MONEY

MASTER THE GAME

7 SIMPLE STEPS TO

FINANCIAL FREEDOM

TONY ROBBINS

WORKSHEETS, CHARTS, LISTS AND
FURTHER RESEARCH AND INFORMATION
TO ACCOMPANY THE AUDIOBOOK

FOREWORD

As a former litigator with years of experience working around Wall Street firms, it's fair to say that a few liars, crooks, and con artists have crossed my path. Since both the legal and financial fields cultivate their share of professional hustlers, I've learned to quickly separate the good actors from the bad.

I am also a skeptic by nature. So when Tony Robbins sought me out for this project because of the company I founded in 2007, HighTower, I was curious but wary. *Is there really anything new to say about personal finance and investing? And is Tony Robbins the man to say it?*

I was, of course, aware of Tony's tremendous reputation as America's number one life and business strategist. And like many, I knew that he has worked with everyone from US presidents to billionaire entrepreneurs, transforming their personal and professional lives along the way.

But what I didn't know until we met was that Tony Robbins *is* the real thing. The *man* lives up to the hype of the *brand*. His authenticity was evident, and his passion was contagious. Rather than rehash the sins of the financial industry, Tony came to this project with the goal of democratizing financial services and offering tactics and solutions that had previously been appreciated and used by only the wealthiest investors.

Tony and I hit it off right away because we share a mission of helping empower people to make better, more informed financial decisions. That's the heart of my company, and it's what drives me personally. While the financial crisis of 2008 brought to light the conflicts and injustices inherent in the financial system, few people could come up with real-world, practical solutions that would actually make a difference for individuals and families.

Why? Because there's an inherent conflict in the system. **The largest financial institutions are set up to make a profit for themselves, not their clients.** Investors may think they are paying fees for high-quality,

unbiased advice. Instead, they are all too often paying for the privilege of being offered a small sample of "suitable" investment products and services that are in constant conflict with improving the firm's bottom line.

HighTower is a solution to these problems, and that's why Tony originally came to interview me for this book. We offer only investment advice, and we have a platform of leading technology, products, and solutions that meet advisors' and investors' needs. We do not engage in the many toxic activities that create conflicts of interest within the major banks. We brought together some of the nation's best financial advisors. Simply put, we built a better model for transparent financial advice.

Tony's mission is to organize and bring to the masses the most honest and practical financial solutions—some of them are even "secrets." He understands that people need more than knowledge—they need a clear road map to a financially secure future.

The guidance provided within these pages is the result of unprecedented access to the leading minds in the financial world. I don't know of anyone other than Tony who could pull off such a feat. Only Tony, with his wide range of client relationships, his contagious enthusiasm, and his unrelenting passion could have convinced these individuals—among the best in the industry—to share their knowledge and experience.

Like me, these people trust Tony to capture their thinking and simplify it for a broad audience. And because Tony's passion lies in empowering people, he is able to take these conversations from theory to reality, offering tools that nearly anyone can use to improve his or her financial situation.

Tony challenged me to look at the solutions we had created for wealthy investors and figure out a way to make them available and applicable to the general public. I'm proud to say that we are deeply engaged in a variety of projects, and we are excited about the positive impact that together we will have on so many people.

True to his calling, Tony is using this book to empower individual investors while simultaneously helping those who have slipped through the cracks or been left behind by society. While two-thirds of Americans are concerned they won't have enough to retire, two million people have lost access to food stamps in the past year. Many of these individuals don't know where their next meal will come from.

Tony has stepped in to help fill the gap. He's spoken openly about his own experience with homelessness and hunger, and is committed to improving the lives of these often-forgotten populations. Tony is personally committed to feeding 50 million people this year, and is working to double that effort—feeding 100 million people—through matching contributions for next year and in the years ahead.

Tony has also partnered with Simon & Schuster to donate copies of his bestselling guide *Notes from a Friend: A Quick and Simple Guide to Taking Charge of Your Life* to those who are in need and just starting to embark on a new path of empowerment. His goal is to feed minds *and* bodies.

I am honored, humbled, and grateful to be a part of this project and eager to see the change we can enact together. I'm excited for you, the reader. You're about to meet the force of nature that is Tony Robbins and go on a journey that will truly be life changing.

—ELLIOT WEISSBLUTH,
founder and CEO, HighTower

INTRODUCTION

I first met Tony Robbins 25 years ago inside a cassette tape. After watching an infomercial on late-night TV, I took the plunge and bought his 30-day self-improvement program *Personal Power*. I listened to his tapes every day during my one-hour commute to and from Oracle Corporation, back and forth between my home in San Francisco and our office in Redwood Shores. I was so moved by Tony's words that one weekend I stayed home and did nothing else but listen again to all 30 days in just two days, and I quickly understood that Tony was truly an amazing person, and his ideas were unlike anything I had ever experienced before. *Tony transformed me*.

At the age of 25, as the youngest vice president at Oracle, I was massively successful—or so I thought. I was making more than $1 million a year and driving a brand-new Ferrari. Yes, I had what I thought was success: a great home and an incredible car and social life. Yet I still knew I was missing something; I just didn't know what. Tony helped me to bring awareness to where I was, and helped me start defining where I really wanted to go and the deeper meaning of what I wanted my life to be about. It wasn't long before I went to Tony's special intensive weekend program called Unleash the Power Within. That's where I really refined my vision and committed to a new level of massive action. With that, I dove deeper into Tony Robbins's work and launched full-force on my journey to create and build Salesforce.com.

I applied Tony's insights and strategies and built an amazing tool called V2MOM, which stands for vision, values, methods, obstacles, and measurement. I used it to focus my work, and ultimately my life, on what I really wanted. The V2MOM program took five of Tony's questions:

1. What do I really want? (Vision.)
2. What is important about it? (Values.)

3. How will I get it? (Methods.)
4. What is preventing me from having it? (Obstacles.)
5. How will I know I am successful? (Measurements.)

Tony said to me that the quality of my life was the quality of my questions. I soon began to model everything in my life, my work, and my future simply by asking these basic questions and recording my answers. What happened was amazing.

On March 8, 1999, the first day that we started Salesforce.com, we wrote a V2MOM, and today all of our 15,000 employees are required to do the same thing. It creates alignment, awareness, and communication, and it's all based on what Tony has taught me over the last two decades. Tony says repetition is the mother of skill—that's where mastery comes from—and so we keep writing and improving our V2MOMs. It's one of the reasons *Forbes* magazine just named Salesforce.com the "World's Most Innovative Company" for the fourth year in a row, and *Fortune* magazine says we are the "World's Most Admired" software company, as well as the seventh "Best Place to Work" in 2014. Today we produce $5 billion a year in revenue, and we continue to grow.

I can truly say that there would be no Salesforce.com without Tony Robbins and his teachings.

This book you are about to read, with its 7 Simple Steps to Financial Freedom, has the potential to do the same thing for you that Tony Robbins's *Personal Power* audio program did for me. It is going to bring Tony's wisdom into your life (along with the wisdom of 50 of the most brilliant financial minds in the world!) and give you the tools you need to make your life even better. As you read *Master the Game*, I am sure you will translate what Tony is saying into your own life, and create your own methods to achieve success and realize freedom.

When Tony told me the title of this book, the first thing I said was, "Tony, you're not about money! You're about helping people create an extraordinary quality of life!"

I soon discovered this book really isn't about money, it is about creating the life you want, and part of that is deciding what role you want money to play in it. We all have money in our lives; what matters is that you

master money and it doesn't master you. Then you are free to live life on your own terms.

One of my closest mentors, General Colin Powell, former secretary of state and chairman of the Joint Chiefs of Staff, said this about money: "Look for something you love to do and you do well. Go for it. It will give you satisfaction in life. It could mean money, but it may not. It could mean a lot of titles, but it may not. But it will give you satisfaction." General Powell and Tony Robbins are saying the same thing. The real joy in life comes from finding your true purpose and aligning it with what you do every single day.

General Powell also urged me to consider the role of money as I pursued my vision of creating a software company that would change the world. He told me that the business of business was not just to make a profit but also to do good—to do good while doing well. Tony Robbins's focus on contribution, even 25 years ago, also made a strong impression on me and influenced my thinking. When I started Salesforce.com, I aimed to do three things: (1) create a new computing model for enterprises now called "cloud computing"; (2) create a new business model for enterprise software based on subscriptions; and (3) create a new philanthropic model that tightly integrates the success of a company with its ability to give back.

