NAPFA ADVISOR
MAGAZINE
The Art and Science of the Fee-Only Practice

Future Performance: Issues Facing Advisors in 2015

Save this Issue! 2014 Article Index Inside

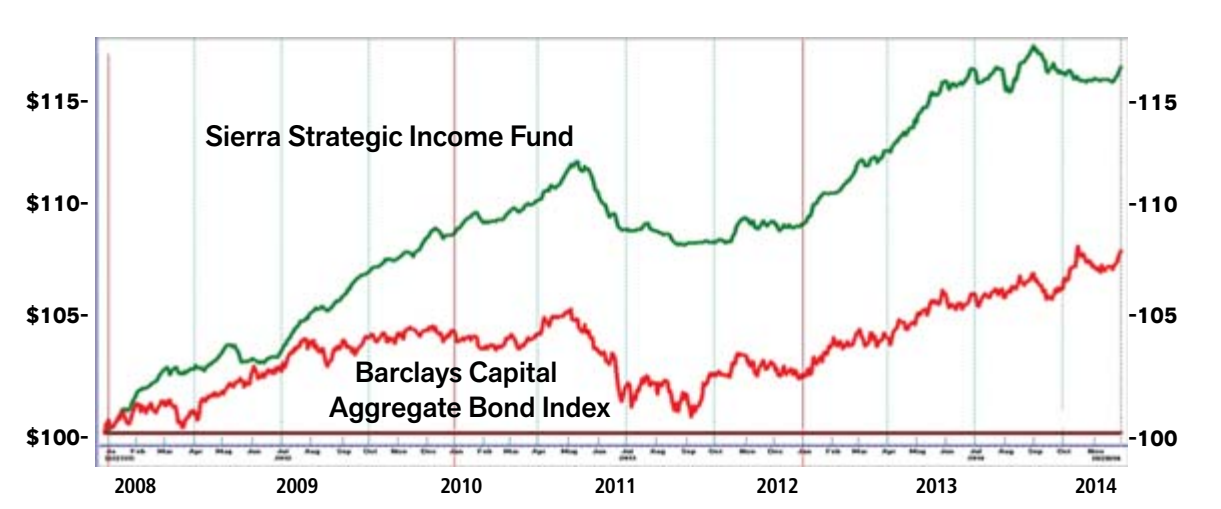
December 2014

SIERRA
STRATEGIC INCOME FUND

Invest wisely.

PERFORMANCE SUMMARY, CLASS R SHARES (SSIRX)

SIERRA STRATEGIC INCOME FUND FROM INCEPTION 12/27/11 TO 11/30/14



Successful portfolio management involves both profiting from sustained uptrends — the past three years have mostly been part of the current rising cycle — and limiting drawdown during the adverse part of the cycle — which Sierra has also done very well for many years.

	As of 11/30/2014				As of 9/30/2014			
	Year-to-Date	One Year	Since Inception 12/27/2011		Year-to-Date	One Year	Since Inception 12/27/2011	
			Cumulative*	Annualized			Cumulative*	Annualized
Sierra Strategic Income Fund Class R	**+6.85%**	**+6.73%**	**+17.56%**	**+5.68%**	**+6.61%**	**+7.49%**	**+17.30%**	**+5.91%**
Bond Index	**+5.87%**	**+5.27%**	**+8.90%**	**+2.95%**	**+4.10%**	**+3.96%**	**+7.08%**	**+2.51%**

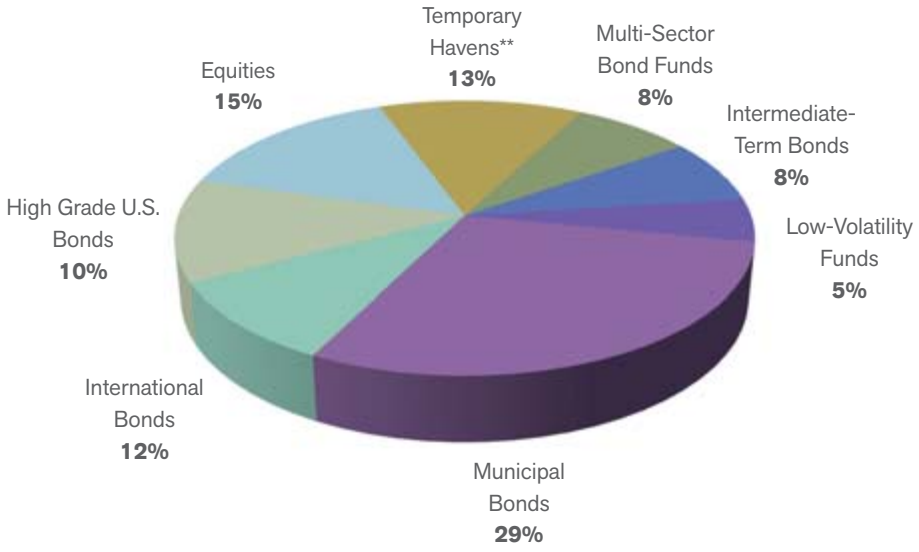
The performance data quoted here represents past performance for Class R shares (symbol SSIRX), and are net of the total annual operating expenses of the Class R shares (see below). For performance numbers current to the most recent month end, please call toll-free 866-738-4363 or visit our website, SierraMutualFunds.com. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate, so that investors' shares, when redeemed, may be worth more or less than their original cost. The total annual operating expenses, including expenses of the underlying funds (estimated at 0.56% per year) are 1.53% for Class R. Please review the Fund's prospectus for more information regarding the Fund's fees and expenses.

** "Cumulative" performance from inception is the total increase in value of an investment in the Class R shares assuming reinvestment of dividends and capital gain distributions.*

"Bond Index" is the Barclays Capital Aggregate Bond Index, formerly called the "Lehman Aggregate Bond Index", and is a broad-based index maintained by Barclays Capital that is often used to represent investment-grade bonds traded in the United States. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Underlying Funds may invest in foreign emerging market countries that may have relatively unstable governments, weaker economies, and less-developed legal systems, which do not protect investors. In general, the price of a fixed income security falls when interest rates rise. Any strategy that includes inverse securities could cause the Fund to suffer significant losses. Underlying Fund investments in lower-quality bonds, known as high-yield or junk bonds, present greater risk than bonds of higher quality. Municipal securities are subject to the risk that legislative changes and economic developments may adversely affect the value of the Fund's investments. REIT risks include declines from deteriorating economic conditions, changes in property value, and defaults by borrower. Underlying Funds that own small and mid-capitalization companies may be more vulnerable than larger, more established organizations to adverse business or economic developments. In some instances it may be less expensive for an investor to invest in the Underlying Funds directly.

ASSET ALLOCATION AS OF NOVEMBER 30, 2014*



*NOTE: Holdings can change at any time without notice. **Money Market & ultra short bond funds.

The top ten holdings of the Sierra Strategic Income Fund as of the date above is among the extensive information included in a four-page Fact Sheet, which is updated at least quarterly and can be viewed and printed from our website, SierraMutualFunds.com.

PERFORMANCE BY QUARTER (SSIRX)

Year	Q1	Q2	Q3	Q4	Calendar Year	Bond Index
2012	+2.94%	+0.79%	+3.67%	+1.75%	+9.44%	+4.21%
2013	+1.41%	-1.24%	-0.60%	+0.83%	+0.38%	-2.02%
2014	+3.25%	+3.41%	-0.15%			

The Sierra Strategic Income Fund pays a quarterly dividend. Shares are available through TD Ameritrade, Charles Schwab & Co. Inc., Fidelity, Pershing and directly from the Fund.

The Fund indirectly bears the investment management fees and expenses of the underlying funds in addition to the investment management fees and expenses of the Fund – all of which however are fully reflected in the above performance information. In some instances it may be less expensive for an investor to invest in the underlying funds directly. There is also a risk that investment advisers of those underlying funds may make investment decisions that are detrimental to the performance of the Fund. Investments in underlying funds that own small- and mid-capitalization companies may be more vulnerable than larger, more established organizations to adverse business or economic developments. Investments in underlying funds that invest in foreign equity and debt securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards.

Our investment strategies have been specifically developed for retirees, those approaching retirement, and other conservative investors. During these turbulent times, we invite you to ask us for more details about our performance in both good times and Bear Market periods.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the Sierra Strategic IncomeFund. This and other information about the Fund is contained in the prospectus and should be read carefully before investing. The prospectus can be obtained on our website, SierraMutualFunds.com, or by calling toll free 1-855-879-4075. The Sierra Strategic Income Fund is distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC.

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From the Editor

Thanks, Richard

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This month, Richard Sincere is writing his final column for the NAPFA Advisor. His voice has been a mainstay for the magazine since 2006, and his passion for the Fee-Only industry is evident in the unique perspective that he brings to issues of practice management and entrepreneurship. But because he is such a dedicated entrepreneur and philanthropist, time constraints have made it difficult for him to dedicate the energy necessary to pen a column six times a year.

Below, Kevin Adler, former editor of the Advisor, shares some thoughts on the value that Richard brought to NAPFA during those years.

Every NAPFA member knows how difficult it is to think and act beyond short-term needs. Being an entrepreneur leaves little time for reflective thought—there's always a crisis to solve, or a project to finish.

Richard Sincere breaks that mold. I met a lot of great business entrepreneurs in my 15 years as NAPFA's editor. Few have Richard's ability to see and act beyond the boundaries imposed by our day-to-day responsibilities.

For Richard, a full life isn't just the stewardship of Sincere & Co., an impressive achievement itself. His vision always points toward further horizons of business leadership, professional ethics, and international civic involvement.

Richard is enthusiastic about everything—and each of those enthusiasms could become the source of a column. His favorite coffee shop in New Hampshire was the jumping-off point for musings about how advisors can simultaneously keep current clients satisfied and comfortable, but adapt in order to attract new generations who might have different expectations.

So were his long walks in new towns when he's traveling for business. Or the reasons why he and his wife bought a downtown condo in Nashville when their son went to Vanderbilt University. Or the joys of doing a job right that he shared with the contractor his wife had hired to upgrade their home in Chicago.

On the other hand, Richard is clear-eyed about the toughest challenges for any entrepreneur: learning from setbacks, delegating responsibility, building loyalty, and so on. Those themes were the inspirations for many columns, too.

Richard also wrote about humility. Often. His columns reviewed the early-career mistakes he and colleagues made at Citicorp and Fidelity. He wrote about being awed by the amazing minds he met at Tel Aviv University in Israel, where he's a member of the Board of Governors. And he explained why clients had a right to be scared during the financial crisis and the Bernie Madoff scandal.

Yet, if there's one thing above all else that is at Richard's core, I think it could be summed up as this: personal interactions make our lives richer. As he wrote in a column in 2008, "I have chosen community over self."

Of course, you can't be a part of every community, even if you're as energetic as Richard Sincere. All of us at NAPFA are fortunate that this is one of the communities he chose to serve.

-Kevin Adler

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NAPFA
THE POWER OF TRUST
DECEMBER 2014 VOL. 31, ISSUE 12

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FiGuide *(excerpted from figuide.com)*
By Claire Emory, MBA, CFA, CFP®

IRS Increases Contribution Limits for 2015

Earlier this fall, the IRS announced increased retirement account limits for 2015. Retirement accounts that fall under these guidelines include 401(k), 403(b), some 457 plans, and the government's own Thrift Savings Plan. The limit for the annual contribution to these plans has increased to $18,000 (from $17,500). People ages 50 and above can now make "catch-up" contributions of $6,000 (an additional $500 from last year's $5,500).

