), Roth IRAs, 529 Plan, ATRA conversions* – future tax-free growth
  *HSA is triple tax-exempt if used for medical expenses

Goals: Start family, buy $3M home in 7 years, keep current home as rental.

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Client Scenario #2: Ana

Age 47, Austin, pharmaceutical executive, recently retired

- **Net Worth:** ~$6M Pre-Tax IRA/401(k), $1.5M Brokerage, $750k in cash
- **Annual Spending: $96K, Tax Goal: Top of 24% bracket**

- **Strategy**
- Executed **NUA strategy** to move employer stock to brokerage (Tax Now bucket)
- Delay Social Security to 70
- Annual Roth conversions up to the top of the 24% bracket
- Use cash + brokerage proceeds to fund conversions
- Pay tax over 20 years before SSA begins to gain control later
- **Tax Buckets**
  Tax Now: Brokerage + NUA stock – liquidity for living expenses and conversions
  Tax Later: Traditional IRA – systematically converting each year
  Tax Never Again: Roth IRA – reduces future RMDs and grows tax-free

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Client Scenario #3: Judy & Mark

Ages 40 & 45, live in Chicago with one child

- **Income:** $400K, **Tax:** 32% top /25% effective, **Net Worth:** $2.2M
- **Strategy**
- 100% Roth 401(k) contributions + backdoor Roth IRAs
- Max HSA and IL 529 ($20K annual deductible limit)
- Maintain low cost of living and growing brokerage savings
- **Tax Buckets**
  Tax Now 20%: Brokerage – liquidity for family and future projects
  Tax Later 20%: Pre-tax savings from earlier careers
  Tax Never Again 60%: Roth 401(k), Roth IRAs, HSA* – future tax-free withdrawals

  Goal: Tax diversification and long-term simplicity. "Know all your money is yours."

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Three Paths, One Goal:

Tax flexibility and control — to live life on your own terms

- **David & Sarah (Tech Professionals — Seattle)**
  Building wealth fast using **Roth and after-tax strategies** now to simplify later

- **Ana (Recently Retired — Austin)**
  Early retiree turning **pre-tax savings into long-term tax-free growth** through strategic **Roth conversions**

- **Judy & Mark (School Administrator & Tech — Chicago)**
  Mid-career family choosing to **pay taxes today for clarity and confidence tomorrow**

Q&A

- What burning questions do you have for me?