What has resulted over the last 15 years is a company that today has completely transformed the software industry and achieved a market capitalization of more than $35 billion. However, the best decision I ever made was putting 1% of our equity, 1% of our profit, and 1% of our employees' time into a philanthropic pursuit called Salesforce Foundation. It has resulted in more than $60 million in grants to nonprofits all over the world, more than 20,000 nonprofits using our product for free, and our employees contributing more than 500,000 volunteer hours to their communities. All of this happened once Tony helped me build the tools to gain clarity about what I really wanted to build, give, and become. And nothing has made me happier or brought me more satisfaction and joy in my life.

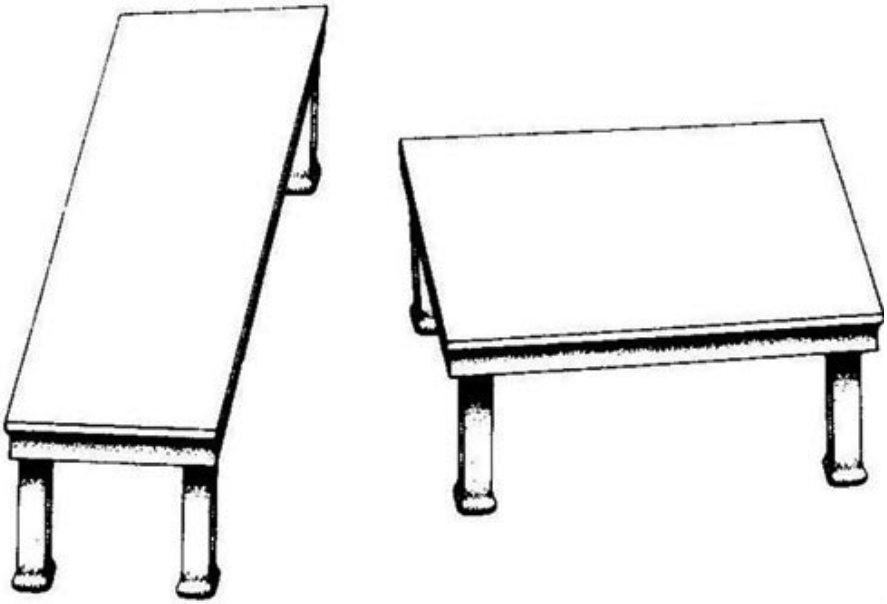
That's also why I have joined Tony in his quest with the nonprofit Swipeout program to provide meals to more than 100 million people a year; provide clean, disease-free water to more than 3 million families a day; and to work to free both children and adults from slavery.

I've sent my parents, my closest friends, and my most important

executives to Tony's seminars to study his work, and they have all said the same thing: "Tony Robbins is one of a kind, and we are lucky to have him in our lives." Now, with *Money: Master the Game*, Tony will open the same door for you that he opened for me. I am confident that with him as your coach, you too will transform your life and find a path to gain everything you really want!

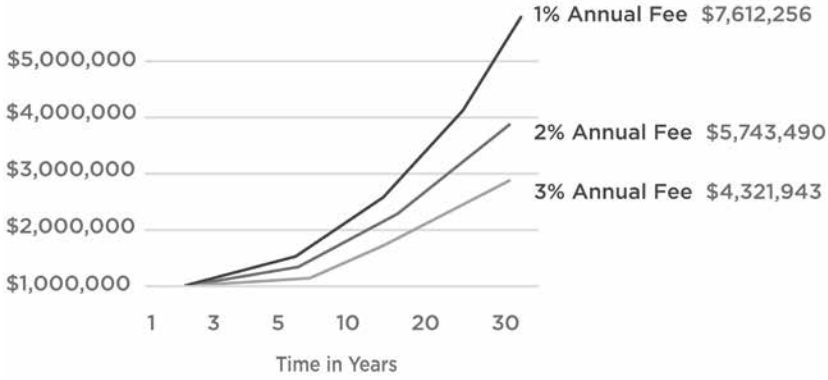
—MARC BENIOFF,
founder and CEO of Salesforce.com

ARIELY TABLE VISUAL EXERCISE

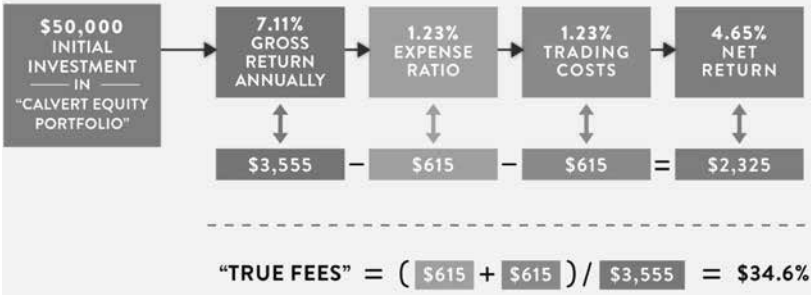


IMPACT OF FEES

$1 Million invested
8% assumed annualized return over 30 years



MUTUAL FUNDS' TRUE COSTS: *"CALVERT EQUITY PORTFOLIO" EXAMPLE*

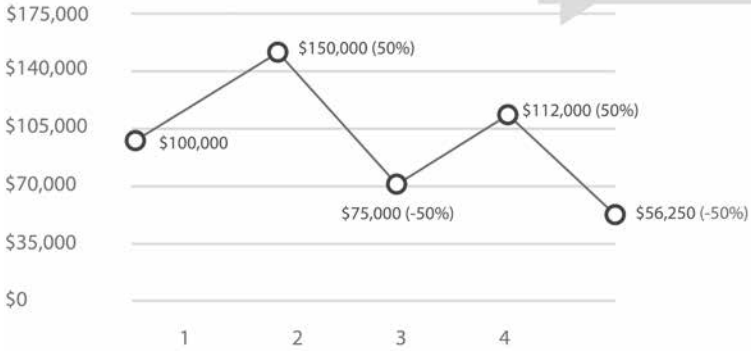


SOURCE: Demos Analysis.

MARKET PERFORMANCE

$100,000 Invested

Average return: 0%
Real Return: -43.75%



Account Balance

America's Best 401(k)

	My Old Plan (2.5% total fees)	Americas Best 401K	Total Savings That Go Back to You and Your Employees
After Year 1	$15,925,465	$16,006,101	$80,635
After Year 7	$22,265,866	$23,025,978	$760,111
After Year 20	$41,999,917	$45,999,618	$3,999,701

Assumptions: $1 million beginning plan balance, $100,000 in annual contributions, 5% growth rate.

America's Best 401(k)

	My Old Plan (0.75% total fees)	America's Best 401K	Total Savings That Go Back to You and Your Employees
After Year 1	$14,530,987	$14,582,411	$51,424
After Year 7	$25,077,485	$25,623,385	$545,899
After Year 20	$58,499,799	$61,756,687	$3,355,987

Warning: DOL Found Three-Fourths of 401(k)s Illegal

Here's a very compelling reason to take a closer look at your 401(k) plan:

SEVENTY-FIVE PERCENT OF THE 401(K)s audited by the DOL last year resulted in plan sponsors being fined, penalized or forced to make reimbursement for plan errors. And those fines and penalties weren't cheap.

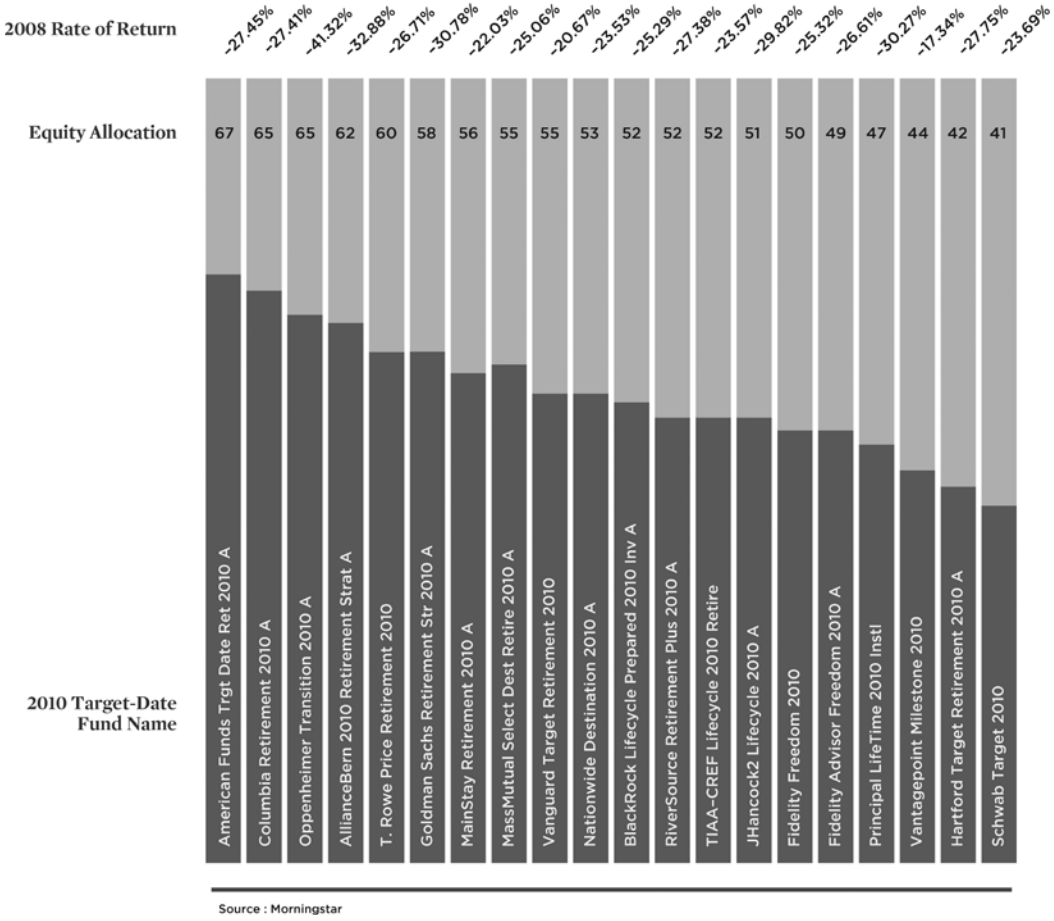
In fact, the average fine last year was $600,000 per plan. That's a jump of nearly $150K from four years ago.