While these increases can be of great benefit to anyone, it is especially important for people older than 50 who may not have saved as much as would be desirable at this stage of life to make the most of their tax-deferred retirement accounts. This could be a "pay now or pay later" scenario: finding ways to maximize retirement contributions while still working is better than an underfunded retirement.

The contribution and catch-up limits for those who are at least 50 ($5,500 and $1,000, respectively) for Individual Retirement Arrangements will remain the same for the next year. So while you can contribute more to tax-deferred retirement accounts, you will not be able to add more to an IRA than in previous years.

Geof Brown, NAPFA CEO

Looking Back, Moving Ahead

Can you believe how quickly another year has gone by? For many, food, holiday shopping, and family tradition have topped the list of concerns for the past few months. neared the end of 2014, two things were at the top of my mind: 1) preparing for our office move (which we completed just before Christmas) and 2) everything 2015 has in store for NAPFA! (Actually, over the course of the year, I guess those might add up to more than two things…)

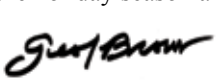
But before we completely transition into 2015, we should take some time to reflect on the many accomplishments of 2014. The one that stands out in my mind is the work that went into developing NAPFA's new multi-year strategic plan, which was unveiled during the November membership meeting. Volunteers from the National and Regional boards participated in an intentional process, focused on envisioning the future of NAPFA.

Under the guidance of the d3 Group, those involved in the planning effort engaged in significant discussions about whom NAPFA serves and the organization's path forward. The resulting framework includes the following strategic priorities for NAPFA.

- Membership: Grow membership and increase member engagement.
- Programs, Products & Services: Develop and deliver innovative, high-value, timely solutions that support members' evolving professional development and business needs.
- Organization Strength: Build an organizational structure and the financial resources to support achieving organizational objectives.
- Organization Credibility: Build a reputation as a collaborative and influential thought leader in the financial advising community that is backed by a recognized, respected, and consistent brand.
- Advocacy: Advance public policy that promotes and supports Fee-Only, comprehensive financial advising.

The framework provides the foundation for delivering value to NAPFA's stakeholders and for positioning the organization for future growth. It outlines the strategic imperatives for the years to come and provides the metrics that can be used to measure progress. Having a multi-year strategic plan is not necessarily groundbreaking, but it does offer a measure of stability that otherwise would not have been in place. As stakeholders of this organization, you should feel good knowing that your volunteer leaders have articulated a path for the future with you in mind.

I'm looking forward to the prospects for 2015 and the exciting times on the horizon! I hope that you all have enjoyed the holiday season and have a happy New Year.



NAPFA's Mission Statement

We provide networking opportunities, education, business development, and advocacy to promote the professional success of Fee-Only, comprehensive financial advisors.

Core Values

- Competency: Requiring the highest standards of proficiency in the industry.
- Commitment: Practicing a holistic approach to financial planning.
- Compensation: Using a model that facilitates objective advice.
- Client-Centered: Dedicated to a fiduciary relationship, which ensures the client's interests are first.
- Complete Disclosure: Providing an explanation of fees and potential conflicts of interest.

Vision

The public recognizes that NAPFA advocates the highest standards for personal financial planning and that NAPFA-Registered Financial Advisors are the trusted advisors of choice.

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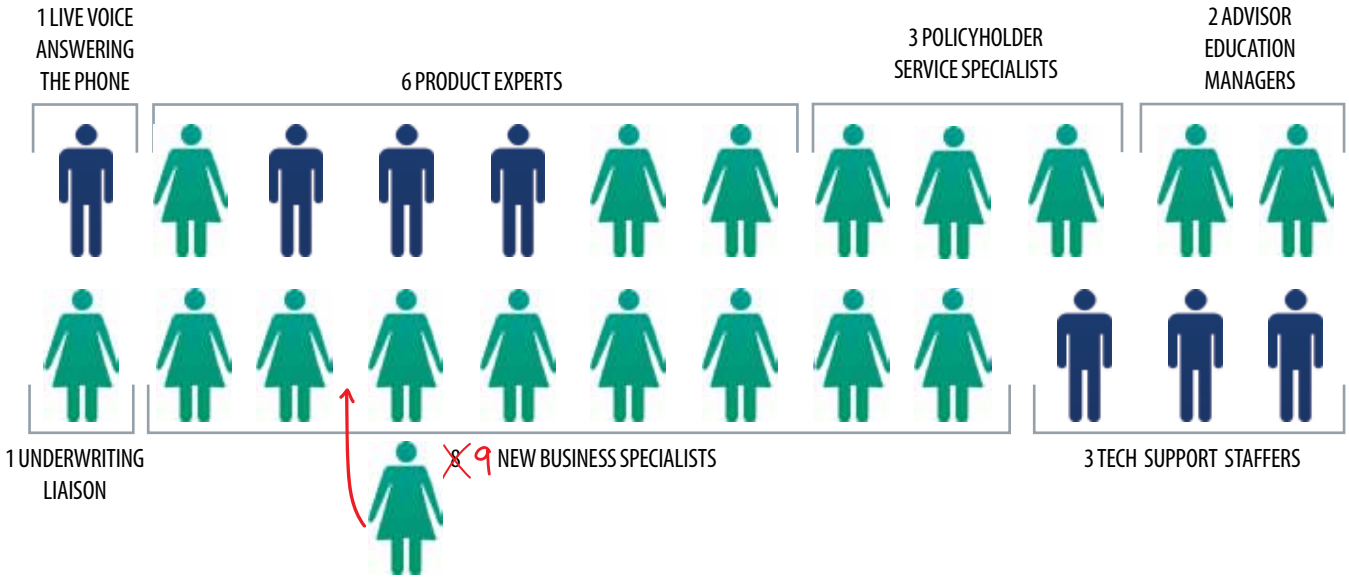

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KEEPING UP WITH NAPFA

NAPFA Members Elected to CFP Board's Board of Directors

Charles Fitzgerald and Peggy Ruhlin have been elected to serve on the CFP Board's Board of Directors. They will both serve four-year terms, beginning Jan. 1.

Fitzgerald is a principal and founding member of Moisand Fitzgerald Tamayo, LLC in Orlando, FL. He has been a CFP® since 1992. In 2009, he received the Financial Planning Association's Heart of Financial Planning Distinguished Service Award.

Peggy Ruhlin is CEO of Budros, Ruhlin & Roe, Inc. She has been a CFP® since 1986. She is a past president of the International Association for Financial Planning, and she currently serves on the Schwab Advisor Services Advisory Board.

Seeber Elected to FPA Board of Directors

Catherine M. Seeber has been elected to the board of directors for the Financial Planning Association®. She will serve a three-year term beginning Jan. 1.

Seeber is a principal and senior financial advisor at Wescott Financial Advisory Group, LLC, which has offices in Philadelphia, Boca Raton, Miami, and San Francisco. Previously, she has served as chair of the FPA's Philadelphia/Tri-State chapter and currently serves as chair of the Alliance Forum, a group composed of the 12 largest national chapters of the FPA.

Nominations Open for NAPFA Awards

Each year, NAPFA members recognize excellence in the profession by nominating individuals for special recognition. Nominations are currently being accepted for the following awards:

Robert J. Underwood Distinguished Service Award. NAPFA's flagship award is presented annually in recognition of an outstanding record of service to NAPFA or of the advancement of the practice of Fee-Only financial planning by an individual association or professional staff member.

NAPFA Special Achievement Award. This award recognizes non-members who have greatly enhanced Fee-Only financial advisors, provided exceptional service to the advising profession, or educated consumers on the benefits of having a comprehensive financial plan and working with a highly qualified financial advisor.

NAPFA Inspiring Leader Award. This award (formerly the Special Membership Award) is presented annually to NAPFA members who've established a record of encouraging, motivating, and engaging others in reaching their full professional potential under the auspices of NAPFA, primarily as teachers, mentors, or coaches.

NAPFA New Professional Award. A new award this year recognizes the contributions of young practitioners. It is open to practitioners younger than 35 as of Sept. 1, 2014, who have demonstrated exceptional influence in their professional and volunteer roles.

More information about each award category is available at napfa.org/awards/2015Awards.asp. All nominations must be submitted by Jan. 31.

Jump-Start Your Retirement 2015

"There is a nine-year age difference with my spouse. We are debt free, maximizing our contributions to IRAs and 401(k) accounts, and have $800,000 in retirement accounts. Currently, we are both working, with the first to retire in five years at age 66 and the second retiring two years later. We would like to get the maximum from Social Security and could use our retirement funds to fund early retirement for the younger spouse. What Social Security strategy would you recommend?"

In 2014, NAPFA members answered more than 800 questions like these, posed by more than 650 consumers, while being viewed by an average of 120 potential consumers during the quarterly "Jump-Start Your Retirement" chats sponsored by NAPFA and Kiplinger. The last chat of 2014 took place on Dec. 11.

"These quarterly chats are a way for consumers to get quick answers to their financial concerns while also bringing attention to you as a trusted financial advisor," said Bevin Callan, NAPFA's senior manager of Member Services.

Chats in 2015 are scheduled for the following dates:

Feb. 19
June 18
Sept. 17
Dec. 10

Each chat has five two-hour time slots:

9 a.m. to 11 a.m. (EST)
11 a.m. to 1 p.m. (EST)
1 p.m. to 3 p.m. (EST)
3 p.m. to 5 p.m. (EST)

Consumers can sign up to participate through Kiplinger and can submit questions in advance on Twitter, using the hashtag #JumpStart. More information on how consumers can participate is available at napfa.org/JumpStartHotline.asp. Past sessions can be found at live.kiplinger.com/#AllEvents.

NAPFA members who are interested in sharing their expertise with consumers during these chats in 2015 should contact Callan at callanb@napfa.org.

By Richard Sincere

Top 10 Lessons of the Game

When I wrote my first column for the Advisor magazine almost nine years ago, I was in the process of retiring. The markets were poised for a strong loss, and I didn't want to be distributing a couple of "long-only" funds. I sat on the sideline for a year before deciding to get back in the game. During that year of "retirement," I realized that it just wasn't my thing.

I have a passion for mixing business and philanthropy, but I couldn't enjoy working solely in philanthropy. There is a real science and art to being a good not-for-profit fundraiser, and I don't have that skill set. For me, it is much more interesting to be a donor. As long as I can work substantial hours in the for-profit world, I am very happy giving significant time to the not-for-profit world as well.

All of this is a nice way of saying that I have workaholic tendencies and that working only 40 hours per week wouldn't be fulfilling, since I wouldn't be sure how to fill the other 128 hours. (Who needs sleep?)

With this said, I am beginning to find myself a little time poor as I take on more responsibility in my philanthropic activities. So, this will be my last column with NAPFA after so many rewarding years. It makes me sad, since these columns have acted as a diary of sorts, but I will have to train myself to continue to write long after this column is finished. It just means that Kevin Adler, Chris Hale, and Deb Sincere—my terrific editors—will get to take a break from making my ideas seem coherent. And the hours that I've spent thinking of a column topic will hopefully now be filled with business and philanthropic initiatives.