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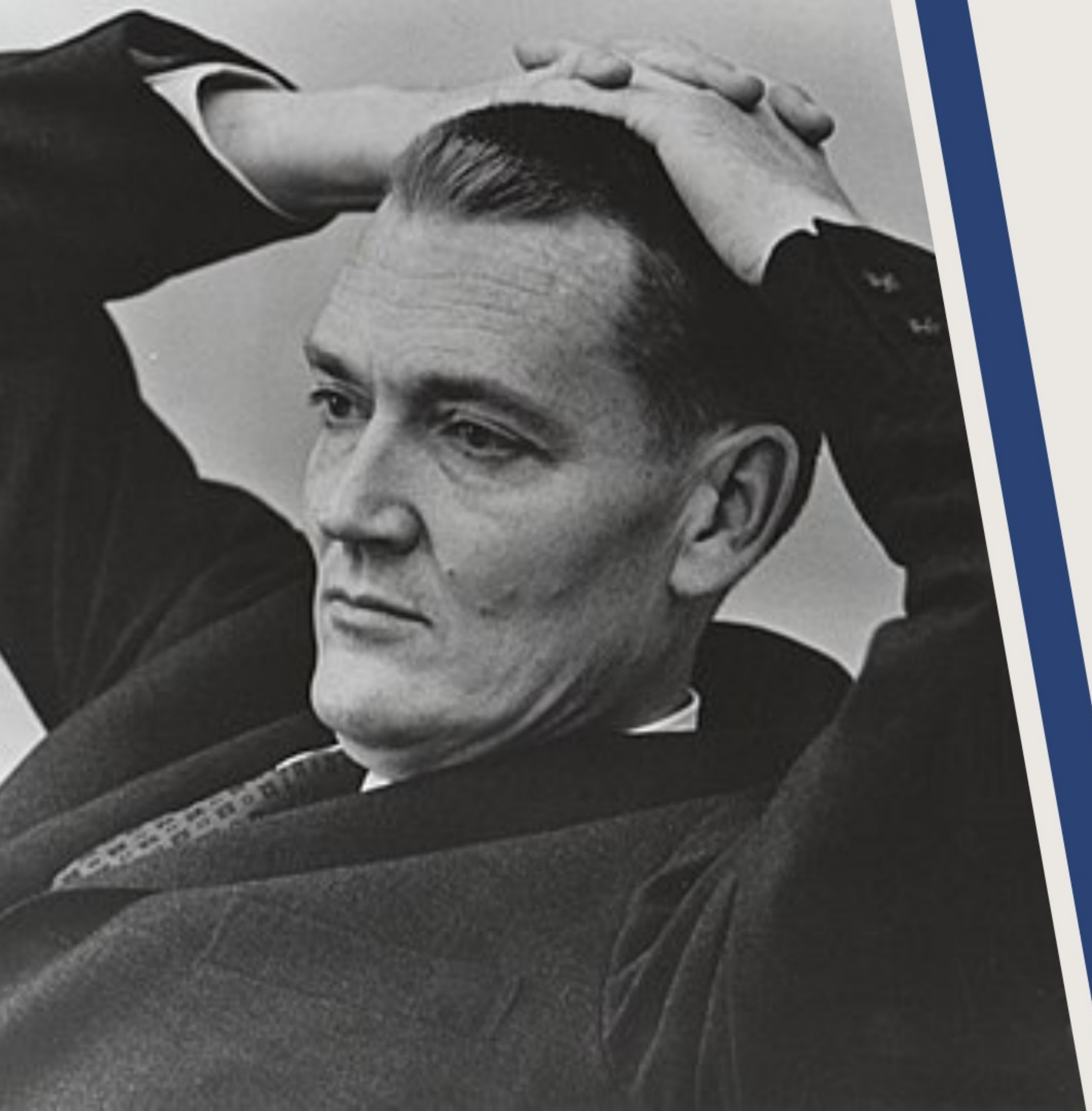

Thank You!

Valerie Rivera,
FirstGen Wealth

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Valerie@1genwealth.com

Find me at
www.1genwealth.com

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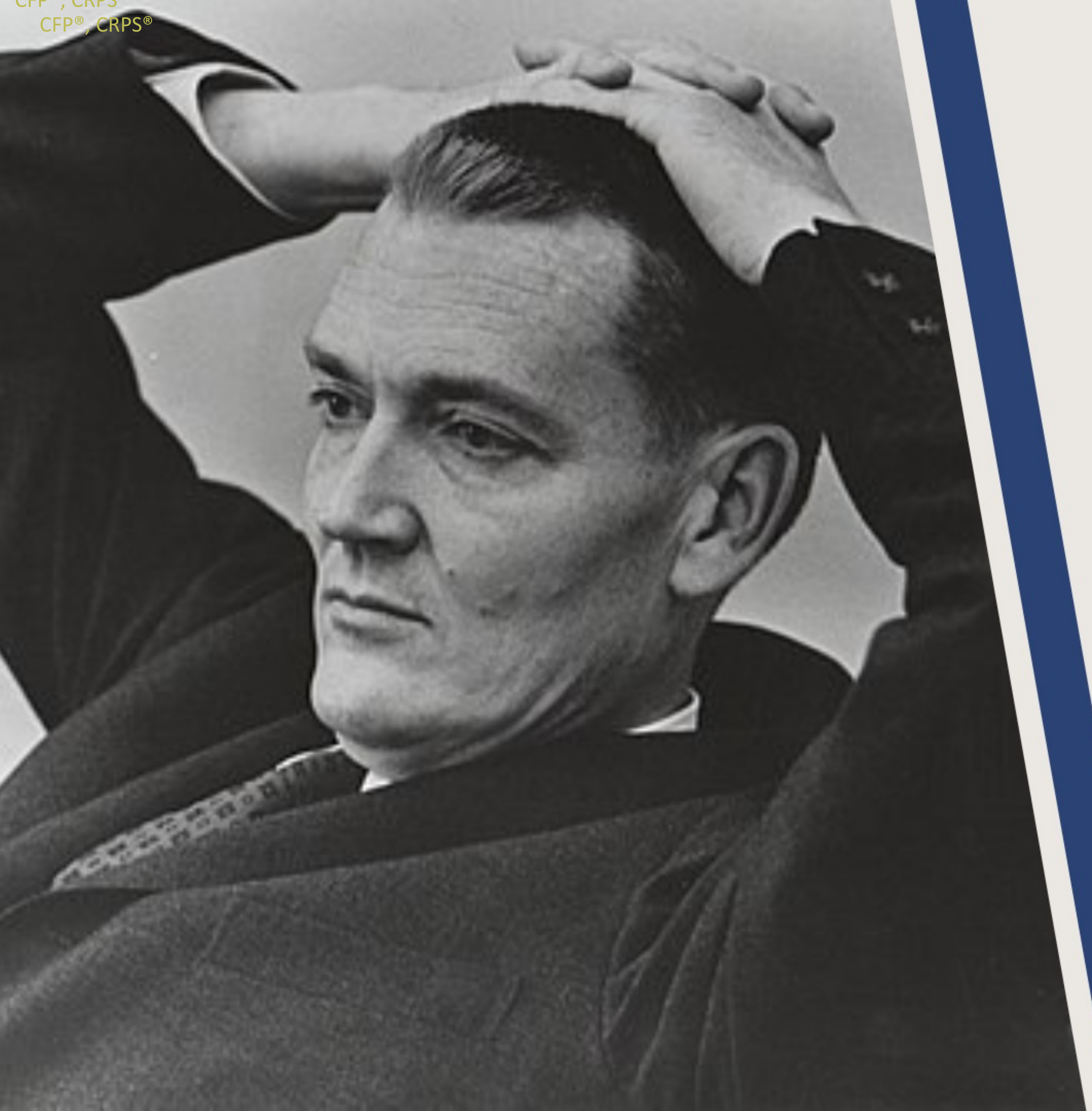