Source: CFO Daily News

2014 IRS ANNUAL CONTRIBUTION LIMITS

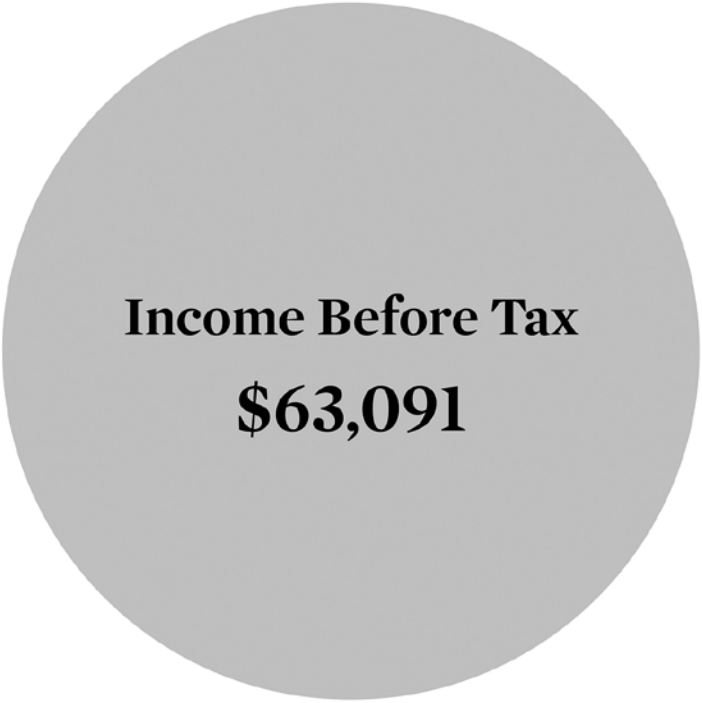
Age	401(k) Contribution + Profit-Sharing Plan	Cash-Balance Plan Contribution	Total
65	$56,000	$237,841	$293,841
60	$56,000	$228,807	$284,807
55	$56,000	$175,068	$231,068
50	$56,000	$133,950	$189,950
45	$51,000	$102,490	$153,490
40	$51,000	$78,419	$129,419
35	$51,000	$60,001	$111,001

TOP 20 TARGET DATE FUNDS IN 2008

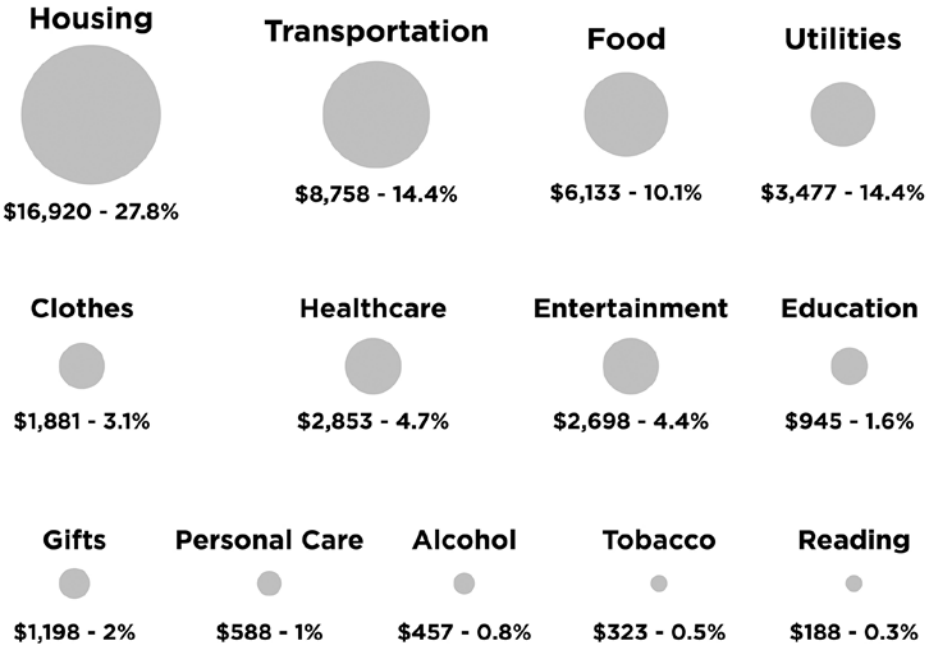


Source : Morningstar

Average US Annual Consumer Spending



Annual Cost Of:



RON AND MICHELLE'S MONTHLY EXPENSES

Mortgage on their main home	$6,000 per month
Utilities	$1,500 per month
Transportation	$1,200 per month
Food	$2,000 per month
Insurance	$ 750 per month
Total	$11,450 × 12 = $137,400 per year

RON AND MICHELLE'S FINANCIAL FREEDOM NUMBERS

1. Monthly donation to church	$8,333 per month
2. 20′ Bass fishing boat costing $50,000 financed at 5% = monthly payment of	$530 per month
3. Family ski condo mortgage costing $800,000 at 4.5% = monthly payment of	$4,880 per month
4. Monthly income for Financial Independence	$29,167 per month
5. Total monthly income number for Freedom	$42,910 per month
6. Now multiply that by 12, and you'll have the annual amount you need for Financial Freedom	$42,910 × 12 = $514,920 per year

Average Price of US Home: $270,000

Month	Payment	Principal	Interest	Balance
January	$1,618.79	$268.79	$1,350.00	$269,731.21
February	$1,618.79	$270.13	$1,348.66	$269,461.08
March	$1,618.79	$271.48	$1,347.31	$269,189.60
April	$1,618.79	$272.84	$1,345.95	$268,916.76

The Earlier Your Start, The Bigger Your Nest Egg

(Assumes 10% Annual Rate of Return)

Daily Investment	Monthly Investment	10 Years	20 Years	30 Years	40 Years	50 Years
$5	$150	$30,727	$113,905	$339,073	$948,612	$2,598,659
$10	$300	$61,453	$227,811	$678,146	$1,897,224	$5,197,317
$15	$450	$92,180	$341,716	$1,017,220	$2,845,836	$7,795,976
$20	$600	$122,907	$455,621	$1,356,293	$3,794,448	$10,394,634
$30	$900	$184,360	$683,432	$2,034,439	$5,691,672	$15,591,952
$40	$1,200	$245,814	$911,243	$2,712,586	$7,588,895	$20,789,269
$50	$1,500	$307,267	$1,139,053	$3,390,732	$9,486,119	$25,986,586

Take Control: A Quick Exercise in Mindful Savings

#	Item / Activity	Cost of Item / Activity	# Times / Week	Total Cost (Cost of Item X times per week)	Level of Enjoyment (1-10)
1					
2					
3					
4					
5					
6					
Grand Total of Cost per Week					
Grand Total of Cost per Year					

The Golden Egg

ACTUAL INCOME FOR LIFE

The average person pays

54.4%

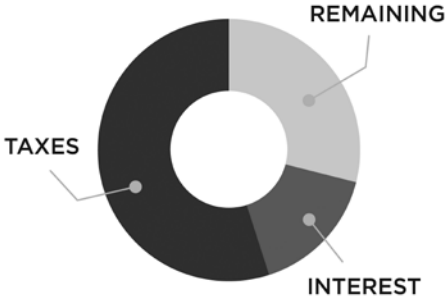
for taxes in a lifetime.