I thought I would leave you with excerpts from the commencement speech I was asked to deliver on Nov. 11 to the graduating students of a joint program between Northwestern University's Kellogg School of Management (my alma mater) and Tel Aviv University's Leon Recanati Graduate School of Business Administration. The Kellogg-Recanati International Executive MBA Program (IEMBA) is a two-year general-management program.

Below is the speech I delivered in Israel to these executive MBA graduates:

Shalom. Erev Tov. I want to congratulate the Class of 2014 for being among the best and the brightest of any graduating class the world over. The Kellogg-Recanati program has had the distinction of being one of the most highly regarded executive MBA programs in the world.

I remember how proud I was graduating from Northwestern University's Kellogg School of Management in 1983. It was a year when women were just starting to be admitted to the business school in larger numbers. The world I recall from 30 years ago sounds downright archaic in today's postgrad academic arena, which is now comprised of approximately 30 percent women in executive MBA classrooms. University students today come together from all parts of the globe, and information is instantaneous, 24 hours a day, 7 days a week. Thankfully, for those of us in the financial arena, the one constant throughout the decades is that understanding how to maximize portfolio returns will still earn you respect.

You see, 30 years from now, when one of you takes my place on this stage to deliver the 2044 commencement speech, you'll realize that the moment you depart these hallowed halls after graduation, the knowledge you gained will have already become outdated. And, if you don't stay current, you too may become outdated. Fortunately, the experiences you accumulate and the relationships you nurture can help you counteract the potential of becoming obsolete.

I want to talk about the top 10 lessons I learned from my 22 years of corporate life, followed by my 17 years as an entrepreneur. I guess this makes me either old or, as my friends like to say, "experienced." I've put these in chronologic order, starting at the beginning of my career.

Lesson #1: You Don't Have to be CEO on Day One

Back in 1983, I began my career working for the famous Chicago business executive and philanthropist Pat Ryan. Some of you may recognize his name, since he has been a major donor to Northwestern University. I answered an ad that said, "College graduate willing to start in the mail room." The pay was $6,500 per year, the equivalent of 25,000 shekels. I didn't take any coursework to prepare me for the mailroom, and my intent was not to stay there for very long. I did, however, focus on learning as much as I could about the company while providing great service—making sure that the mail was delivered fast and with a smile.

While many of my grad school friends and peers accepted much more

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prestigious jobs and were paid a whole lot more money, I made some great connections that greatly enhanced my chances of getting into the Kellogg program. Over time, I can assure you that starting in the mailroom has been one of my greatest lessons learned, giving me an appreciation of the individuals who make up all different levels of an organization, from top to bottom.

Lesson #2: You're Neither as Great as Your Biggest Success Nor as Bad as Your Worst Failure

One of my most visible career failures was marketing an orange-colored softball that you could see in the dark. As an assistant product manager at Wilson Sporting Goods, I couldn't wait to show off this new and improved ball. After working with manufacturing and testing the ball in Haiti, I was able to negotiate introducing this ball at one of the most high-profile softball tournaments in the United States. Unfortunately, I had tested the ball with people who weighed 165 pounds and were 5'9" tall.

By the third inning of the tournament in the U.S., I was hearing many complaints by the softball players that the ball was "fluttering." By the fifth inning, the ball was starting to dent. It turns out that the Haitians were a lot smaller than these semi-professional softball players who weighed 275 pounds and stood 6'5" tall. The core of the ball didn't hold up under their physical strength, and they literally knocked the leather cover right off the ball.

It was a painful mistake that taught me to always "beta" test. In other words, test new products in the least-visible location before rolling it out on the grand stage. To this day, after some successes in my career, I always remind myself of this failure. It is important to stay humble when your career is doing great. Despite the many years that have passed, I am happy to tell you firsthand that, yes, you can recover from a failure.

Lesson #3: Be Passionate About What You Do and Where You Work

When I worked for Wilson Sporting Goods, everyone thought I had the greatest job in the world. I had free tickets to World Series baseball games, football games, and a host of other perks, including access to all sorts of sports equipment. And the people I worked with were really terrific and fun to hang out with. There was just one problem with this: I really don't like watching sports that much. While my father and friends were all impressed, I was bored out of my mind.

When I switched jobs and moved back to financial-services marketing at Citicorp, I thought I was the luckiest person in the world. Many years later and still in financial services, I'm as happy as the first time I set foot at Citicorp. In my mind, there is nothing more exciting than financial services. I understand friends of mine who love

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consumer package goods, but what is right for them isn't right for me.

Lesson #4: Find a Mentor and Be a Mentor

My business life and personal life were a mess when I started Citicorp in 1984. I decided that no one should get in my way and that I would work 24 hours a day to be successful in business. That is when I met a wonderful senior executive named Roberta. Her career was strong, and she was on her way to becoming one of the most senior executives at Citicorp. She was compassionate, honest, and a real leader. She could discuss topics that were global and well outside the range of business. And she knew how to motivate an entire company made up of old-time Citicorp executives, new hires, and people from a savings and loan that had just been purchased.

Over time, after she learned that I would work as hard as possible, she became my mentor. She spent hours teaching me the organization and how to behave properly in a large, wonderful organization. But most importantly, each and every day, she led by example—the group that was at Citicorp during the mid-'80s are still in awe of her and how amazing a person she was.

I still have a mentor. He is world famous, works every day, and at 85 years old is a mentor to many. I learn from him whenever I see him. His non-verbal skills are second to none. His management skills are outstanding. But most of all, he is a wonderful, well-recognized philanthropist who tries to make a difference every day of his life by teaching those of us who are younger how to be better.

But this is a two-way street. It is important that you are also a mentor to other people (especially talented people with great potential who work for you). My belief is that, throughout your career, you have responsibility to always be a mentor. And being a mentor requires that you always set a great example.

Lesson #5: Be Honest—Manage Your Integrity and Reputation Fiercely

We all know the names Bernie Madoff and Charles Keating. But have you heard of Patricia, Nancy, Jim, or Mark? The latter people are those who I've known and who had promising careers but had to cut corners. They were people who were going to pay back what they took from firms and/or people, but things continued to get further out of control. Instead, they ended their promising careers and businesses serving time in jail.

It is important in your life not to cut corners. When you're dealing with simple things like your expense account, make sure that you have the discipline not to over-report expenses. If you don't drink expensive wine or have expensive meals at home, don't do this on the road unless you're willing not to charge your company for the bill. I believe that if you set an example for yourself and your team with your expense account, you'll be reminded of being honest in everything you do at your company.

Being honest should come naturally, and don't ever stray the line—period.

Lesson #6: Think Outside the Box, But Don't Step Outside Your Boundaries

One of my first marketing achievements in 1984 was offering a free credit card to students if they obtained a student loan at Citicorp. We went from ninth in market share to first in 11 months, and this caused the corporate CFO to want to visit us to understand what we had done to gain such quick market share. When I explained it to him, he was somewhat uncomfortable (that means really uncomfortable). But after explaining that we were educating students about how to use a credit card—remember, this was a time when credit cards weren't widely available to students—he became understanding.

It is OK if you have a strategy for your program and if you are doing something that adds value. But if you offer a program or business idea that is on the edge of being "illogical or illegal," then it becomes out of bounds and not acceptable. You can be creative and do

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JANUARY
New website with robust Advisor Tools and Client Tools

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state-of-the-art programs without going too far outside the box.

Lesson #7: Always Ask Yourself How You Can Add Value

Some people flourish in startups, and others flourish at managing large organizations. An organization needs both types. If you have a startup personality, then find departments where you can make a quick difference. At Citicorp, I had seven jobs in 10 years. Either they didn't know what to do with me and didn't want to fire me, or they realized that I could quickly come into an organization, analyze the department, and make necessary changes for profitability. I flourished in this type of environment and was more than willing to change personnel to make a business work. I liked managing around 150 people, and I wasn't interested in managing more.

But I have some very senior-level friends who are excellent at managing large groups (30,000-plus). They move departments slowly and skillfully. Each year, they add additional people, and they are great managers. It is a completely different skill set than what I have, but it is a very important one.

So, make sure you know yourself and skill level. Being a change agent is great and so is managing many people—just don't settle in a position for too long if it isn't what you want to do. A couple of years in a line position is fine for learning your strengths, but more than a couple years in a role you don't like is wasting time. Don't waste your career. Find out what you like and what you are good at so you can add value early on in your career.

Lesson #8: Redundancy Can Lead to Creativity

This is the lesson that can drive my wife crazy. When I travel, I stay at the same hotel chain, eat at the same restaurants, work out at the same health club, and find the nearest Starbucks. When I'm working, I need the same routine so that I don't have to think about the "unimportant" decisions. By doing this, I can keep my creative juices flowing all the time.

I promise you that if I was worrying about which hotels to stay at and where I was going to exercise, I would have lost hours of time that were better spent thinking about this speech or working on a new marketing initiative. I can't stress enough the value of leaving vacation time for discovering new locations and using your travel time when working to think about work.

Lesson #9: Make Time for Family and Friends

My family and friends are incredibly important to me, and I wish I could tell you that I'm always with them. But many of us who are or will be global workers or philanthropists will miss important events with family and friends. It is a fact of life I wish wasn't true, but unfortunately I don't know any of my friends who are committed to making a difference in the world who say they were always home. As executive MBAs at a phenomenal program, my sense is that you'll miss events that you wish you could attend with your family.

I can't stress enough that you should be conscious of what you are missing. Make sure it isn't your child's or spouse's entire life. Focus on making time for family and friends once in a while. My wife and son know that I'll fly red-eyes just to spend a few extra minutes with them. Throughout his life, I've taken my son on many a business meeting since I started my own business. It has been one of the happiest things I've done over my most recent entrepreneurial career.

What I am suggesting is that you know what your limits are and what you are willing to and not willing to give up on behalf of your family. For each of us, it is different, but it would be a shame if you had regrets in 30 years. If you're not proud of the time you are spending with your family, figure out how to make your life with your family better.

Lesson #10: Philanthropy Will Be One of Your Greatest Rewards in Life

When I look back at my career, it is philanthropy that has made the difference. I've met the greatest people who would rather give than receive. I was only able to attend the Tel Aviv University overseas program and the University of Wisconsin because of some generous anonymous donor who paid for my college education. I've never forgotten that lesson. I first started getting involved in charities at 26 years old, and at 36 I was the youngest member of the Chicago Cabinet of the United Way. Without a doubt, the reason I'm so happy in my career and personal life is all due to being involved in charities. The great people I've met at Tel Aviv University and other charities I'm involved in are the reason I think I'm making a small difference in the world. It has given me incredible satisfaction.

Before you think you'll get involved in philanthropy later in your career, let me tell you a story about a close friend of mine who just graduated from Tel Aviv University. We were talking about a classmate of his who couldn't afford a computer in a department where having your own computer is necessary. Even though my friend is working at his first job and isn't making ends meet easily, he went out and bought a computer for his classmate. While he doesn't want any recognition, it is an example of what you can do now to make a difference—getting involved and giving back to those who need help.