Understanding The Financial Industry

Sarah Catherine Gutierrez, CFP, CRPS

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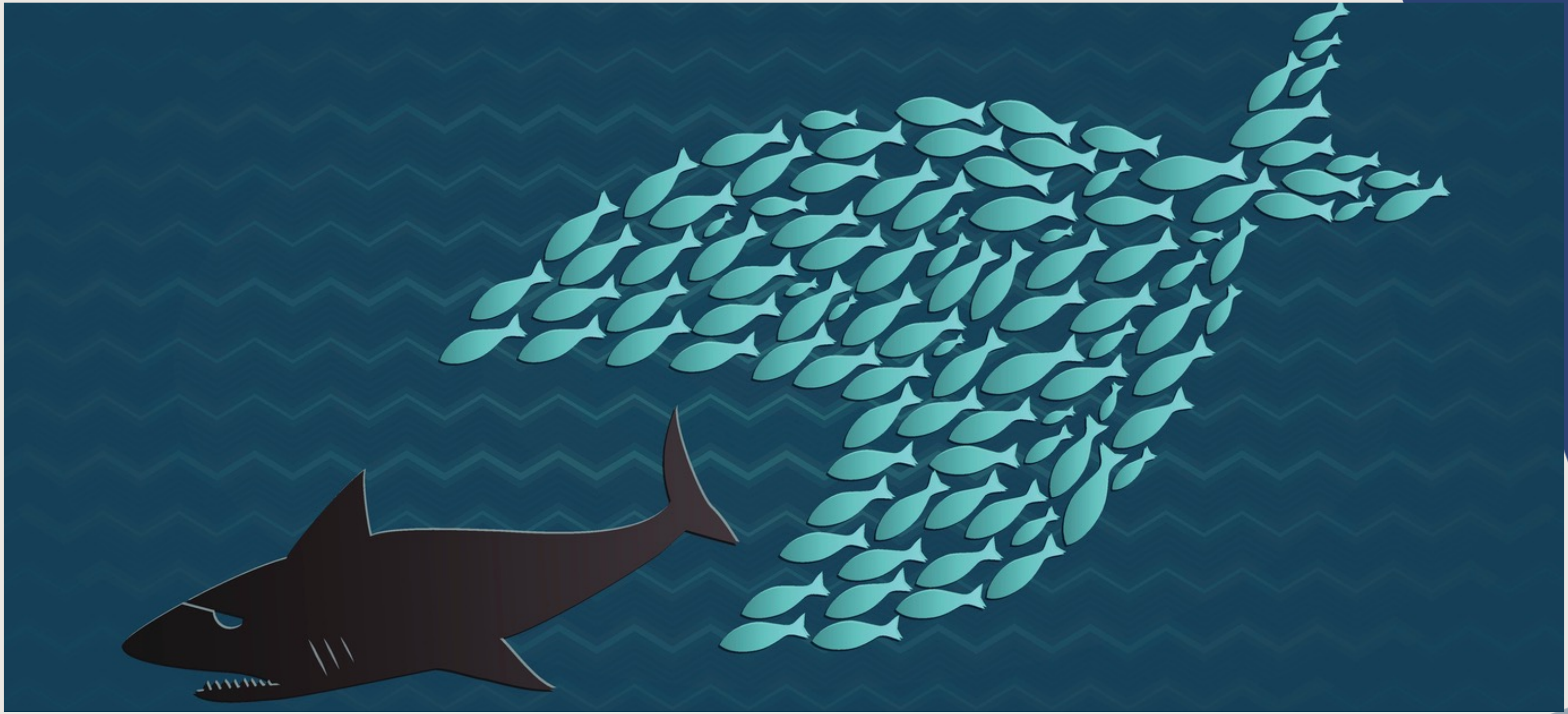