Of the remaining 45.6%

34.5%

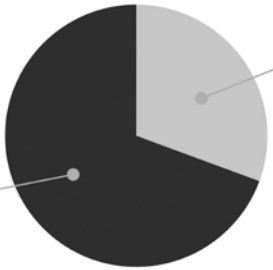
is paid in interest over a lifetime.

17.25% of total lifetime earnings



The total money spent before you have a dime to invest or even pay for your lifestyle is:

72.5%

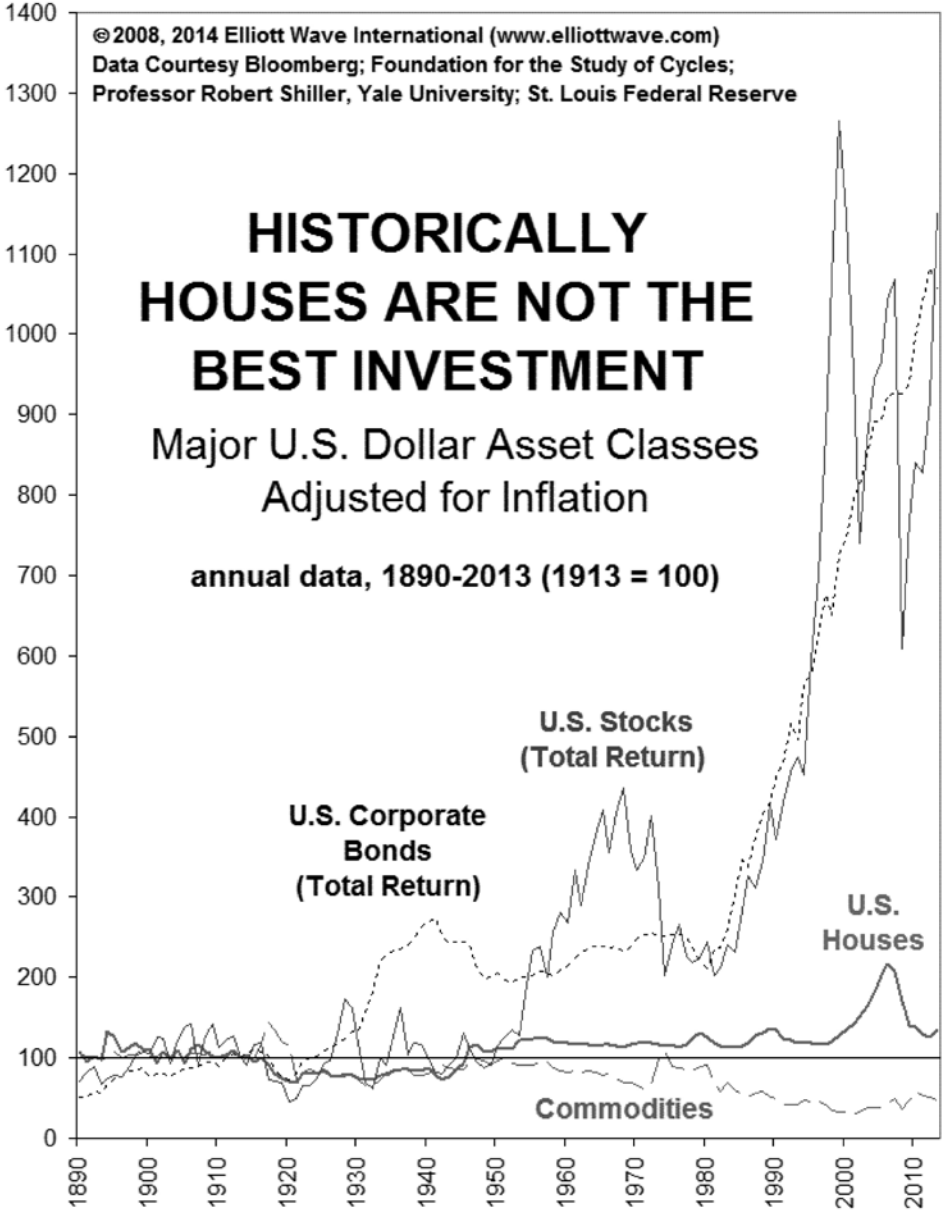


28.5%

All you have left to pay for your lifestyle and to build a critical mass for financial freedom

Number of Years to Double Your Investment Value Based on Rate of Return

Rate of Return	Years to Double $$
25%	2.88
20%	3.60
19%	3.80
18%	4.00
17%	4.20
16%	4.50
15%	4.80
14%	5.10
13%	5.50
12%	6.00
11%	6.50
10%	7.20
9%	8.00
8%	9.00
7%	10.20
6%	12.00
5%	14.40
4%	18.00
3%	24.00
2%	36.00
1%	72.00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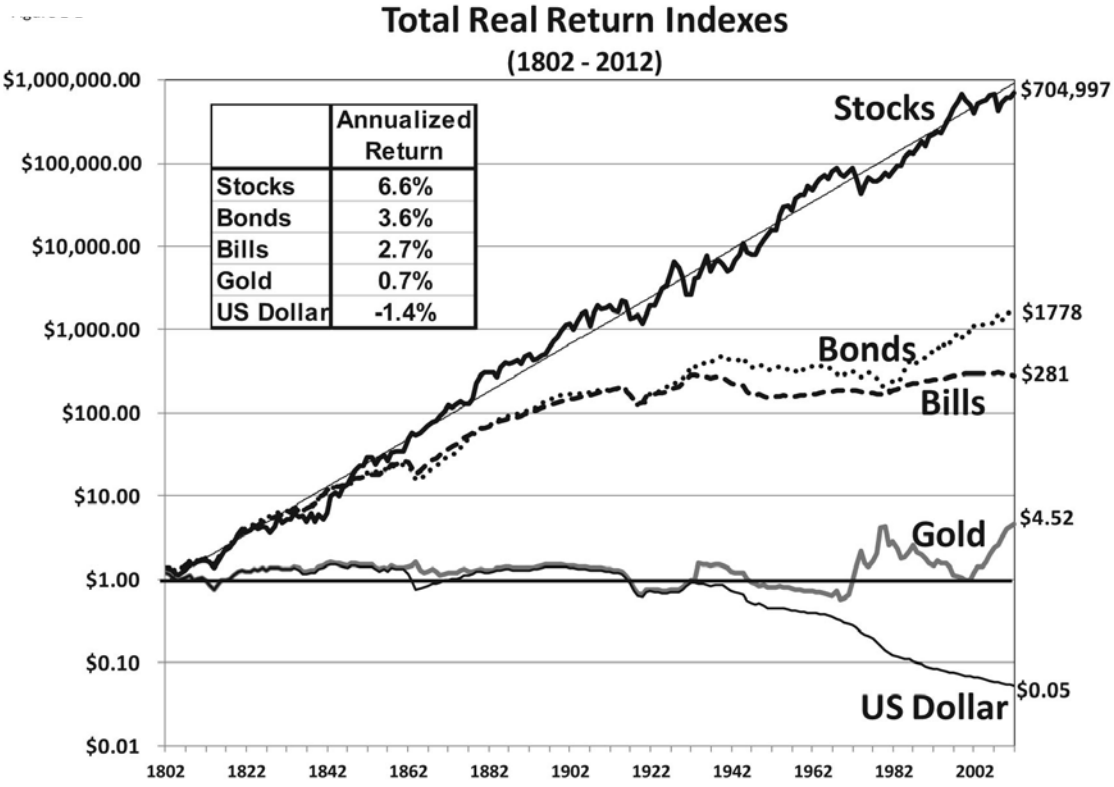
Data Courtesy Bloomberg; Foundation for the Study of Cycles;
Professor Robert Shiller, Yale University; St. Louis Federal Reserve
HISTORICALLY HOUSES ARE NOT THE BEST INVESTMENT
Major U.S. Dollar Asset Classes Adjusted for Inflation
annual data, 1890-2013 (1913 = 100)
U.S. Stocks (Total Return)
U.S. Corporate Bonds (Total Return)
U.S. Houses
Commodities
1400
1300
1200
1100
1000
900
800
700
600
500
400
300
200
100
0
1890
1900
1910
1920
1930
1940
1950
1960
1970
1980
1990
2000
2010

Raymond James TIPS chart

Year	Coupon	Par Value	Inflation Period	Change in CPI	Adjusted Principal Value	Interest Payment
1	1.5%	$1,000	Inflationary	+2%	$1,020	$15.30
2	1.5%	$1,020	Deflationary	-1%	$1,010	$15.15
3	1.5%	$1,010	Inflationary	+3%	$1,040	$15.60
4	1.5%	$1,040	Inflationary	+2%	$1,060	$15.90
5	1.5%	$1,060	Inflationary	+1%	$1,070	$16.05