Americans have long understood the importance of philanthropy. In 2011, the United States ranked number-one in the world for charitable giving, but that slipped to 13th in 2013. But, compared to most countries, Americans understand the importance of giving. The challenge for others in the world is to start and recognize the importance of giving back financially and personally to others who have fewer opportunities than yourself. This should be our highest priority.

In conclusion, you are the best and the brightest. You can make a difference. We are depending on your success. The world is at a crazy place now, and it is you—with your great knowledge and leadership skills—who can make the world better. We are praying for your success. Make us proud.

Thank you.

Future Performance: Issues Facing Advisors in 2015

Each year, the Advisor asks industry thought leaders what they see as major issues for financial advisors in the coming year. Here's what they're thinking about as we move into 2015.

Practice Management

Bob Veres

Everybody is talking about the "succession" issue, but the real challenge facing the profession is that of turning thousands of practices into living entities that will continue to take good care of an advisor's clients when they're no longer able to. That requires more than finding somebody to take on the advisor's duties—it means transforming practices into businesses with defined processes and clear job descriptions, with a career ladder (even if it's a narrow one), and incorporating a lot of thought into how to continuously cultivate and develop the talents of a practice's staff.

Many advisors seem to think that if they find that one special person, the problem is solved. The press has encouraged this thinking by narrowly defining the challenge as "succession" planning. A broader view suggests that NAPFA members will need to acquire better management skills, and they'll have to start doing something very difficult: letting go of some of the key decisions that drive a firm's evolution.

My best advice to advisors is to hire ambitious younger planners and give them room to recreate a firm into the business that they someday will want to own—and be willing to invest in that vision and prepare for a future role where they aren't the key decision-maker but are still contributing to the overall success of the firm and its clients.

My prediction is that a small number of advisors will make a real commitment to their staff's vision of the future and to developing their skills and expertise with the same care as they put into their clients. I hope we'll define that small number of advisors as NAPFA members, because that's where the future lies.

Bob Veres is the publisher of "Inside Information" (bobveres.com).

Michael Kitces

Not all advisors necessarily want to find a successor to sell to right now, and many would prefer to simply enjoy a "lifestyle practice" that generates a healthy income for a comfortable amount of work. But the question remains: How clients will be cared for in the event that something happens to the advisor? And the worry is no longer purely academic—the North American Securities Administrators Association (NASAA) is considering a new rule for 2015 that would *require* RIAs—especially smaller (state-regulated) advisory firms—to have *some* kind of (written) plan in place to ensure business continuity on behalf of clients.

So for advisors who have been putting off the messy work of figuring out "what will happen to my practice and my clients, if something happens to me," 2015 might be the year to get something done. Notably, while NASAA's proposal does consider a full-on succession plan to be one option, solutions can also include forms of buy/sell plans that ensure continuity for clients without necessarily forcing the advisor out more quickly than he or she wishes to leave.

Such deals might pay less than those that are part of a succession plan completed while the advisor is still healthy, but they might be preferable for those who would rather enjoy the cash flow of the practice in the meantime and just want to get "something" at the end. On the other hand, during an audit, state regulators might be looking at not just the plan itself, but its feasibility. So if you're considering a buy/sell agreement as a plan for client continuity, are you certain that the advisory or company on the other end of the deal can handle the clients and execute the transaction?

Michael Kitces is a partner and the director of research for Pinnacle Advisory Group and Pinnacle Advisor Solutions and publisher of the financial-planning industry blog Nerd's Eye View (kitces.com/blog).

Timothy F. McCarthy

Over the last decade, many Fee-Only investment advisors have helped customers by using index funds and ETFs and keeping overall costs low. However, competing on investment prowess alone has become increasingly difficult, as more broker/bank advisors have copied

the independent advisor model and the amount of investible dollars has begun to level off.

So, in 2015, how can independent financial advisors keep and attract customer assets?

Fortunately, the major banks and brokers are creating a new opportunity for advisors. Historically, major firms invested considerably in training their customer-service and back-office staffs to deal with the complexities of tax regulations and account restrictions. However, after the 2007-'09 crisis, the operations support quality decreased dramatically, while increased regulations have made the management of investment accounts even more difficult. In addition, the government forced the major institutions to hire legions of new compliance people, which lead to inconsistent quality of compliance advice.

Today, retirees increasingly complain about the difficulty of getting the right answers on their trust and retirement accounts from their financial institutions. And their trust attorneys and tax accountants often are afraid to step outside their expertise. Thus, the opportunity for financial advisors going forward is to compete by branding themselves as "comprehensive financial quarterbacks."

Specifically, advisors can proactively tell their clients that they are more than willing to help in negotiations with banks and brokers, as well as to coordinate with clients' attorneys and accountants. In this way, advisors can ensure that they will retain their clients even through family transitions.

Timothy F. McCarthy, author of "The Safe Investor," is a former Chairman of Nikko Asset Management and former president of Charles Schwab and the Fidelity Investment Advisor Group.

HAZEL DURAND

In a recent conversation about how to build business as a Fee-Only financial planner today, one advisor's comment struck a chord: **"**While it's great to understand more precisely where I am today, I'm really hoping you can tell me where I should be tomorrow and that you will point me in the right direction." This is precisely how advisors should consider thinking about their firms.

In my conversations with NAPFA members, several common themes have emerged. Below, I've layered in my own suggestions, which should be considered for firms of all sizes. Growth in 2015 may revolve around the three T's: talent, time and touch.

Talent. For principals of smaller firms, it is often difficult to even find the time for recruiting. The key is to develop a long-term vision of roles and responsibilities for both new hires and existing staff. Recruits can tend to be less concerned with the size of the firm than they are with what the plan is for growth and how they fit into that master plan.

Time. While "there's never enough time" for the busy professional, technology and good people are key. Taking deliberate, informed steps to upgrade your technology will help make your business more nimble and scaleable. For small firms in particular, smart technology choices and effective implementation, with the right internal people and/or good outsourced business partners, should free up time that can be devoted to identifying and nurturing relationships within targeted markets.

Touch. Just as smart technology can help leverage time, technology is also helpful in building a "high-touch" culture. A simple starting point is to maximize CRM to keep track of personal preferences and client milestones, such as anniversaries or frequency of contact. A tech-driven, high-touch approach will also potentially improve the client experience for the next generation of investors, who tend to be even more device-driven and mobile than the generation before.

If your business feels stalled, it might actually be eroding and diminishing in value. The three T's could help you work toward building a better business in 2015 and beyond.

Hazel Durand is senior vice president of Fidelity Investments (fidelity.com).

MIKE BYRNES

Fees have been a nonissue for most clients, especially in up markets. But as the wealth-management space gets more competitive and the media bring more attention to the topic, they can become a differentiator. The "robo-advisors" began the fee compression trend, and as investors become more educated, they will want more of their money in their own pockets.

Steve Wintermeier, author of "Grand Theft Portfolio" puts it this way: "Investors are increasingly learning the harsh arithmetic of safe withdrawal rates over longer life expectancies. Once retirees realize that the various fees they pay count as 'withdrawals', they are going to question why their advisors and asset managers should be entitled to 50 percent of their income or more in the form of fees. Educated investors will demand lower cost alternatives. The best of the best of advisors will figure out how to deliver those solutions effectively and efficiently."

Technology reinvents every industry, and the advisory business will not be immune to change. Advisors need to focus on relationships as their main service, not the tasks that can be done by a robot. They do not need to be the cheapest option, but they need to evolve and to be the best at providing value.

Mike Byrnes is a national speaker and president of Byrnes Consulting, LLC (byrnesconsulting.com).

INSURANCE

MITCHELL D. NELSON

As financial professionals recap the year that was 2014 there are plenty of things to be thankful. With stock markets returning above average returns, hitting all-time highs and resisting predicted pull backs the fees many financial advisors charge have been well earned. But are these fees easier to earn when the markets perform better than expected? Where will financial advisors differentiate themselves in 2015 and beyond?

Client advice through the attention to details is where many advisors can take

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This month's featured commentary from Marketfield Asset Management

MARKETFIELD
ASSET MANAGEMENT

Kansas City FRB Labor Market Conditions Index October 2014

Authored November 14, 2014 by Michael Shaoul, PhD
Chairman of Marketfield Asset Management, Subadvisor to MainStay Marketfield Fund

The Jackson Hole summit is hosted by the Kansas City Federal Reserve Bank (FRB) and this year's meeting saw the discussion center around labor economics. One of the more influential outcomes was the introduction of the Kansas City Labor Market Conditions Index (LMCI), which aggregates 24 labor metrics into one "average" of labor conditions. This complements the FRB's own LMCI, which calculates a monthly change based on 19 separate metrics. On the whole, we prefer the Kansas City (KC) data since it includes both the level and rate of change of the average.

On the other hand, both indexes suffer from a key methodological flaw which is that different labor metrics matter at different parts of the cycle. Some, like Claims data, tend to be very early at registering changes in conditions, while others like wage data are generally lagging indicators. An amalgamation therefore may be slow to register the shift in dynamics than a more narrow focus on the leading labor indicators (which in the current cycle are already either registering "normal" or "boom" conditions).

Not that this will matter to the Federal Open Market Committee (FOMC), which would seem to have very much bought into the notion of using broad labor data, no doubt in large part because it removed the great problem of what to do about an Unemployment Rate that fell below their 6.5% target about 18 months ahead of schedule.

This week saw the release of both the FRB and KC indexes. The FRB index showed an increase of 4% on a monthly basis and a large revision for September up from 2.5% to 4.0%. The 12 month moving average (ma) of the index is flatlining at 4.6%, suggesting a steady improvement in the index but, as we note above, without clear guidance as to the level, it is hard to really make much sense of the data.

Source: Bloomberg

The picture from the KC LMCI data is much clearer. Here we see a very fast rate of improvement in the index, with the Momentum indicator (black) rising to 1.305, the second highest level since the data starts in 1992. Nor is this an aberration, since the 6 month ma has reached a record at 1.218 and the 12 month ma a record at 1.033. In other words, we are witnessing the fastest ever improvement to this basket of metrics since at least 1992. Even so, the level of the index is well below normal at -0.463, and has only reached the level recorded at the end of 1992 and is still below the trough reading for the 2000/2 recession.

This disparity between the level and rate of change is the great conundrum for those following this data. We lean heavily towards following the latter, but then again we think the whole exercise of amalgamating a large number of labor metrics into an index is a significant mistake in the first place. As for the FOMC, we doubt that it will be swayed by the Momentum index alone, but the speed with which the Level index is moving (+0.667 over the last 12 months) would allow it to enter positive territory by the start of next summer.

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Michael Shaoul is Chairman and CEO of Marketfield Asset Management. Mr. Shaoul is one of the founding partners of Marketfield which was created in 2007. In his role at Marketfield, he helps formulate the top-down insights that inform the firm's investment decisions and authors a daily commentary that communicates these ideas with clients. He is a frequent contributor to the financial media which values his views on economic cycles and investment markets.

In 1996, Mr. Shaoul joined Oscar Gruss and Son Incorporated. He became its CEO in 2001 and held this position until 2014. He is Treasurer of American Friends of Tel Aviv University and a member of the Board of North American Friends of Manchester University. He was awarded a PhD in Accounting and Finance from the University of Manchester (UK) in 1993.