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What do we mean by financial advice?

Investment Advice

Asset Allocation

Picking Mutual Funds

Buying Financial Products

Financial Planning

Setting financial goals
Creating a budget
Setting savings targets for retirement
Setting aside money for emergencies
Setting aside money for intermediate goals
College 529s
Disability Insurance
Life Insurance
Other insurance
Creating Investment Policy Statement
Investing in Work Retirement Plans
Backdoor Roth IRAs
HSA Investment
Asset Allocation
Picking Mutual Funds

Financial Advice = **Financial Planning**

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Financial Advice = Investing

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Investment Advice

Asset Allocation

Picking Mutual Funds

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Setting savings targets for retirement
Setting aside money for emergencies
Setting aside money for intermediate goals
College 529s
Disability Insurance
Life Insurance
Other insurance
Creating Investment Policy Statement
Investing in Work Retirement Plans
Backdoor Roth IRAs
HSA Investment
Asset Allocation
Picking Mutual Funds

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FINANCIAL ADVISOR SWOT ANALYSIS

Strengths

S

Scalability of a business model with product sales and % management fees.

Weaknesses

W

High competition to find people with lots of money.

Opportunities

O

Referrals to new physicians annuitizing the financial advisor's wealth.

Threats

T

The educated consumer.

CLTC

CFS

CPCU

CIC

CFP

CIMA

CMT

CEBS

CRM

CISR

CPA

CDFA

CAPPFS

CRSP

CHFC

CFA

CLU

CRPC

The industry is designed for its own profit first and the client second.

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Stocks/Bonds

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Annual fund operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Share class:	A	C	T	F-1	F-2	F-3	529-A
Management fees	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Distribution and/or service (12b-1) fees	0.24	0.99	0.25	0.24	none	none	0.23
Other expenses	0.13	0.13	0.13[2]	0.18	0.15	0.04	0.18
Total annual fund operating expenses	[illegible]	[illegible]	0.68	0.72	0.45	0.34	0.71

Share class:	[illegible]	[illegible]	529-T	529-F-1	529-F-2	529-F-3	R-1
Management fees	[illegible]	[illegible]	0.30%	0.30%	0.30%	0.30%	0.30%
Distribution and/or service (12b-1) fees	[illegible]	[illegible]	0.25	0.25	none	none	1.00
Other expenses	[illegible]	[illegible]	0.17	0.23	0.14	0.09	0.13
Total annual fund operating expenses	[illegible]	[illegible]	0.72	0.78	0.44	0.39	1.43

Share class:	[illegible]	[illegible]	R-3	R-4	R-5E	R-5	R-6
Management fees	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Distribution and/or service (12b-1) fees	0.75	0.60	0.50	0.25	none	none	none
Other expenses	0.38	0.23	0.18	0.13	0.19	0.09	0.04
Total annual fund operating expenses	1.43	1.13	0.98	0.68	0.49	0.39	0.34

1%!!!