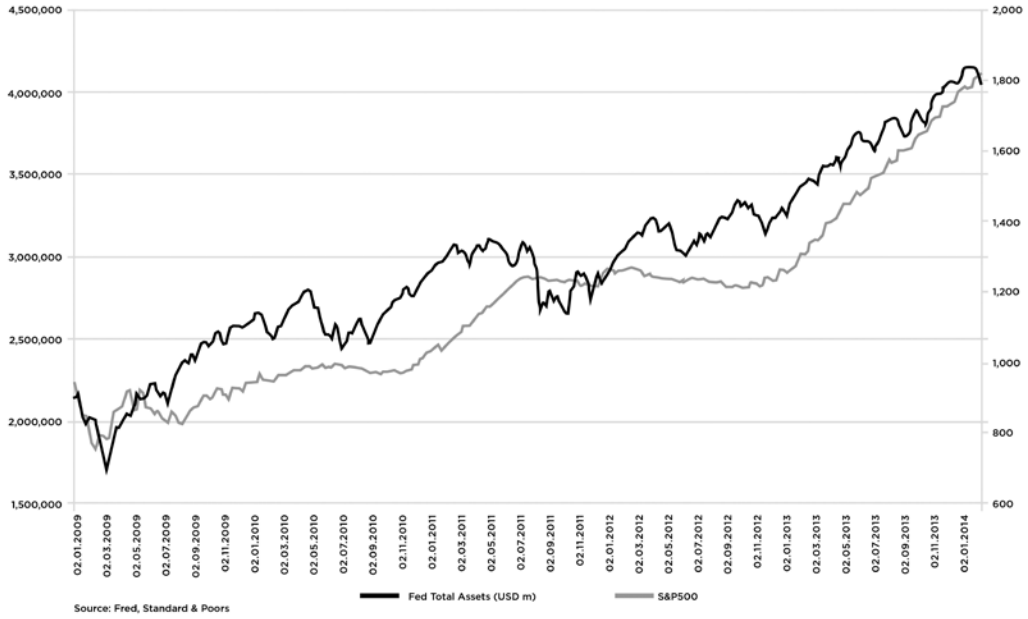
David Swensen Portfolio		**Which Bucket?**	
Asset Class (Index Funds)	***Portfolio Weight***	***Risk/Growth***	***Security***
Domestic stock	20%	❑	❑
International stock	20%	❑	❑
Emerging stock markets	10%	❑	❑
REITs (real estate investment trusts)	20%	❑	❑
Long-term US Treasuries	15%	❑	❑
TIPS (Treasury inflation-protected securities)	15%	❑	❑

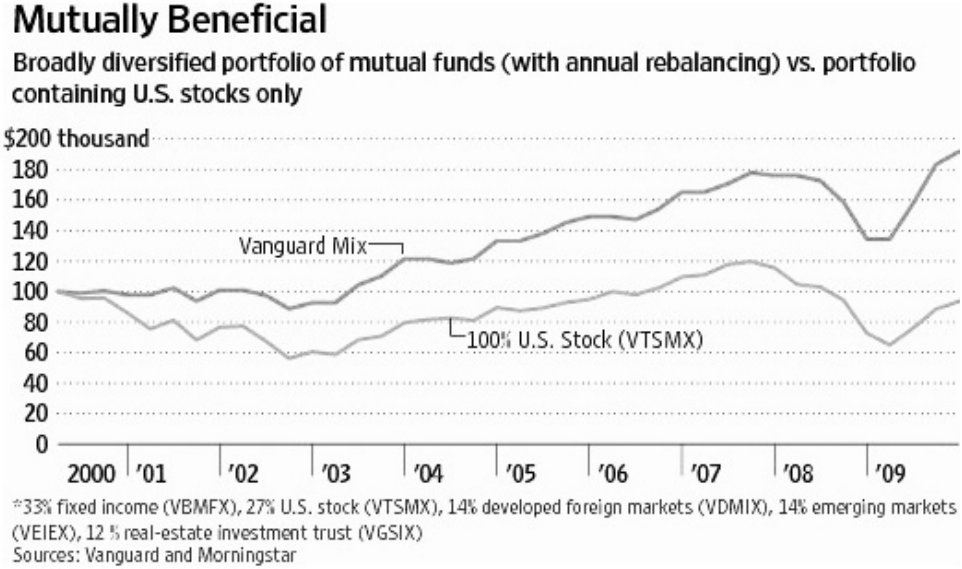

Total Real Return Indexes
(1802 - 2012)
$1,000,000.00
$100,000.00
$10,000.00
$1,000.00
$100.00
$10.00
$1.00
$0.10
$0.01
1802
1822
1842
1862
1882
1902
1922
1942
1962
1982
2002
Annualized Return
Stocks 6.6%
Bonds 3.6%
Bills 2.7%
Gold 0.7%
US Dollar -1.4%
Stocks
$704,997
Bonds
$1778
Bills
$281
Gold
$4.52
US Dollar
$0.05

David Swensen provided the specific percentage for each asset class, but he did not provide the specific indices to represent each asset class. Independent analysts used the following indices to represent each asset class, and it is assumed that the portfolio would be rebalanced quarterly. **Note that past results do not guarantee future performance. Instead, I am providing you the historical data here to discuss and illustrate the underlying principles.**

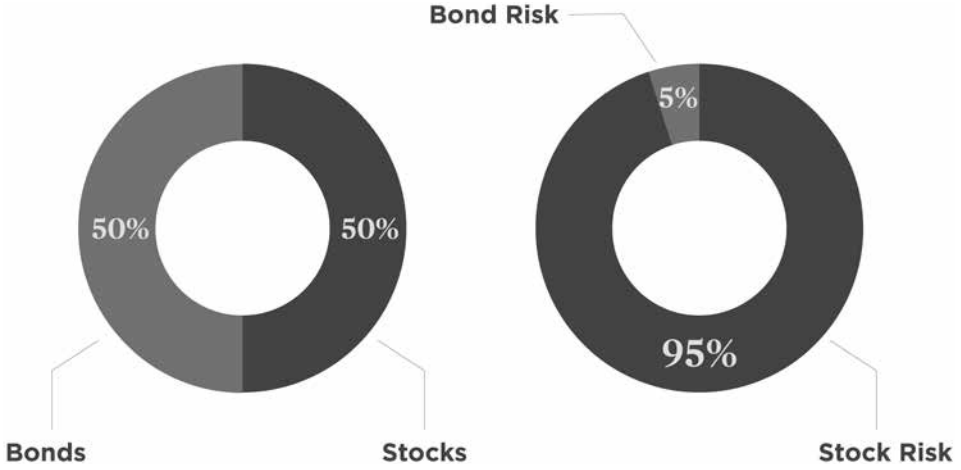
20%	Wilshire 5000 Total Mkt TR USD
20%	FTSE NAREIT All REITs TR
20%	MSCI ACWI Ex USA GR USD
15%	Barclays US Long Credit TR USD
15%	Barclays US Treasury US TIPS TR USD
10%	MSCI EM PR USD

Federal Reserve Total Assets (US$ Mil) and S&P500 Index Weekly





BOND VERSUS STOCK RISK



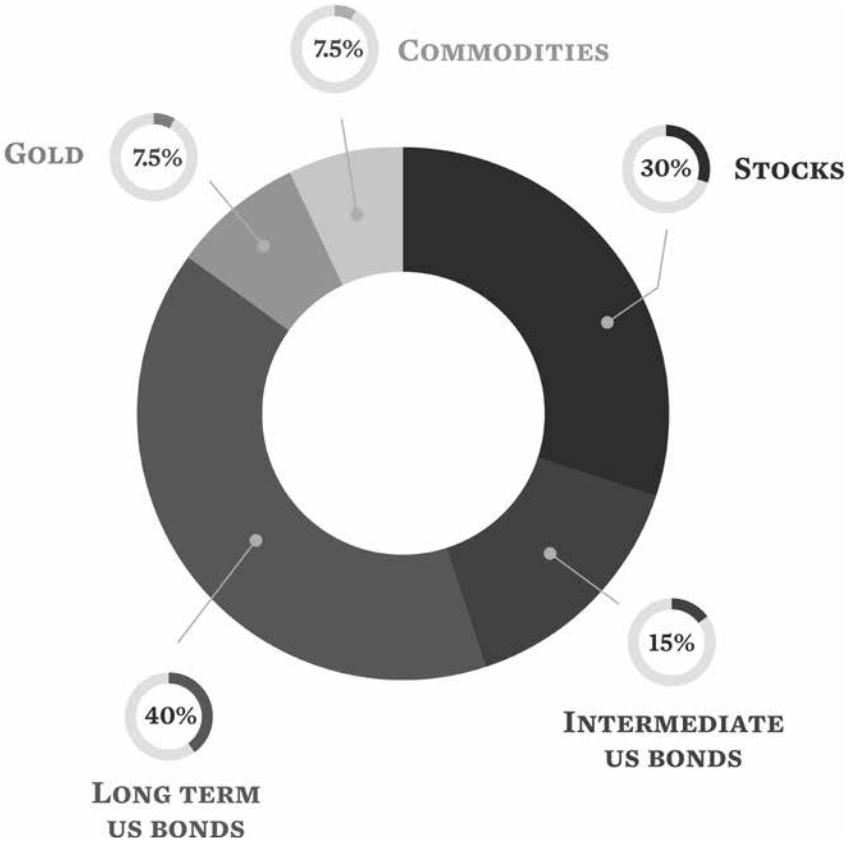
RAY DALIO'S LIST OF 4 THINGS
THAT MOVE THE PRICE OF ASSETS
(TAKE THE LIST OF 4 PLUS THE TABLE)