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MARKETFIELD ASSET MANAGEMENT

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advantage in 2015. As Robo-advisor tools become more popular with the public, as well as useful for advisors servicing less lucrative high frequency and transactional relationships, these tools may not be the threat perceived by advisors. Instead these tools can provide huge opportunities for advisors to spend more time reviewing their client's comprehensive planning needs including insurance risk management. More time to check the details of their client's insurance coverages can not only save the client valuable premium, but also prevent unforeseen risk exposure within their coverage.

Many advisors advertise comprehensive financial planning services, but time and available resources can prevent the in-depth focus it deserves. By maximizing the extra time provided by improvements in technology or partnering with dedicated outside resources, 2015 will bring financial advisors opportunities to provide enhanced services that make them more attractive to clients and justify their fee structures. This further builds and strengthens the trust every advisor seeks to earn from each of their clients. As a trusted advisor the opportunities can become endless.

Mitchell D. Nelson is president of MyDisabilityPlans, LLC (MyDisabilityPlans.com).

Laurence Greenberg

In 2015, the retirement income challenge will be a major issue facing all financial advisors.

Demographics are a powerful force. Baby boomers turn 65 at a rate of roughly 10,000 every day, according to the Pew Research Center. This massive cohort is estimated to control $12 trillion in wealth as they move from accumulation to generating retirement income. As their lifespans increase and many confront a retirement that can last 30 years or more, research shows that outliving their savings is their number-one fear.

At the same time, market dynamics have become increasingly complex. Most advisors struggle to generate retirement income for their clients in a low-yield environment while maintaining adequate equity exposure and managing volatility.

Tax deferral is one of the most important solutions for accumulating more retirement savings. Yet many advisors' clients have no knowledge about using tax deferral beyond traditional 401(k)s and IRAs. This means that many clients are missing opportunities to maximize wealth and generate more retirement income through other tax-deferred vehicles.

In this new year, advisors can help clients secure their financial futures by introducing innovative solutions to their retirement plans. This includes a new generation of low-cost, no-load investment-only variable annuities (IOVAs)—such as flat-fee IOVAs designed expressly for the Fee-Only financial advisor. A low-cost, flat-fee IOVA can be an efficient way to generate reliable retirement income and leave a larger legacy.

Laurence Greenberg is president of Jefferson National (jeffnat.com).

Bob Courtemanche

With the emergence of "robo-advisors" and an increasingly competitive marketplace, financial planners must find additional ways to differentiate their practices and to secure client loyalty. One key solution is to help high-net-worth (HNW) clients fill a common gap in a total wealth protection plan—their personal property and casualty insurance.

Many financial planners already have some sense of this opportunity and are asking clients questions about their personal insurance. But how tailored are those questions for HNW clients? Asking if they have reviewed their coverages recently and if they are happy with their agent is a good start. But without detailed probing, important issues could be overlooked.

We estimate that more than 80 percent of HNW clients do not insure with a carrier that specializes in serving HNW clients. They don't realize they aren't getting the expert advice and specialized coverage that their wealth now demands. Consequently, many pay too much to insure against small risks they can easily absorb but leave themselves exposed to catastrophic losses that could ruin their net worth and lifestyle. They're overpaying to be underinsured.

For this reason, financial planners should consider pairing with an independent insurance agent or broker who has both a robust risk review process for HNW clients and access to a HNW-market carrier. One way to tell if you've got such an agent is to ask if they work with carriers who can offer more than $10 million in umbrella liability coverage. With the right agent, financial planners will not only help HNW clients better protect their families and wealth, they might also find client referrals coming back their way.

Bob Courtemanche is the division chairman of ACE Private Risk Services (acegroup.com).

Investing

Dan Kern

Advisors enter 2015 facing a growing set of challenges—aging clients who demand more service for less in fees, an increasingly complex investment and planning environment, and regulatory oversight that is considerably more intrusive. We think it's fair to say that the multi-decade "honeymoon" for the advisor industry is over!

The highly publicized emergence of online advisors is an added source of pressure for traditional advisors, as well-funded online advisors draw unwanted attention to advisors that charge high fees for either a poor performing or commoditized approach to investment management. Just as the popularity of low-cost ETFs shone an unflattering light on expensive, "closet-index" mutual funds, we suspect that the popularity of online advice providers might cast a similar light on advisors that are charging high fees for creating diversified, index-oriented strategic portfolios.

Advisors should evaluate whether their approach to asset allocation is appropriate for their clients and is competitive in an increasingly sophisticated marketplace. Advisors historically have invested exclusively

in either active strategies or passive strategies, rarely using the two strategies together.

From our perspective, clients whose advisors rely solely on active strategies often pay more in fees and taxes, even though the advisors often fail to consistently outperform relative to the market. Advisors that rely solely on passive strategies do an admirable job of controlling fees and taxes, but often miss out on return enhancement and risk mitigation opportunities in asset classes that aren't as conducive to index investing. We are proponents of blending the two strategies, having the firm belief that combining active and passive strategies provides a superior risk/return profile to exclusively using one or the other.

We think that advisors should consider the benefits of integrating high value-added active strategies with low-cost and tax-efficient passive strategies. Our process for deciding whether to invest in active or passive strategies is based largely upon a review of historical data for the asset classes under consideration. Although empirical data is of primary importance in our investment process, we think it prudent to augment the data with forward-looking judgment about each asset class.

Daniel Kern is president and chief investment officer at Advisor Partners, LLC (advisorpartners.com).

CHRIS STANLEY

"Skate to where the puck is going, not where it has been" is admittedly a corporate-speak cliché by this point, but Wayne Gretzky's advice should ring true for advisors looking forward to 2015. With all the hyperventilating in 2014 about "robo-advisors," any financial advisor that's not an algorithm should take pause to reconsider the value they bring to the client relationship—and how to articulate that value to existing or potential clients who are intrigued by the low cost of automated investing.

Advisors could spend innumerable cycles defending against fee compression, commoditization, or whiz-bang websites. However, perhaps the more prudent course of action is to outline all they do for clients above and beyond mere investment advice. It's a classic reframing of the issue in terms of value as opposed to cost. My guess is that advisors are doing a lot more than they may initially realize.

The puck has already gone far into the robo-corner, and reactions have engendered everything from disdain to collaboration. This is healthy industry disruption. Where the puck is going in 2015 obviously remains to be seen, but it is important for more traditional advisors not to assume a defensive position in a battle that need not be fought. Each advisor will have his or her own idea of where the puck is going, and that's fine. Skate there, establish a niche, and continue to be the trusted partner clients have come to expect.

Chris Stanley (@RegCap on Twitter) is general counsel and chief compliance officer for Loring Ward Group Inc. and its subsidiaries, LWI Financial Inc. and Loring Ward Securities Inc.

DAVID BLANCHETT

Alternative investments, or "alts," have seen a significant increase in popularity among advisors and the investing public. Assuming the buzz around alts continues, many advisors will likely need to address their suitability in client portfolios in 2015, if they haven't already. Before jumping on the alts bandwagon, though, it's important to take a step back and make sure you understand the strategies.

Alts are commonly sold as a solution to provide higher yields and lower risk, a win-win from a portfolio efficiency perspective, especially in today's low-yield/low-return environment. But alts tend to be opaque and difficult for advisors and clients to understand. Many have excellent return histories, but the return histories are often created with the benefit of hindsight, through back-testing. As you critically evaluate each strategy, ask yourself what—if anything—this alternative strategy would add to your clients' portfolios.

Alts were previously available only to larger and more sophisticated investors. Liquid alternatives (that is, alts strategies made available via mutual funds) are now available to all investors, and this availability has come with a few costs. First, packaging an alts strategy in a mutual fund (or ETF or similar vehicle) often eliminates the potential diversification benefits associated with these strategies. Second, the fees in these strategies can be significantly higher than more traditional asset classes. Finally, higher demand has increased prices, which makes purchasing alts more expensive, reducing expected returns.

So you should ask yourself four questions before investing in alts: Do I understand this strategy? How will it benefit my client's portfolio? Are the benefits of this strategy preserved in its mutual fund form? And are this fund's benefits worth the fees?

David Blanchett (www.davidmblanchett.com) is the head of retirement research for Morningstar Investment Management.

COMMUNICATIONS

MARIE SWIFT

We live in a world where listening for important conversations online, real-time engagement, and being prepared to manage a digital crisis are important considerations. Mobile devices and improved connectivity coupled with the rise of citizen journalism and the social-posting craze have created a fertile field for opportunity—and potential misery. While the traditional marketing mix—particularly in the realm of relationship marketing—is still necessary for financial planning practitioners who want to thrive and grow, content marketing and credibility marketing with a digital twist is essential.

Today's consumers are educated, connected and impatient. They are looking for financial advice from professionals who demonstrate not just expertise but a passion and purpose

Communications

for serving people with similar needs and values. They expect that you are listening—on their preferred channels—and demand near (if not actual) real-time responses. While they will ultimately engage with brands with which they have relationships, they trust their friends and social networks over advertisements and brand messages. Authenticity and showing the human side of your advisory firm can help you differentiate yourself from less personal robo-type firms.

Remember: Your brand encompasses the entire client experience—in your office and in the community, through relevant Google searches, on your website and other "owned" digital assets, and through social conversations.

The sales funnel is now a sales zigzag, as prospective clients and brand advocates consume an endless stream of information from multiple electronic devices. You should engage targeted audiences through thousands of touch points, in both long and short bursts, using not just the written word but also audio, video, interactive tools and visually attractive infographics.

"Search" still matters and will continue to be important in the years ahead. While keywords are still important in the page titles and blog posts, longer unique content will help you to maintain a better SEO presence.

Analytics are important. Subscription listening tools can be useful, but a good deal of intelligence can be gleaned from the simple analytics built into Twitter, Facebook, and LinkedIn.

Be sure your digital assets are all optimized for quick loading and for mobile devices.

Marie Swift is president and CEO of Impact Communications (ImpactCommunications.org), which works exclusively with independent financial advisors and allied institutions.

Compliance

Cindi R. Hill

Here is some compliance advice for advisors moving into the new year:

All SEC-registered advisors that have been registered for at least three years, but never examined by the SEC, should expect an exam within the next two years. Newly registered (within the last three years) SEC advisors that were previously state registered may also fall into this examination sweep. Don't assume that because you don't fall into this category that you won't be examined. It is recommended that you obtain a copy of the document request list for the SEC office that will examine your firm and be prepared.

All compliance/policy and procedures manuals should be reviewed annually. These manuals should be specific to the firm and not just something that was pulled off the shelf. It is important to review the manual to be sure that you are actually doing what it says you are doing. You will also want to review for any changes in your procedures or processes. Are the changes covered by your current manual?

Do you have a mobile device policy? Does it include the firm's policy on use of personal mobile devices for firm business? Discuss the firm's policy for use of personal mobile devices, how they are to be secured, and the procedure for ensuring that the firm's information is removed from the personal device in the event of termination.

Under the Federal Trade Commission's Red Flags Rule, many SEC-registered firms need to have an identity theft protection program in place. Check the rule to determine if your firm must comply with the rule. If you manage assets, your firm probably needs this policy.

Many states require encryption for the transmittal of non-public client information—use of password-protected attachments might not be sufficient. Check your state's privacy requirements.