[1] A contingent deferred sales charge of 1.00% applies on certain redemptions made within 18 months following purchases of $1 million or more made without an initial sales charge. Contingent deferred sales charge is calculated based on the lesser of the offering price and market value of shares being sold.

[2] Restated to reflect current fees.

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Sell Products

Fiduciary Advice

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Investment Advisory Program Disclosure Brochures

Download an investment advisory program or fee-based planning disclosure brochure by clicking below:

Northwestern Mutual Signature Portfolios Disclosure Brochure

Northwestern Mutual Signature Choice Disclosure Brochure

Northwestern Mutual Signature Annuities Disclosure Brochure

Northwestern Mutual Signature Managed Accounts Disclosure Brochure

Northwestern Mutual Private Client Services Disclosure Brochure

Northwestern Mutual Retirement Plan Services Disclosure Brochure

Northwestern Mutual Fee-based Planning Disclosure Brochure

If you elect to purchase insurance products (such as a life insurance policy) or investment brokerage products (such as mutual funds within a brokerage account) to fulfill plan recommendations, you will be doing so outside of an investment advisory relationship. Your Advisor, while providing financial planning services to you for a fee, owes you a fiduciary duty, which requires your Advisor to act in your best interest and disclose to you all conflicts of interest.

Your Advisor does not owe you a fiduciary duty when acting as an insurance agent selling insurance products to you or selling securities to you acting as a registered representative of NMIS.

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1%

$5,000

$10,000

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But what happens in these specific examples?

You want to invest $200,000 in real estate

$2,000 annual fees

You want to buy a $500,000 vacation home in cash

$5,000 annual fees

You want to aggressively pay off $300,000 student loans

$3,000 annual fees

You want to keep your money in a low-fee work retirement account

$20,000 annual fees

Assumes 1% AUM fee would be collected on assets.

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How were the investments performing?

- **$62 million**
- **$86 million**
- **$960,000 EXTRA per year**

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Report 3: Fund Underperformance Rates – U.S. Equity Categories

Fund Category	Comparison Index	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)	20-Year (%)
Global Equity								
Global Funds	S&P World Index	70.75	76.61	92.17	86.42	87.80	92.59	n/a
International Funds	S&P World Ex-U.S. Index	56.17	71.25	81.68	79.25	81.48	86.85	n/a
International Small-Cap Funds	S&P Developed Ex-U.S. SmallCap	50.67	57.69	61.04	56.98	73.44	65.45	72.73
Emerging Markets Funds	S&P/IFCI Composite	46.30	63.47	72.59	72.17	86.21	87.77	92.31
U.S. Equities								
All Domestic Funds	S&P Composite 1500	76.56	76.17	90.09	85.91	90.08	93.42	[illegible]4.31
All Large-Cap Funds	S&P 500	57.31	57.05	86.08	77.26	84.71	89.54	91.77
All Mid-Cap Funds	S&P MidCap 400	70.76	71.77	72.82	83.17	78.75	90.27	92.17
All Small-Cap Funds	S&P SmallCap 600	15.02	36.50	48.82	62.73	81.31	90.50	91.60
All Multi-Cap Funds	S&P Composite 1500	78.56	74.30	90.79	84.59	89.16	91.61	93.16
Large-Cap Growth Funds	S&P 500 Growth	82.14	50.21	80.80	78.11	82.70	94.39	95.05
Large-Cap Core Funds	S&P 500	58.66	63.67	78.24	78.85	95.95	97.14	92.84
Large-Cap Value Funds	S&P 500 Value	28.09	58.08	88.64	86.31	91.33	94.59	89.04
Mid-Cap Growth Funds	S&P MidCap 400 Growth	92.31	93.70	93.28	88.72	74.27	89.66	92.90
Mid-Cap Core Funds	S&P MidCap 400	74.38	64.66	61.36	80.19	88.52	93.55	95.16
Mid-Cap Value Funds	S&P MidCap 400 Value	12.00	33.33	47.69	56.25	87.84	88.19	89.89
Small-Cap Growth Funds	S&P SmallCap 600 Growth	39.57	75.86	79.70	75.92	81.07	91.60	94.95
Small-Cap Core Funds	S&P SmallCap 600	15.75	29.30	35.27	58.78	86.77	94.22	93.69
Small-Cap Value Funds	S&P SmallCap 600 Value	6.38	6.00	12.50	40.21	79.13	85.35	86.96
Multi-Cap Growth Funds	S&P Composite 1500 Growth	81.63	76.13	86.56	84.53	88.78	93.24	93.45
Multi-Cap Core Funds	S&P Composite 1500	76.92	73.13	89.59	87.76	96.39	95.12	94.48
Multi-Cap Value Funds	S&P Composite 1500 Value	28.38	46.15	90.55	84.09	94.07	94.19	89.85
Real Estate Funds	S&P United States REIT	71.05	88.31	100.00	76.19	80.00	89.32	89.61