	GROWTH	INFLATION
RISING ↑	Higher than expected economic growth	Higher than expected inflation
FALLING ↓	Lower than expected economic growth	Lower than expected inflation

RAY DALIO'S 4 POTENTIAL SEASONS

	GROWTH	INFLATION
RISING ↑	Stocks Corporate Bonds Commodities/Gold	Commodities/Gold Inflation Linked Bonds (TIPS)
FALLING ↓	Treasury Bonds Inflation Linked Bonds (TIPS)	Treasury Bonds Stocks

RAY DALIO'S PORTFOLIO



S&P vs. All Seasons (75-Year History)

S&P	All Seasons
In 75 years, the S&P lost money 18 times*	In the same time period, the All Seasons portfolio lost money just ten times (slightly more than once a decade, on average).**
It's largest single loss was -43.3%	The largest single loss was just -3.93%.
The average loss was -11.40%.	The average loss was only -1.63%.

* Includes dividend reinvestment.
**Two of the ten loss years were only 0.03% (essentially break-even years; thus from a practical perspective, there were only 8 years of loss in a 75-year track record).

S&P vs. All Seasons (Since 1928)

S&P	All Seasons
In 87 years (through 2013), the S&P lost money 24 times (roughly 27% of the time).	The All Seasons portfolio lost money only 14 times during the same period (which means 73 years of positive returns).
In the heart of the depression, the four consecutive losing years (1929-1932) the S&P lost **64.40%.**	During the same four-year period, 1929–1932, the All Seasons portfolio had a total loss of **20.55%** (59% better than the S&P).
The average loss was **13.66%.**	The average loss was just **3.65%.**

* includes dividend reinvestment

WORST DROPS SINCE 1935

Year	S&P*	All Seasons
1937	-35.03%	-9.00%
1941	-11.59%	-1.69%
1973	-14.69%	3.67%
1974	-26.47%	-1.16%
2001	-11.89%	-1.91%
2002	-22.10%	7.87%
2008	-37%	-3.93%

*includes dividend reinvestment

Source: Jemstep

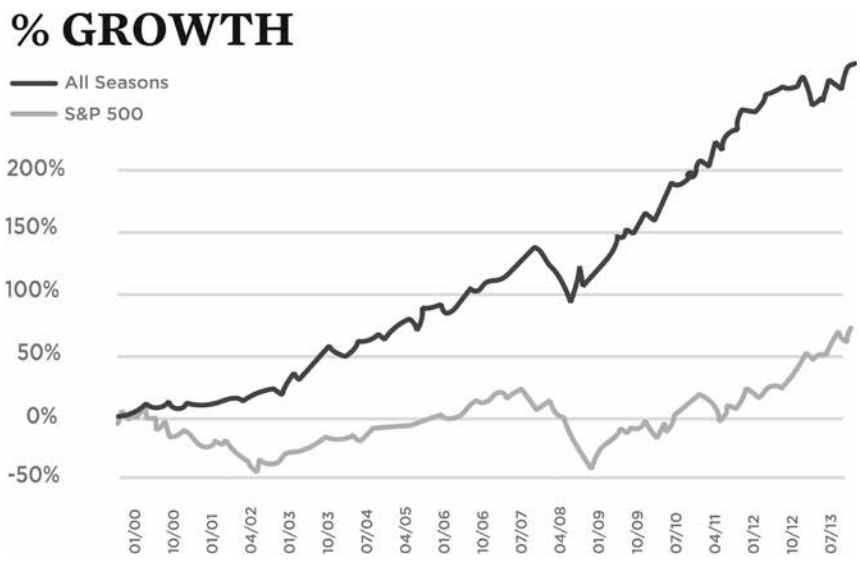
RAY DALIO'S LIST OF 4 THINGS THAT MOVE THE PRICE OF ASSETS

1. **inflation,**
2. **deflation,**
3. **rising economic growth, and**
4. **declining economic growth.**

	GROWTH	INFLATION
RISING ↑	Higher than expected economic growth	Higher than expected inflation
FALLING ↓	Lower than expected economic growth	Lower than expected inflation

Ray's view boils it down to only four different possible environments, or economic seasons, that will ultimately affect whether investments (asset prices) go up or down. (Except unlike nature, there is not a predetermined order in which the seasons will arrive.) They are:

1. higher than expected inflation (rising prices),
2. lower than expected inflation (or deflation),
3. higher than expected economic growth, and
4. lower than expected economic growth.



If You Lose	Gain Required to Break Even
5%	5%
10%	11%
15%	18%
20%	25%
25%	33%
30%	43%
35%	54%
40%	67%
45%	82%
50%	100%
75%	300%
90%	900%

JOHN

Age	Hypothetical stock market gains or losses	Withdrawal at start of year	Nest egg at start of year
64			$500,000
65	-10.14%	$25,000	$500,000
66	-13.04%	$25,750	$426,839
67	-23.37%	$26,523	$348,766
68	14.62%	$27,318	$246,956
69	2.03%	$28,318	$251,750
70	12.40%	$28,982	$228,146
71	27.25%	$29,851	$223.862
72	-6.56%	$30,747	$246,879
73	26.31%	$31,669	$201,956
74	4.46%	$32,619	$215,084
75	7.06%	$33,598	$190,084
76	-1.54%	$34,606	$168,090
77	34.11%	$35,644	$131,429
78	20.26%	$36,713	$128,458
79	31.01%	$37,815	$110,335
80	26.67%	$38,949	$95,008
81	19.53%	$40,118	$71,009
82	26.38%	$36,923	$36,923
83	-38.49%	$0	$0
84	3.00%		
85	13.62%		
86	3.53%		
87	26.38%		
88	23.45%		
89	12.78%		
	Average return 8.03%		Total withdrawal $580,963

Average return
8.03%

Total withdrawal
$580,963

Susan

Age	Hypothetical stock market gains or losses	Withdrawal at start of year	Nest egg at start of year
64			$500,000
65	12.78%	$25,000	$500,000
66	23.45%	$25,750	$535,716
67	26.38%	$26,523	$629,575
68	3.53%	$27,318	$762,140
69	13.62%	$28,318	$760,755
70	3.00%	$28,982	$832,396
71	-38.49%	$29,851	$827,524
72	26.38%	$30,747	$490,684
73	19.53%	$31,669	$581,270
74	26.67%	$32,619	$656,916
75	31.01%	$33,598	$790,788
76	20.26%	$34,606	$991,981
77	34.11%	$35,644	$1,151,375
78	-1.54%	$36,713	$1,496,314
79	7.06%	$37,815	$1,437,133
80	4.46%	$38,949	$1,498,042
81	26.31%	$40,118	$1,524,231
82	-6.56%	$41,321	$1,874,535
83	27.25%	$42,561	$1,712,970
84	12.40%	$48,383	$2,125,604
85	2.03%	$45,153	$2,339,923
86	14.62%	$46,507	$2,341,297
87	-23.37%	$47,903	$2,630,297
88	-13.04%	$49,340	$1,978,993
89	-10.14%	$50,820	$1,677,975
	Average return 8.03%		Total withdrawal $911,482

Average return
8.03%

Total withdrawal
$911,482

Investment Highlights

- IEP stock performance has meaningfully outpaced all its peers

	Time Period	IEP	Berkshire	Leucadia	Loews	S&P 500	Dow Jones	Russell 2000
Gross Return on Investment in Stock	3 Years ended July 31, 2014	164%	69%	-22%	8%	59%	47%	47%
	5 Years ended July 31, 2014	215%	94%	8%	45%	117%	106%	115%
	7 Years ended July 31, 2014	37%	71%	-29%	-7%	55%	52%	59%
	April 1, 2009(1) through July 31, 2014	382%	117%	78%	97%	171%	151%	184%
	January 1, 2000 through July 31, 2014	1622%	235%	264%	372%	73%	104%	168%
Annualized Return	April 1, 2009(1) through July 31, 2014	34.3%	15.6%	11.5%	13.6%	20.5%	18.8%	21.6%
	January 1, 2000 through July 31, 2014	21.5%	8.7%	9.3%	11.2%	3.8%	5.0%	7.0%

(1) April 1, 2009 is the approximate beginning of the economic recovery.