Cindi R. Hill is president of Hill Compliance Advisors (hilladvisors.com).

Software

Kevin Knull

Client engagement will be the main focus in 2015—and financial planning will continue to move toward the center of a client relationship. Why? Because, like it or not, asset management is becoming a commodity.

Your firm's technology is going to have to evolve to keep up with the myriad of reporting systems, portals, "robo-advisors," and websites that are within easy reach of your clients. These all minimize your role, minimize the value of planning, and fail to address the most challenging part of your job—managing client behavior. Placing the goals of the client at the center of the client/advisor relationship via a financial plan, instead of focusing on performance and account values, will be a differentiator.

The fact is, most investors don't really care what they are invested in. They care whether they can retire on time, whether they can afford to put their kids through college, whether they will be able to travel as they've always dreamed of, and whether they can meet their health care needs in retirement. They care what will happen to their spouse should he or she pass away unexpectedly, and they want to be sure that the love of their life is taken care of after they're gone. Asset management alone won't address these concerns, nor will repeated alerts of net worth and performance.

Your financial planning software should help you maintain an ongoing and healthy client relationship. It should help your client stay focused on what they care about—their goals. It should make it easy for clients to interact with their plan, diminish fears about those things outside of their control, highlight top areas of concern like health care and Social Security, and keep your clients from focusing on the vagaries of the market. The firms that can transition the focus of their clients to the plan results first will see the greatest success in both client acquisition and retention in the future.

Kevin Knull, CFP® is president of PIEtech, Inc, creators of MoneyGuidePro and myMoneyGuide (moneyguidepro.com)

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TOTAL % RETURNS As of 12/31/13	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Gross Expense Ratio[a]	Net Expense Ratio[a]
Parnassus Fund (PARNX)	34.22	17.13	22.64	8.91	10.21	12/31/84	0.90	0.90
S&P 500 Index	32.38	16.14	17.91	7.39	11.24			
Parnassus Equity Income Fund - Investor Shares (PRBLX)	34.01	16.84	17.46	9.73	10.88	8/31/92	0.90	0.90
S&P 500 Index	32.38	16.14	17.91	7.39	9.40			
Parnassus Equity Income Fund - Institutional Shares (PRILX)	34.13	17.05	17.67	9.88	10.44	4/28/06	0.68	0.68
S&P 500 Index	32.38	16.14	17.91	7.39	6.84			
Parnassus Mid-Cap Fund (PARMX)	28.27	16.26	20.51	NA	9.43	4/29/05	1.23	1.20
Russell Midcap Index	34.76	15.88	22.36	NA	9.96			
Parnassus Small-Cap Fund (PARSX)	28.33	9.63	20.86	NA	10.49	4/29/05	1.23	1.20
Russell 2000 Index	38.82	15.67	20.08	NA	9.83			
Parnassus Workplace Fund (PARWX)	31.15	16.33	23.59	NA	11.35	4/29/05	1.14	1.14
S&P 500 Index	32.28	16.14	17.91	NA	7.80			
Parnassus Asia Fund (PAFSX)	NA	NA	NA	NA	4.47	4/30/13	5.00	1.45
MSCI AC Asia Pacific Index	NA	NA	NA	NA	1.48			
Parnassus Fixed-Income Fund (PRFIX)	-2.71	2.12	4.06	4.10	5.48	8/31/92	0.79	0.68
Barclays U.S. Aggregate Bond Index	-2.02	3.26	4.44	4.54	5.90			

All returns greater than one year are annualized.

[a] As described in the Fund's current prospectus dated May 1, 2013, Parnassus Investments has contractually agreed to reduce its investment advisory fee to the extent necessary to limit total operating expenses to 1.20%, 1.20%, 1.45% and 0.68% of net assets for the Parnassus Mid-Cap Fund, Parnassus Small-Cap Fund, Parnassus Asia Fund and Parnassus Fixed-Income Fund, respectively. This agreement will not be terminated prior to May 1, 2014, and may be continued indefinitely by the investment adviser on a year-to-year basis.

Performance shown for the Parnassus Equity Income Fund – Institutional Shares prior to the inception date of April 28, 2006 reflects the performance of the Parnassus Equity Income Fund-Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares.

Performance data quoted represent past performance and are no guarantee of future returns. Current performance may be lower or higher than the performance data quoted, and the most recent month-end performance is available on the Parnassus website (www.parnassus.com). Investment return and principal will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original principal cost. The S&P 500 Index, the Russell Midcap Index, the Russell 2000 Index and the MSCI AC Asia Pacific Index are widely recognized indexes of common stock prices. The Barclays U.S. Aggregate Bond Index is a widely recognized index of fixed-income security prices. An individual cannot invest directly in an index. An index reflects no deductions for fees, expenses or taxes. Returns shown for the Funds do not reflect the declaration of taxes a shareholder would pay on the fund distributions or the redemption of fund shares. Prior to March 31, 1998, the Parnassus Equity Income Fund was a balanced fund. Prior to May 1, 2004, the Parnassus Fund charged a sales load of a maximum of 3.5%, which is not reflected in the total return figures.

Common stock prices fluctuate based on changes to a company's financial condition and on overall market and economic conditions. Small- and mid-cap companies can be particularly sensitive to changing economic conditions and have fewer financial resources than large-cap companies. Investments in the Parnassus Asia Fund are subject to the above risks, plus additional risks associated with foreign investments, such as increased market volatility, a lower level of government oversight in emerging markets, risks associated with focusing on a specific geographic region and exposure to fluctuations in foreign currencies. Investments in fixed-income securities are subject to interest rate risk, credit risk and market risk, each of which could have a negative impact on the value of the Fund's holdings.

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Before investing, an investor should carefully consider the investment objectives, risks, charges and expenses of the fund and should carefully read the prospectus or summary prospectus, which contains this information. A prospectus or summary prospectus can be obtained on the website, www.parnassus.com, or by calling (800) 999-3505.

By Bridget McCrea

Carving his own path in the financial planning industry

Alan Moore, Serenity Financial Consulting

Alan Moore is one of those planners who was fortunate to discover planning while still in his formative college years. And even though it took him a couple of jobs to find his niche within the profession, the 27-year-old says that he's learned valuable lessons at every stop along the way.

With an undergraduate and master's degree in family financial planning, Moore was able to "hit the ground running," he says, landing a job with NAPFA member firm Kahler Financial Group in South Dakota. He stayed for a year.

Next, Moore got a job as a paraplanner for Financial Service Group in Wisconsin. He was fired in six months. "I was in the wrong position—I'm about the world's worst paraplanner," admits Moore.

Very personable, Moore chafed at being expected to write plans and sit in the back office. "It really wasn't my gift," he says.

Moore says that his own career path speaks volumes for the young planners who are dealing with similar challenges. "Companies hire people who they think will be really good advisors one day and make them into something they're not," he says.

After his first two jobs, he realized that he was better suited to run his own firm. "I didn't expect that to happen when I was 25 years old, but it was like, well… why *not* now? So I gave it a shot."

Now 27, Moore heads up Serenity Financial Consulting in Bozeman, MT. Founded in 2012, the company is based on a different model than the one typically found at a NAPFA firm. For starters, Moore is location-independent, which means he can serve clients anywhere, from anywhere. He also targets the Gen X and Gen Y/millennial demographics, offering clients everything from personal financial advice to small-business consulting. Not surprisingly, his decisions raised eyebrows. He says that he fielded calls from advisors telling him he was crazy, saying that Gen Y clients didn't have any money and that he was "stupid" for working with them.

Moore persevered, and he's confident he's found the right approach for his business. "I finally found a small group of advisors that were doing similar work," he says.

Now, to help other advisors who want to follow a similar path, Moore has co-founded the XY Planning Network (XYPN), an organization of Fee-Only financial advisors who are focused on working with Gen X and Gen Y clients. "Dealing with the lack of support from the advisory community was really hard. XY Planning Network [was founded] to be sure no other young advisors feel like they are alone in their quest to start a firm and work with young clients," he says.

More importantly, these new planners can really have an impact on a set of clients who Moore says have very different needs than people at other stages in their lives.

"I loved the concept of providing financial planning services to consumers, and I fell in love with the way we help clients on day one," says Moore.

Carving a New Path

With about 20 ongoing clients and another 15 to 20 hourly/one-time clients, Moore and the two independent

Embracing Technology

Technology is at the center of Alan Moore's practice, and all clients must be comfortable with this planner's reliance on technology. "Since I run a virtual practice, I'm always testing new technology and seeing what I like and what I don't like," says Moore, whose "must haves" include ScheduleOnce for online scheduling, EchoSign for online document signing, and Wealthbox for CRM.

Take ScheduleOnce, for example. Moore uses the online appointment scheduling platform to manage meetings with his client base. "At my last firm, I had to call everyone to set up my appointments—it was extremely time consuming and frustrating," he says. "Now, I just send out a link and let them pick the time for their quarterly meetings."

Other planners might not be as naturally comfortable with technology. But Moore says that the trick is to get your feet wet and to embrace it without overthinking the acquisition and/or implementation. "Start by implementing some of the smaller options—it's amazing what a $15-a-month cloud-based subscription can do. You don't have to spend $10,000 for something to really benefit your practice."

-Bridget McCrea

contractors who he works with initially began offering financial planning on an hourly basis. Investment management was offered as a separate service. Through some trial and error, Moore changed his approach and has since implemented a month-pay fee model. "I charge clients a monthly subscription fee to receive financial planning services," he explains, "and then offer investment management as a separate offering with no minimums."

As a location-independent planner, Moore enjoys the freedom of being able to work from anywhere—as long as he has his laptop. In early 2014, for example, he moved from Milwaukee to Bozeman.

"I vacation out here a lot, so I figured why not live here?" says Moore. Technology makes the job unimaginably easier than a decade ago. "When my laptop crashed about a year ago, I went to Walmart and bought a new one. It was back up and running within about 20 minutes," he says.

We have a great pool of NAPFA advisors who have been very successful, but some younger entrants into the field are feeling left out.... We have very different business models, but we're all serving clients in the same manner. Ultimately, the partnership between younger and veteran planners is what's going to really fuel NAPFA going forward.

A NAPFA member since 2011, Moore joined while he was still a graduate student studying financial planning. He says that the organization introduced him to the concept of "real" financial planning and solidified his desire to *not* sell products to clients. Those principles can be readily applied to the next generation of advisors and clients, he adds. "I'm really excited with some of the initiatives, such as NAPFA Genesis and the partnership between NAPFA and XY Planning Network," he says.

Today, Moore's typical client is in his or her 30s and is interested in starting a small business. For these clients, Moore helps manage personal finances and integrate the business into the person's overall financial picture. For investments, Moore follows the belief that if the U.S. represents 50 percent of the world's wealth, then portfolios should be half U.S.-based and half international in scope.

"That being said, many of my clients have large portions of their net worth in their businesses, so we don't talk much about investing," says Moore, who has historically been a DFA advisor, but is currently in the process of moving to Betterment Institutional, a TAMP that provides a Vanguard ETF portfolio. "I'm really excited to provide clients with daily rebalancing with no trading costs, low-cost investments, and cutting-edge technology."