Sources: S&P Dow Jones Indices LLC, CRSP. Data as of June 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

89% Underperform

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Advice-only Financic
Planning: Wave of the

PRACTICE MANAGEMENT

Joe Buhrmann • August 29, 2023

CES START HERE BECOME MEMBER FOR ADVICERS FOR CONSUMERS

View PODCASTS BLOG

Using The Advice-Only Financial Planning Model To Build A Sustainable Advisory Firm

DECEMBER 20, 2021 07:02 AM 17 Comments CATEGORY: Practice Management

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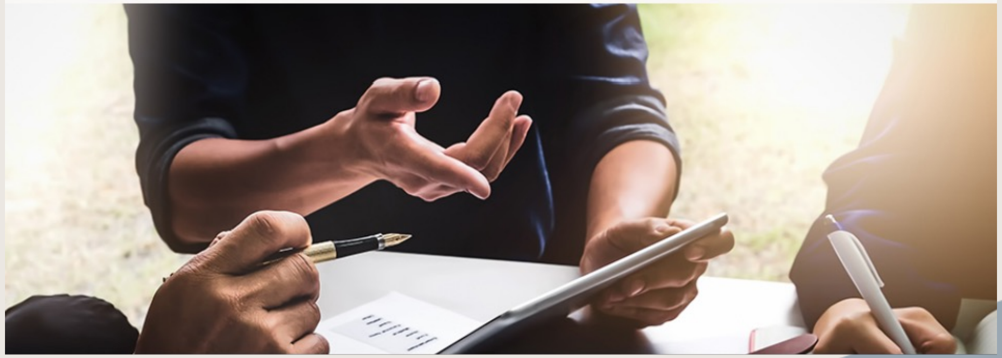
A A A

Advice-only fees gain traction as advisers opt out of managing client portfolios

MONEY

Financial Planners for the Rest of Us

You don't need — or have to pay — a million bucks to get good advice



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It’s time to talk about YOU.

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Financial Planning

Saving Advice

Setting financial goals

Creating a budget

Setting savings targets for retirement

Setting aside money for emergencies

Setting aside money for intermediate goals

Saving for college

Risk Management Advice

Life insurance

Disability insurance

Home/Auto insurance

Investing Advice

Investment Policy Statement

Work retirement plans

Backdoor Roth IRAs

HSA

Asset allocation

Mutual Funds and/or ETFs

Where do you fall on this spectrum?

DIYer

Collaborator

Delegator

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DIYers

Fire your financial advisor course

Regular meetings with spouse

Rely heavily on automations

Collaborators

Seek help with the financial plan

DIY investing

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Delegators

Hire someone to do the financial plan and investing for you.

Conduct a performance review. How have you performed relative to market returns?

Evaluate financial planning fees each year and determine if it is still a valuable service worth paying for.

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Go Buy What YOU Need

DIY'er

DIY financial planning and investing.

Fire Your Financial Advisor Course

Continuous self education with books, podcasts and blogs.

$800 - $1,000 one-time fee

Validator

Hire someone to do the financial planning but DIY investing.

Advice Only

Flat Fee

Subscription Fee

Hourly Fees

$3,000 to $10,000 in first year with declining fees in second year.

Delegator

Hire someone to do both the financial planning and investing.

Fee Only

AUM % Fees

Subscription Fees

Flat Fees

$5,000 - $30,000 with increasing costs as assets go up.