Source: Bloomberg. Includes reinvestment of distributions. Based on the share price as of July 31, 2014.

Investment Highlights

- Mr. Icahn believes there has never been a better time for activist investing, if practiced properly, than today.
  - Several factors are responsible for this:
    1) low interest rates, which make acquisitions much less costly and therefore much more attractive,
    2) abundance of cash-rich companies that would benefit from making synergistic acquisitions, and
    3) the current awareness of many institutional investors that the prevalence of mediocre top management and non-caring boards at many of America's companies must be dealt with if we are ever going to end high unemployment and be able to compete in world mark
  - **But an activist catalyst is often needed to make an acquistion happen**
  - We, at IEP, have spent years engaging in the activist model and believe it is the catalyst needed to drive highly accretive M&A and consolidation activity
  - As a corollary, low interest rates will greatly increase the ability of the companies IEP controls to make judicious, friendly, or not-so-friendly acquisitions using our activist expertise
- Proven track record of delivering superior returns
  - **IEP total stock return of *1,622%*[1] since January 1, 2000**
    - S&P 500, Dow Jones Industrial, and Russell 2000 indices returns of approximately 73%, 104%, and 168% respectively over th same period
  - **Icahn Investment Funds performance since inception in November 2004**
    - Total return of approximately 293%[2] and compounded average annual return of approximately 15%[2]
    - Returns of 33.3%, 15.2%, 34.5%, 20.2%[3], 30.8%, and 10.2% in 2009, 2010, 2011, 2012, 2013, and YTD 2014[4] respectively
- Recent Financial Results
  - Adjusted Net Income attributable to Icahn Enterprises of $612 million[5] for the six months ended June 30, 201
  - Indicative Net Asset Value of approximately $10.2 billion as of June 30, 2014
  - LTM June 30, 2014 adjusted EBITDA attributable to Icahn Enterprises of approximately $2.2 billion
- $6.00 annual distribution (5.8% yield as of July 31, 2014)

(1) Source: Bloomberg. Includes reinvestment of distributions. Based on the share price as of July 31, 2014.
(2) Returns calculated as of June 30, 2014.
(3) Return assumes that IEP's holdings in CVR Energy remained in the Investment Funds for the entire period. IEP obtained a majority stake in CVR Energy in May 2012. Investment Funds returns were approximately 6.6% when excluding returns on CVR Energy after it became a consolidated entity.
(4) For the six months ended June 30, 2014.

The Value of Activist Board Membership

The following chart has been prepared by Icahn Enterprises and responds to those that question the efficacy of including activists' designees on public company boards of directors.

From January 1, 2009 to June 30, 2014 (a 5½ year period) Icahn designees have joined the boards of the 23 companies listed in the chart. As reflected in the chart, a person that invested in each company on the date that the Icahn designee joined the board, and that sold on the date that the Icahn designee left the board (or continued to hold through June 30, 2014, if the designee did not leave the board) would have obtained an annualized return of 27%.

#	Company Name	Date Joined Board	Date Exited Board (or 6/30/2014 if still on board)	Hypothetical Investor Annualized Return during board tenure
1	Amylin Pharmaceuticals, Inc.	6/9/2009	8/8/2012	38%
2	Biogen Idec, Inc.	6/10/2009	6/30/2014	43%
3	Chesapeake Energy Corp.	6/21/2012	6/30/2014	33%
4	CIT Group, Inc.	12/18/2009	5/10/2011	38%
5	Dynegy, Inc.	3/9/2011	10/1/2012	-81%
6	Ebay, Inc.	6/17/2014	6/30/2014	76%
7	Enzon Pharmaceuticals, Inc.	5/21/2009	6/30/2014	-10%
8	Forest Laboratories, Inc.	8/5/2012	6/30/2014	77%
9	Genzyme Corp.	6/16/2010	4/11/2011	61%
10	Herbalife International, Ltd.	4/25/2013	6/30/2014	60%
11	Hologic, Inc.	12/9/2013	6/30/2014	28%
12	Mentor Graphics Corp.	5/18/2011	6/30/2014	13%
13	MGM Studios	4/25/2012	8/15/2012	96%
14	Motorola Mobility, Inc.	1/3/2011	5/22/2012	22%
15	Motorola Solutions, Inc.	1/4/2011	3/1/2012	23%
16	Navistar International Corp.	10/8/2012	6/30/2014	33%
17	Nuance Communications, Inc.	10/7/2013	6/30/2014	2%
18	Talisman Energy, Inc.	12/1/2013	6/30/2014	-15%
19	Take-Two Interactive Software, Inc.	4/15/2010	11/26/2013	12%
20	The Hain Celestial Group, Inc.	7/7/2010	11/19/2013	52%
21	Transocean, Ltd.	5/17/2013	6/30/2014	-10%
22	Voltari Corp.	6/17/2010	6/30/2014	-62%
23	WebMD Health Corp.	7/24/2012	8/5/2013	124%

Total: 27%

Returns assume equal weighting in each investment.

Source of return data = Bloomberg Total Return function, including dividends reinvested.

The chart does not reflect the actual results of IEP's investment segment, nor is it necessarily indicative of future results of IEP's investment segment.

7 SIMPLE STEPS: YOUR CHECKLIST FOR SUCCESS

Here's a quick checklist for you to use anytime you want to see where you are and what still needs to be done to move you along the path to financial freedom. Take a look at the 7 Simple Steps and make sure that you not only understand them but have also activated them.

Step 1: Make the Most Important *Financial* Decision of Your Life

1. Did you make the decision to become an investor, not just a consumer?
2. Have you committed a specific percentage of savings that always goes toward your Freedom Fund?
3. Have you automated it? If not, do it now: www.tdameritrade.com or www.schwab.com.
4. If the amount you're committing now is small, have you committed to your employer to use the Save More Tomorrow program? See http://befi.allianzgi.com/en/befi-tv/pages/save-more-tomorrow.aspx.

Step 2: Become the Insider: Know the Rules Before You Get in the Game

1. Do you know the 9 Myths, and are you now protected? Here's a mini-test:
    a. What percentage of mutual funds beat the market (or their benchmark) over any ten years?
    b. Do fees matter, and what's the average mutual fund fee?
    c. If you pay 1% versus 3% in fees, how much of a difference does it make to your final nest egg?
    d. Have you taken your broker for a test drive? Have you gone online and seen what your current costs are, how much risk you have in

your current investments, and how your current investment strategy has compared over the last 15 years with other simple, inexpensive options?

   e. Do you know the difference between advertised returns and what you actually earn?
   f. Do you know the difference between a broker and a fiduciary?
   g. Are target-date funds your best option?
   h. How do you maximize your 401(k), and should you elect to use a Roth 401(k)?
   i. Do you have to take huge risks to make big rewards? What are some of the tools that will allow you to get the upside of the market without the downside losses?
   j. Have you identified any of the limiting stories or emotions that have held you back or sabotaged you in the past, and have you broken their pattern of control in your life?
2. Do you have a fiduciary now representing and guiding you? If not, go online and find one at http://findanadvisor.napfa.org/home.aspx or go to Stronghold and review its services approach (www.StrongholdFinancial.com).
3. If you own a company, or you're an employee with a 401(k) plan, have you taken 30 seconds to check how your fees compare with the rest of the market? Go to http://americasbest401k.com/401k-fee-checker.
4. If you're a business owner, have you met your legal requirement to benchmark your 401(k) against other comparable plans? Remember, the Department of Labor has reported that 75% of the 401(k)s it audited resulted in an average penalty of $600,000 (www.americasbest401k.com).

Step 3: Make the Game Winnable

1. Have you made the game winnable?
   a. Have you found out what your real numbers are? Have you figured out what it's really going to take for you to achieve financial security, vitality, and independence? Have you calculated it?
   b. If not, go back and do that right now. Or if you want to revisit them, go back and do the numbers now or go to your app, where

you can keep the numbers in your pocket, and it will be calculated in a few minutes. You can do it in just a few minutes.

   c. Remember, **clarity is power.** See www.tonyrobbins.com/masterthegame.