Serenity Financial Consulting, At a Glance

Location: Bozeman, MT

Website: SerenityFC.com

Year founded: 2012

Number of staff: 2 independent contractors

Number of clients: 40

Amount of money managed: Does not manage money

Description of typical clients: Gen X families and individuals, most of whom are in their 30s.

Typical client needs: Personal-finance management and small-business consultation (marketing, technology, market identification, etc.)

Favorite financial planning website: Kitces.com

Favorite non-financial planning website: Twitter.com

Piece of advice to fellow NAPFA members: "Continue supporting younger advisors in the industry. We have a great pool of NAPFA advisors who have been very successful, but some younger entrants into the field are feeling left out. Some advisors show up at conferences in T-shirts and want to work in a location-independent manner, for example, and they don't want to wear suits and ties. We have very different business models, but we're all serving clients in the same manner. Ultimately, the partnership between younger and veteran planners is what's going to really fuel NAPFA going forward."

A Shifting Focus

Due to his work with start-up firms through the XY Planning Network, Moore has stopped taking on new clients. There is a possible book and podcast in his future, he says, along with a potential merger with a like-minded firm that would allow him to focus on business development and the XYPN. "Ultimately, my job is shifting into more of a coach/consultant role to help other advisors start firms," he says.

Looking around at the Fee-Only planning industry, Moore is enthused by the number of younger planners who are jumping into the fray and also by the fact that more NAPFA members are paying attention to the needs of younger clients. "We're seeing a big surge right now, and that's proving that we weren't so crazy for working with younger clients in the first place. At the NAPFA conference in Las Vegas, there were 50 members under the age of 33 who were eligible for Genesis. That was phenomenal."

By Chris Hale

Q&A with Allan Slider FeeOnlyNetwork.com

In July 2014, NAPFA announced that it would continue its partnership with FeeOnlyNetwork.com, which has been in place since 2012, through 2017. Recently, I spoke with Allan Slider, founder of the site and of The Financial Advice Network, to learn about the benefits of this partnership for NAPFA members.

***NAPFA Advisor**: How did FeeOnlyNetwork.com get started?*

Allan Slider: I originally founded the site FinancialAdviceNetwork.com more than five years ago to give financial advisors an outlet to publish their articles and content beyond just their own newsletters. For many advisors, their profile page on that site started to receive a higher search-engine ranking than their own website did.

In 2012, we launched FeeOnlyNetwork.com as an exclusive partnership with NAPFA, completely separate from the original service. This site is exclusive to NAPFA-Registered Financial Advisors.

***Advisor:** How does membership to the site work?*

Slider: All current NAPFA-Registered Financial Advisors are listed on the site. Everyone gets a free basic profile with a biography, a link to their website, and a link to NAPFA's Find an Advisor. A premium version of the profile allows us to implement our full strategy, with custom content and linking. About 500 members currently use the premium service, which costs $295 per year. So far, about 97 percent have renewed their premium memberships for a second year.

As part of our setup service, we go out and find all of the advisor's social media, articles they've written, media mentions, press releases, community involvement—anything that helps them showcase their firm. We bring all of that into a single-page profile and then link out to that information in a way that helps search engines to connect the dots.

Part of the premium service is a consultation call with me where we go through their own website and try to identify things that they can do themselves that will improve their website's visibility and help their profile page on FeeOnlyNetwork.com better support their website's search-engine rankings.

***Advisor:** How does it do that?*

Slider: Advisors create a lot of information about themselves. We bring that information in to a central place and link out to it. That helps the search engines to rank anything that we link to higher for the relevant search terms, including the advisor's own website.

We link to their website using the search terms that they've told us are the most valuable for them. So we're actually influencing the rankings of their website. And all of their other Web pages—their NAPFA profile, their FPA profile, their CFP® profile, NerdWallet, media mentions, articles they've written—are also gaining more visibility in the search engines because of the way that we've connected everything.

***Advisor:** Is this what people mean when they refer to "search engine optimization"?*

Slider: If an advisor covers the basics of SEO for their own websites, they'll be doing better than most: updating content to include their search terms, having unique title and description tags for each of their pages, having a website that is easy to navigate. Doing anything to cover the basics of SEO will help their profile page on FeeOnlyNetwork.com to be even more valuable, because what we're doing is the other side of SEO: off-site optimization, or having other websites out there that are established, respected by the search engines, and on-topic that link to your site.

Advisors are doing a better job at optimizing their sites for SEO, and search engines are now better at finding relevant information. Websites for large institutional firms used to dominate search-engine rankings, but now that smaller firms are doing smarter things, the search engines are favoring those over large enterprise websites, because that's the type of information that people are looking for. But what we're doing can be the difference-maker for any kind of SEO efforts.

[Editor's note: Slider has posted a video on YouTube for NAPFA members that explains some basics for improving search-engine rankings: youtu.be/Tn5YI2NC9hQ.]

***Advisor:** So is this a service that consumers would use to find a Fee-Only Advisor?*

Slider: It really comes down to advisors growing their online footprint and making all of their marketing assets more visible and valuable. We're not collecting visitor information on a form and then brokering that out to members. We don't want to compete with NAPFA's Find an Advisor service—we actually want to make that service more valuable and visible.

***Advisor:** What is the future of your two sites? Are you focused on working with NAPFA?*

Slider: Most of the members for our early service were NAPFA advisors, which has always been our target just because they're the type of members that we want to have.

Our previous website is still active, but over the last year we've dedicated about 85 percent of our time to FeeOnlyNetwork.com. We want to have a solid group of advisors who we can believe in, provide personal support to them, and create a product that's meaningful.

We're a NAPFA partner, helping NAPFA to meet their objectives in building visibility for the individual advisors and by helping to spread the word and grow NAPFA's online footprint to promote Fee-Only planning.

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By Melissa Hammel, CFP® LPC/MHSP

Do You Know What I Mean?

The answer to this age-old question is probably, almost always, a resounding "no." No one can know exactly what another person "means," because no two people share the exact same set of experiences and perceptions. Even conjoined twins, who are identical and share a body, do not share the exact same views, so how can planners really know if our clients "know what we mean"?

But there are tools that might help you better connect with your client during the communication process. Let's look at some of them.

Picture This Scenario

I'll begin with a brief example. You are back in biology class dissecting a frog. Take a moment to recall the smells, the texture of the skin, the color of the organs, and the temperature of the room.

Most folks can vividly recall this part of class very clearly because multiple senses are being stimulated (sight, smell, touch, hearing), as well as the professor explaining the assignment and asking for feedback.

Now, imagine that same biology class but with no frog to dissect—nothing to touch, see, or smell. All you have is a room with four bare walls and a teacher talking about the inside organs of a frog (no pictures, no examples—just the sound of the lecture).

Compare the two experiences. In which scenario would you be able to visualize the frog's organs? In which scenario might you recall the size the animal's heart, the length of the body, and so on? You get the picture (pardon the pun).

Different Learning Styles

The more levels on which human beings experience communication, the deeper their comprehension will be. Most folks have a style of learning that tends to be dominant for them—visual, auditory, tactile, or written. But generally, people benefit from a combination of these styles.

During a client meeting, you might be explaining a very simple concept, such as how a portfolio pays out income, but you might be providing this information in only one form: verbally or through written documents. That's when confusion can arise. Your client might have a very different definition in her head of "income" or "portfolio." Or he might be experiencing strong emotions like fear of the unknown or panic because he only understands one or two words that you, as the planner, have used.

So what do you do? Here are some suggestions:

- Keep paper and markers or pens close by when discussing concepts and information with a client.
- Describe concepts by first sketching out a graph, then telling the client the information, and then showing them the graph.
- Use props of some kind to illustrate an idea. (Analogies—verbal "props"—work very well also.)
- Better yet, after explaining a concept or some new information, pause and ask the client to tell you what they've heard or understood. (Even better, have them draw out the idea on a sheet of paper.)

When these multi-style methods are used, odds are your client will better understand new information and comprehend it longer. Let me share an example that happened with a client just last week.

Showing vs. Telling

A very intelligent couple came in for their initial meeting. Right away, I asked them what they thought was most pressing to discuss. Spouse A was concerned whether their portfolio would be able to last their lifetimes. Spouse B agreed, and both of them scooted to the edges of their seats.

When I began to respond, they asked questions before I could even get any real information to them verbally. So I paused and said, "Let me show the answer to your question."

I took a tray sitting on the table and filled it with some decorative glass balls. I explained that this represented their portfolio and all of their investments. Then I took sheets of paper and, one by one, laid them on top of the balls so that they began piling up. I explained that this represented their income, interest, and dividends from their portfolio. Every so often, I handed them another sheet of paper and explained that this represented a percentage of the earnings that they got to keep.

Almost simultaneously, they both chimed in, explaining to me how if they were careful and did not take all the income off the portfolio, it would pile up and not affect their core investments.

Believe it or not, they continued to use this prop throughout our discussion—holding on to the sheets of paper, saying, "We are taking this with us!" At the end of the meeting, spouse B said that this really made sense and gave them both peace of mind. Spouse A chimed in, saying that now they could see how it worked.

In the example above, it's not the prop that matters, by the way. I've used music CDs and CD cases, salt-and-pepper shakers, scarves and sweaters and flip charts to engage my clients. Interaction is a key part of the success—because when that happens, the client begins to explain the answers to their questions or the new concepts to both the planner and to themselves.

Your Ideas?

As we move into the new year, I'd like to remind you to please email me examples of how you have demonstrated new concepts to clients. I will gladly include them in future columns. I look forward to seeing, hearing, and writing about many new ideas!

Melissa K. Hammel, CFP®, LPC/ MHSP, NCC, is a NAPFA-Registered Financial Advisor and the managing member and principal financial planner of Hammel Financial Advisory Group, LLC, in Brentwood, TN. She can be contacted at melissa@hammelfinancial.com or 615.371.5222

NAPFA Advisor 2014 Article Index

The Advisor magazine makes an effort each month to provide NAPFA members with information and resources that will help them better manage their practices and their clients' assets. But sometimes that information can be difficult to find. Hopefully, this index will be a resource that extends the usefulness of the information in the pages of this magazine. Remember that the Advisor is also available in electronic form for members at napfa.org/learning/AdvisorFlipbooks.asp.