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Fiduciary	Fiduciary
No product sales	No product sales

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Financial Planning with Investment Management

- Fee-Only Advisor
- Fiduciary
- CFP
- 1% Fee (preferably less)
- Separately bill for financial planning
- Test out willingness to put client interest ahead of their own through a simulation or scenario
- Passively managed portfolio of 3-5 funds, rebalanced annually
- If actively managed, get an independent evaluation ever 3-5 years

Change is here.

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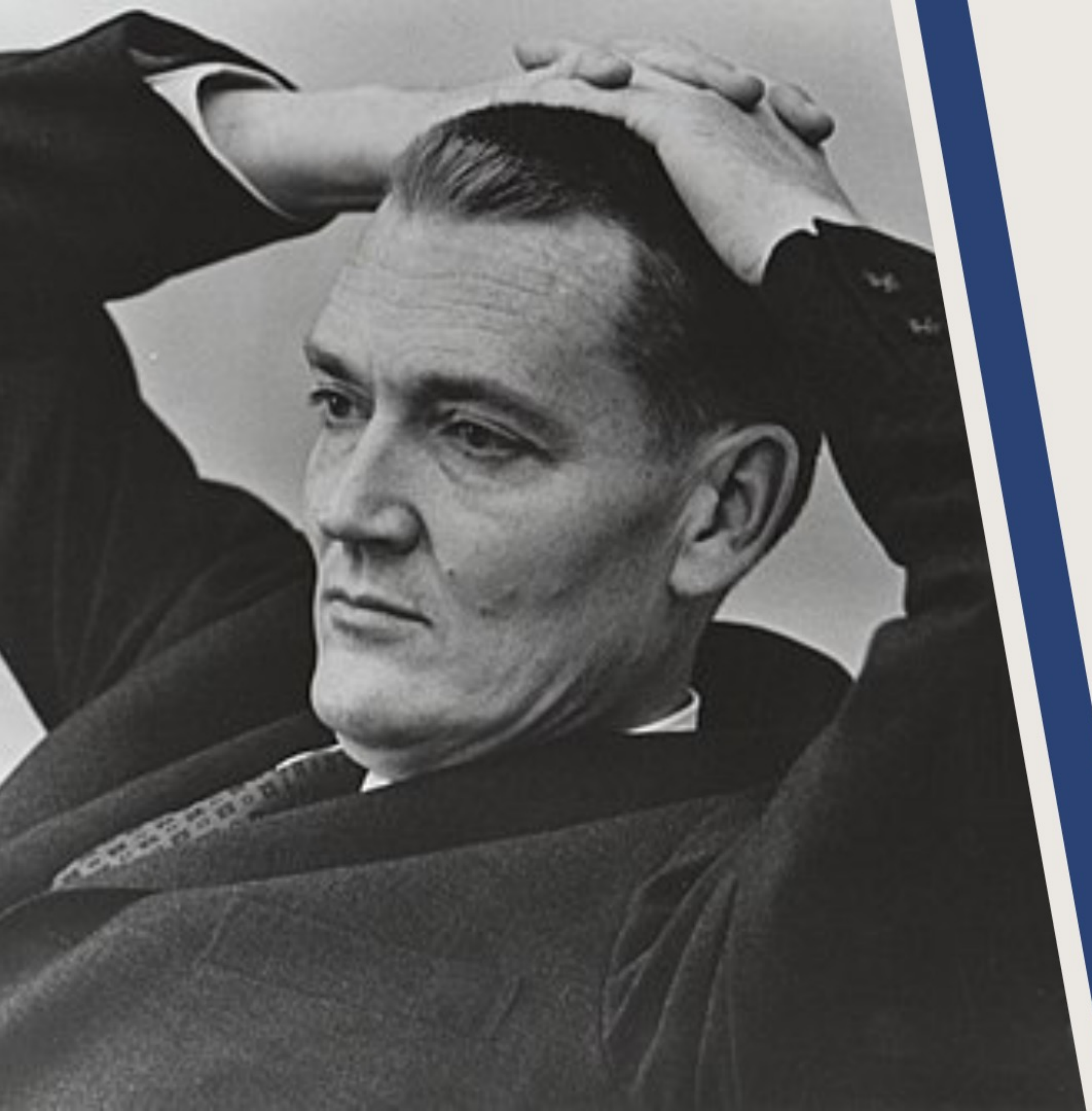

Thank You!

Sarah Catherine
Gutierrez

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