2. Once you've got the numbers, did you use your wealth calculator and come up with a plan that shows you how many years it will take in a conservative, moderate, or an aggressive plan to achieve financial security or independence? If not, give yourself the gift. Go to the app and do this now.
3. Have you looked over and made any decisions about the five elements of how you can speed up your plan and achieve financial security or independence even faster?
   a. Save more:

      Have you looked at the places you could save? Your mortgage? Daily purchases?

      Have you implemented a Save More Tomorrow plan so that you don't have to give up anything today, but when you get additional income in the future, you'll save more? Go to http://befi.allianzgi.com/en/befi-tv/pages/save-more-tomorrow.aspx.

      Have you found something that you could cut down easily in order to increase your savings? Is it the $40 pizza? Is it the water bottle? Is it Starbucks? And have you calculated how much more money you'll have in your Freedom Fund and how much faster you can achieve your goals by doing this? Remember, $40 a week can equal $500,000 over an investment lifetime. You don't have to do any of these if you're already on target, but these are options if you're not yet on target to achieve your financial goals.

   b. Earn more. Have you found ways to increase the value you can add to others? Do you need to retool yourself and switch to a different industry? What are the ways you can add more value and grow more so you can give more?
   c. Save in fees and taxes. Have you come up with a way to apply what we've taught you to reduce your fees and/or reduce your taxes?
   d. Get better returns. Have you found a way to invest with greater returns without undue risk? Have you reviewed any of the portfolios

that are here that might enhance your earnings and protect you from those gut-wrenching downturns in the market?

e. Change your life—and improve your lifestyle. Have you considered a new location with an even better lifestyle? Have you considered putting yourself in a place where you reduce or eliminate state taxes and then put all of that money toward building wealth and your family's financial security and freedom?

Step 4: Make the Most Important *Investment* Decision of Your Life

1. Have you decided on asset allocation so that you never put yourself in a position to lose too much? (Not all your eggs are in one basket, right?)
2. Have you decided what percentage belongs in your Security Bucket and what specific types of investment you'll use to be safe and still maximize returns? Are you diversifying with different types of investments within the Security Bucket? Have you decided what percentage of your savings or investment capital will go in the Security Bucket?
3. Have you decided what percentage belongs in your Risk/Growth Bucket and what specific types of investments you'll use to maximize returns yet still limit your downside as best as possible? Are you diversified with your Risk/Growth Bucket?
4. Have you evaluated your actual risk tolerance effectively? Did you take the test developed by Rutgers (http://njaes.rutgers.edu/money/riskquiz)?
5. Have you considered your stage of life and whether you should be more or less aggressive based on the length of time you have to save and invest? (If you're young, you can lose a bit more because you have more time to recover; if you're closer to retirement, you have less time to recover, and perhaps you need more in your Security Bucket.)
6. Have you evaluated the amount and size of your cash flow and whether that will play a role in your level of conservativeness or aggressiveness in your asset allocation?
7. Have you resolved the ratio of Security versus Risk/Growth as a percentage of your overall investments? 50/50? 60/40? 70/30? 30/70? 40/60? 80/20?

8. Have you come up with a list of short-term and long-term goals for your Dream Bucket that excite you? Do you have to wait until someday in the future, or do you have some things you're going to make happen right away?
9. Have you established a way to fund your Dream Bucket with either a small amount of savings or a portion of the profits of windfalls from successes in your Risk/Growth Bucket?
10. Rebalancing and dollar-cost averaging:
    a. Are you consistently committing the same amount of money to investments regardless of whether the market is moving up or down? Remember, timing the market never works.
    b. Are you continually rebalancing your portfolio, or do you have a fiduciary doing this for you? Either way, this is crucial to optimizing returns and minimizing volatility.

Step 5: Create a Lifetime Income Plan

1. The power of All Seasons:
    a. Have you taken the time to read, understand, and take action on the powerful insights that Ray Dalio gave us with his All Seasons approach? He has brought successful investment returns 85% of the time and lost money only four times in 30 years, but never more than 3.93% to date!
    b. Have you gone to Stronghold and taken five minutes to see what kind of returns you're getting on your current investments compared with All Seasons (and other portfolios) or to see what it would take to set up an All Seasons portfolio in minutes?
2. Income Insurance:
    a. Have you done the most important thing of all? Have you made sure that you will not run out of income as long as you live? Have you established a guaranteed lifetime income plan?
    b. Do you know the difference between an **immediate annuity** and a **deferred annuity,** and have you selected which might be right for you depending on your stage in life?
    c. Have you reviewed and initiated a hybrid annuity or tapped into the **upside-without-the-downside** strategy that's now available to

anyone regardless of age and without any lump-sum payment whatsoever?

   d. Have you gone online and found out how much future income you could have for as little as $300 a month or more? If not, go to www.lifetimeincome.com or call an annuity specialist at Stronghold.

3. Secrets of the Ultrawealthy:
   a. Have you investigated how to drastically cut the amount of time it will take you to achieve financial freedom by 30% to 50% through the use of tax-efficient life insurance strategies? Remember, PPLI (private placement life insurance) is great for high net worth, but anyone can use the policies offered through TIAA-CREF with minimal deposit amounts. If you haven't yet explored these tools, reach out to a qualified, expert fiduciary today or contact Stronghold for a free analysis.
   b. Have you invested the $250 to set up a living trust so that your family is protected and your assets will go to them without going through a year of probate? Have you protected your wealth not only for your current generation but also your grandchildren and your great grandchildren?

Step 6: Invest Like the .001%

1. Have you taken the time to absorb some of the short interviews with 12 of the smartest financial people on earth, the greatest investors in history?
2. Who is the "Master of the Universe" in the financial world? What kind of returns has he gotten compared with anyone else, including Warren Buffett, and how could you invest with him if you wanted to?
3. What did you learn about asset allocation from Yale's David Swensen? Or J.P. Morgan's Mary Callahan Erdoes?
4. What did you learn from the indexing master Jack Bogle? Or from Dr. Doom, Marc Faber?
5. Did you capture the simple strategy that Warren Buffett now recommends for everyone, including his wife and her legacy trust?
6. Did you absorb the importance of how to get asymmetric returns?

7. Did you absorb the $100,000 MBA that Paul Tudor Jones gave you by never making an investment of less than five to one and always tapping into the power of the trend?
8. Did you check out Ray Dalio's *How the Economic Machine Works—In Thirty Minutes* video? If not, watch it now at www.economicprinciples.org.
9. Did you soak in the concepts of Kyle Bass's solution on investing where you cannot lose money? Remember the power of nickels? Where investments are guaranteed forever by the US government, and you'll have a potential upside of anywhere from 20% to 30%?
10. Did you take in the core lessons from Charles Schwab, and Sir John Templeton's gift that continues to give of being able to know that the worst environment is your greatest opportunity—to be most optimistic when the world is "ending" like it did in World War II, like it did in inflation in South America, like it did in the Depression, like it did in Japan after World War II? Did you absorb his true core strategic philosophy that made him the first international investment billionaire in history?
11. What actions can you take today to start investing like the .001%?

Step 7: Just Do It, Enjoy It, and Share It!

1. Your Hidden Asset:
    a. Have you connected to the truth that the future is a magnificent place?
    b. It will be filled with exciting challenges. Opportunities and problems are always there, but are you clear that there is a wave of technology that is going to continue to innovate and empower us as individuals and enhance the quality of life for human beings all over the earth?
2. Have you given yourself the ultimate gift—the commitment to be wealthy now, not someday in the future—by appreciating and developing the daily habit of priming your appreciation of what you already have and building on that success?
3. Would you trade expectation for appreciation? And have you committed to a life of progress? **Progress equals happiness. Life is about growing and giving.**

4. Have you figured out what you're here to serve and what the higher purpose is for your life? Have you begun to think about your legacy?
5. Have you decided to convert your pocket change into massive change in the world? If so, **go to www.swipeout.com now, take one minute, and start the process of saving lives while you enjoy your own.**
6. Are you embodying the truth that makes you wealthy in this moment: the secret to living is giving?

This is a quick overview checklist for maximizing the pages you've read. If there's anything you've missed, give yourself the gift of going back and absorbing it and also remember, **repetition is the mother of skill. Action is where all your power is found.**

So, my dear friend, come here and know that you're not alone. You can tap into your own resources, or I've also made a ton of support resources available here as well: the website, the app, Stronghold, Lifetime Income, and America's Best 401k. But whatever you do, make sure you take action and make sure that the people guiding you have your best interests in mind. Finding the right fiduciary is the place to start. The right one can help you create or refine your plan.

This list is not everything; it's just a great checklist to trigger you to keep growing and keep implementing. Remember that **knowledge is not power, execution is.** Just make a little bit of progress each day or each week, and before you know it, your path to financial freedom will be realized.

I look forward to meeting you in person someday soon. Until then, step up, keep moving forward, master the game, and live with passion.