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APR: "Training Leaders to be Great Managers"
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AUG: "Does Changing Your Business Model Help or Hurt?"
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by Dianne MacPhee, CFP®, PCC

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FEB: "Shaping Behavior Through Practice Management," by Chris Hale
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JUL: "Cybersecurity: It's not Just for the Geeks," by Chris Stanley, J.D., MBA

Corporate Governance

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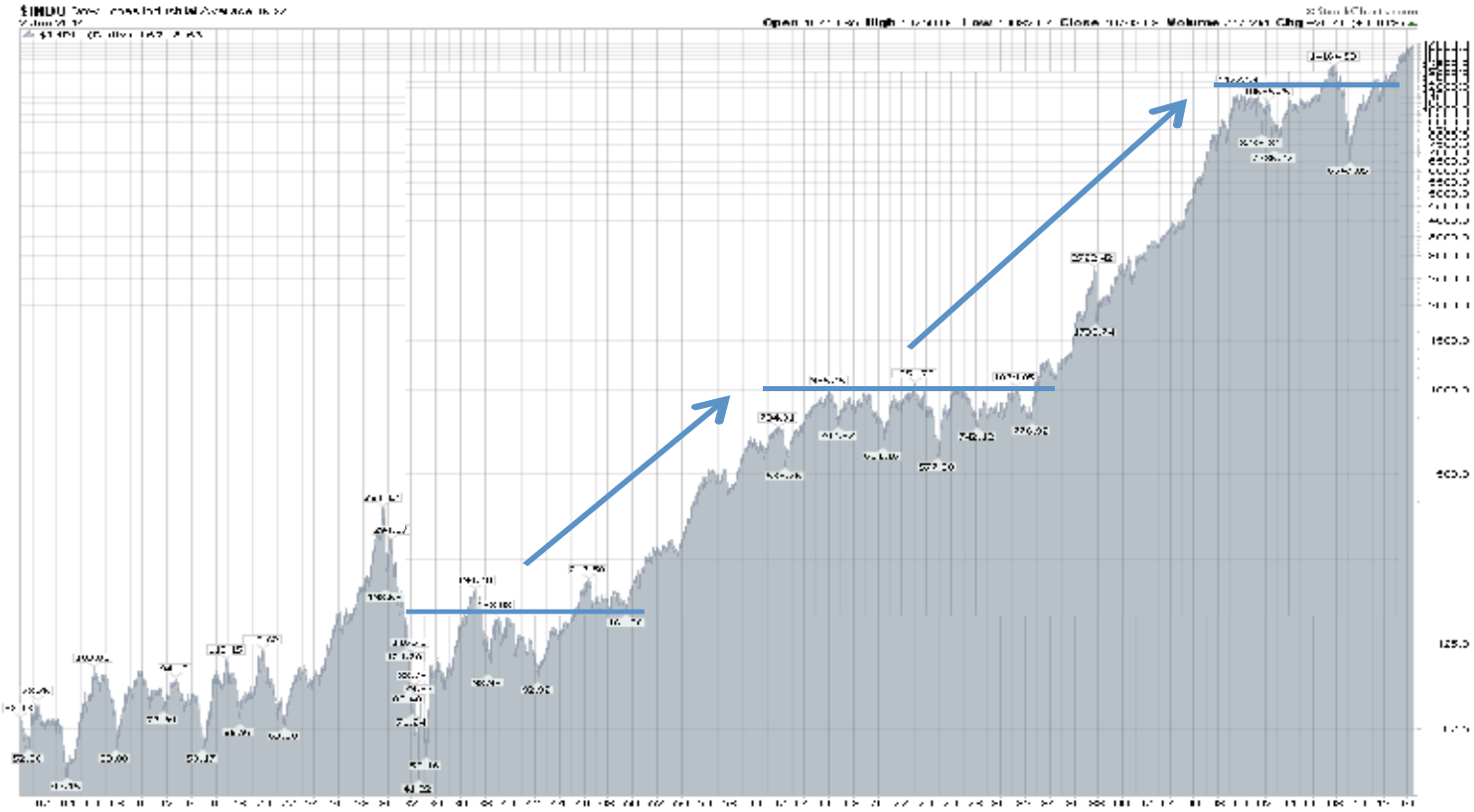
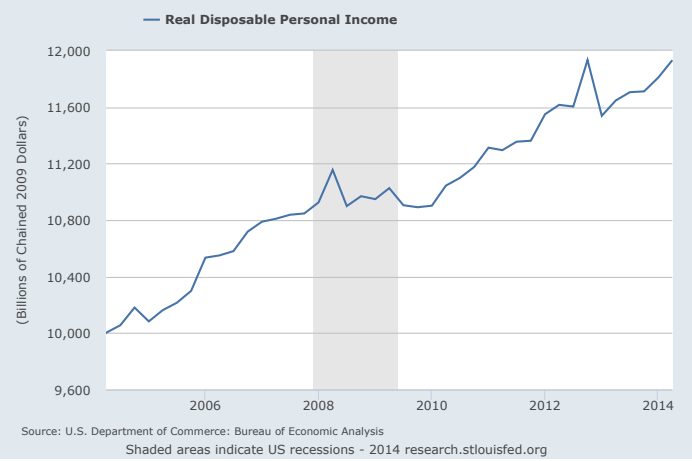
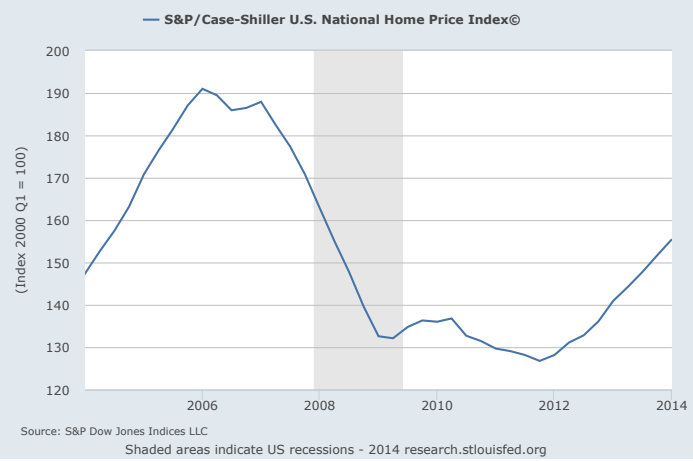
“History doesn’t repeat itself but it does rhyme” – Mark Twain







An old saying but truer than most in the world of financial markets. At Satuit, our investment strategies focus on U.S. domestic equities. Our investment philosophy and process focus on bottom up, fundamental equity analysis. However, like all professional investors we do pay attention to what the charts might be telling us. We like the long-term chart of the Dow Jones Industrial Average (above) as it puts the last 15 years into a broader historical perspective. It appears to us that the last 15 years look more like a consolidation of the secular bull that re-accelerated in the early 80’s (after the lost decade of the seventies). Given the repair of the U.S consumer’s balance sheet and income statement and what we consider to be sustainable U.S. economic growth, we believe that a new secular bull market has arrived.

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The Great Recession caused a massive blow to the U.S. consumer's balance sheet in the form of destruction of the price of homes (S&P/Case-Shiller U.S. National Home Price Index). In most cases, home equity represents the largest asset on the balance sheet. Since bottoming in 2012, home prices have rebounded nicely and continue to move upward and to the right. We believe that this trend will remain in place for several reasons including lower mortgage rates, relatively lower supply of homes and an increasing demand in home ownership.

Further, the income statement as measured by Disposable Personal Income continues to move upward to the right. For the past several years consumers have used income to reduce consumer and mortgage debt and have increased their savings rates. At this point in the economic cycle it is our belief that the incremental dollar of disposable income will move toward more consumption expenditures versus savings and balance sheet repair. Continued labor market stability and job creation will add to consumer confidence and spending.

Previous equity consolidations usually ended with strong breakouts of the index value coupled with expected and then realized U.S. domestic economic growth. Currently, the U.S. economy appears to be picking up steam fueled by the repair and now growth of the U.S. consumer balance sheet and income statement. Economic expansion is also being fueled by increased corporate spending do to the release of the enormous cash balances that have been sitting on corporate balance sheets. This creates a virtuous circle of consumer spending, corporate spending, job growth and economic growth all leading to higher equity market returns.

For several years, investment pundits have been predicting a market correction of 10 to 20%. U.S. equities have traded almost 700 days without a 15% correction in the DJIA or the S & P 500. However we've seen longer time periods of upward to-the-right movement without a correction. So, why haven't we seen a correction? A big part of the answer is global central bank intervention and the enormous amount of liquidity that has been inserted into the financial system. We're not breaking new ground with that comment. However, we feel that the U.S. equity markets will continue to grind higher for one very important reason; we're in new secular bull market. The new secular bull market is being driven by a new U.S. domestic economic expansion which is itself being driven by the U.S. consumer and U.S corporate capital spending.

Robert J. Sullivan is the Chief Investment Officer at Satuit. He is the Portfolio Manager of the Satuit Capital U.S. Emerging Companies Fund and the Co-Portfolio Manager of the Satuit Capital U.S. Small Cap Fund and the Satuit Capital U.S. SMID Cap Fund.

PERFORMANCE AND EXPENSE INFORMATION
Performance represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fund expenses reflect the Fund's total annual operating expenses as of the Fund's prospectus dated 2/28/14 and include management fees and other expenses. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end and a copy of the Fund's prospectus may be obtained by calling 866-922-8848.

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IN THE LIMELIGHT

In a Nov. 1 column for the Columbia (MO) Daily Tribune, **Tim Sullivan** said that "Life Insurance for Children is an Unnecessary Expense." While having a term policy is essential for nearly every parent who has minor children, he said, life insurance policies for children prey upon the emotions of parents and are largely useless.

Debra Wetherby was the subject of a Nov. 3 article for Financial Advisor magazine. Wetherby's firm, Wetherby Asset Management, is one of the largest employee-owned advisory firms in the U.S. Founded in 1990, today it manages approximately $4 billion in assets. In addition, 41 of its 56 employees are younger than 40.

On Nov. 7, **Scott Michalek** discussed tax strategies associated with IRA charitable giving in a financial-planning.com article. The article focused on the tax implications of bequeathing appreciated assets to charity and why using a retirement account to do so is advantageous. According to Michalek, charities don't pay ordinary income tax or their embedded gains on donated retirement assets. Also, he said that a donor can leave a percentage of an IRA to a charity while allowing heirs to distribute the remaining assets over their life expectancies.

On Nov. 9, The Wall Street Journal profiled a young entrepreneur with good cash flow but no time to manage his own investments. In the article, **Missie Beach** suggested that he consolidate his multiple 401(k) plans into a single IRA. Among other things, she also suggested that he acquire disability insurance, since his job is his only source of income.

ThinkAdvisor profiled **Donna Skeels Cygan** on Nov. 13. Keegan, author of "The Joy of Financial Security," said that she has deliberately chosen not to grow her practice beyond her existing 40 clients. In fact, she said that she constantly turns down referrals. Instead, she focuses on maintaining her lifestyle practice, addressing goals with her clients, and using her book to reach out to consumers who might not consider using an advisor.

Jean Keener was profiled as part of a Nov. 18 article for bloomberg.com. The article looked at the impending need for female planners as boomers age and seek financial advice. According to the article, only 23 percent of CFPs® are women. In the coming years, however, as women command a greater share of wealth, the industry faces the challenge of recruiting more women advisors to work with clients who prefer female advisors.

Johanna Fox Turner contributed to a USA Today article, "How to Budget for Medical Expenses," on Nov. 29. She advised creating a personal medical emergency fund—especially if contributing to a health savings account isn't possible—beginning with enough to cover the deductible of an existing plan. To keep the funds liquid, she suggested using a standard savings account.

Wayne Titus wrote about how employees can get the best deal during open enrollment periods for health care plans. In "Surviving Open Enrollment: How to Make the Best Choices for Your Family," Titus said that employees should be aware of key dates, do their own research based on things like lifestyle and travel, and ask questions during open-enrollment events.

The following advisors were listed in the Financial Times "FT 100 Women Financial Advisers 2014":

- **Debra Wetherby**
- **Lynn Chen-Zhang**
- **Claudia Shilo**
- **Karen Altfest**
- **Christine Carleton**
- **Peggy Ruhlin**
- **Elissa Buie**

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