



3 Steps to prepare for an aging bull market.



Fiduciary
Financial
Group

Actionable retirement portfolio insights
you can't afford to miss.



(415) 717-4831



trevor@ffgwealth.com



Larkspur, CA

Investment advisory services offered through Advisor's Fiduciary Group, LLC dba Fiduciary Financial Group
is a Registered Investment Advisor in the States of California and Idaho.

Hello, we're FFG.

We guide clients through the various challenges of shifting from the accumulation phase of life to the distribution phase... namely the significant impact it [should] have on the client's investment strategy, distribution strategy, social security elections, insurance coverage, and mortgage financing.

Meet the Author: Trevor Scotto, CPA, CFP®



Trevor began his career with a strong foundation in tax and accounting. Soon after graduation, he earned his CPA license preparing tax returns for high-net worth families and small business owners. During this time, he also completed graduate courses in taxation from Golden Gate University in San Francisco. From there he further expanded his accounting expertise by joining the Finance team at Glassdoor, a startup tech firm later acquired for over \$1B.

While he was able to gain a strong foundation in accounting, tax and business operations, Trevor left the tech industry to become an advisor to make a bigger impact directly. Trevor does this by managing the finances for a few select families and business owners in the Bay Area. He helps his clients simplify their lives by providing evidence-based investment strategies and goal based financial planning. Trevor believes in building long-term relationships based on trust and transparency. Trevor has positioned himself to be the go-to financial co-pilot for clients and their families. He emphasizes the importance of always having a family-oriented culture where clients feel at home.

01.

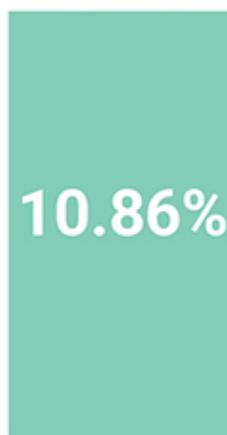
Assess your stock holdings.

The last 10 years have been marked by superb US stock market appreciation with the S&P 500 returning nearly 11%/year during that time. If your portfolio, like most people in our country, was biased toward US securities, (particularly stocks) you'd be a happy camper. Unfortunately, if you'd invested in the "the stock market" across the globe with the exception of US equities, your returns have likely been less than half as attractive.

Assessment questions to ask your advisor:

- ? What % of your overall portfolio is made up of stocks (aka equities)?
- ? What % of your equities are US stocks vs. international?
- ? Of your stock portfolio, what % of stocks are value stocks and what % are growth?
- ? Are you heavily concentrated in any one industry? Tech? Telecom? Utilities? Industrials?
- ? If you own stock funds, do any of them use leverage (i.e. borrowed funds to buy more stock)?

Global Stock Performance
Annualized Returns Aug 2008 - Aug 2018



The bottom line.

These are just a few questions you should be asking yourself to assess the risk of your portfolio, particularly if you were lucky enough (yes it was probably luck) to be mostly in US equities this past decade.

02.

Review your bonds.

When reviewing your bond holdings the two main areas of concern should always be credit quality and duration of the bond. During the last 10 years many investors have allocated capital to lower credit quality issuers (junk bonds and some EM bonds) in search of much needed interest income. Likewise many investors have stretched the duration of their holdings in an attempt to increase their returns. The danger with this practice is as we approach the end of the bull market investors are faced with potential credit losses and price declines as a result of the Federal Reserve increasing short term interest rates.

What % of your portfolio is bonds?



What % of your bonds are US bonds and what % are international?

What % of your bonds mature in more than 7 years (i.e. are longer-term duration)?



Do you own any mortgage bonds, government bonds, or all corporate bonds?



The bottom line.

Investors rely on bonds to be the foundation of their portfolio and as the bull market ages its critical that investors assess their holdings to ensure their bonds provide the valuable diversification benefits that they expect.

03.

What are your tangible assets?

After a long run of strong returns bonds now face an uphill climb as higher interest rates are driving bond prices lower. Stocks are trading at high valuations despite market uncertainty, increased protectionism and changing political climates. All of these dynamics will help shape global capital markets for years ahead, positioning tangible assets as a critical tool in helping investors diversify risk.

What are tangible assets?

Think precious metals (gold, silver, copper), commodities (oil, grains, natural gas), and real estate (shopping centers, commercial property, apartments).



Many renowned investors shun gold while others think it's a must for a well-diversified portfolio. Do you own any? If no, why not?



Did you know that commodities' relative valuation to the S&P 500 as measured by the numerator / denominator relationship of the S&P 500 to the S&P GSCI Commodity Index is near its lowest point since 1970?



The bottom line.

Adding tangible assets helps investors diversify their portfolio, improve risk-adjusted return potential, and preserve the purchasing power of their investment dollars.

04.

Next steps.

The last 10 years has only served to further the domestic bias here in the US creating massive risk exposure to an asset class (US stocks) that are priced at levels relative to earnings, GDP, and sales that are matched only by periods of prior extreme bubbles when fortunes were lost and lives ruined (1929 and 2000).



A Careful Analysis of Risk (and really the adequacy of your diversification) has probably never been timelier. If you are interested in a portfolio review to see where you could be missing the mark with your diversification plan, call us today. Don't bank on "getting lucky" for another 10 years.



Get help understanding your financial plan and get a free portfolio stress test.

Visit www.ffgwealth.com or call us at (208) 401 - 3747



**Fiduciary
Financial
Group**



References and Disclosures

- 1) http://performance.morningstar.com/funds/etf/total-returns.action?t=SPY®ion=USA&culture=en_US – S&P 500 TR USD - 11.97%/yr
- 2) http://performance.morningstar.com/fund/performance-return.action?t=VFWIX®ion=usa&culture=en_US – as measured by MSCI ACWI Ex USA NR USD trailing 10 year returns on 9/18/2018 – 4.84%/yr
- 3) <https://www.fidelity.com/viewpoints/investing-ideas/international-investing-myths>
- 4) <https://dws.com/en-us/insights/blog/authors/tyler-wilton/commodities-vs-sandp-500-historical-relative-value-comparison/>
- 5) <http://www.multpl.com/shiller-pe/>

Investment advisory services offered through Advisor's Fiduciary Group, LLC dba Fiduciary Financial Group is a Registered Investment Advisor in the States of California and Idaho. Richard Davey, Sole Proprietor and Trevor Scotto, Sole Proprietor are independently licensed insurance agents. They service insurance products they previously sold through carriers with whom they have appointments and sales relationships. They no longer sell insurance products to new customers and all recommended insurance strategies are outsourced via reference to outside insurance professionals. FFG personal receive no renumeration for these referrals.

Investment strategies are subject to risks, including possible loss of principal. Investments may be volatile and past performance is not indicative of future performance. Fiduciary Financial Group outgoing and incoming emails are electronically archived and subject to review and/or disclosure to someone other than the recipient. We cannot accept requests for securities transactions or other similar instructions through email. We cannot ensure the security of information e-mailed over the Internet, so you should be careful when transmitting confidential information such as account numbers and security holdings. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by replying to this message and deleting it from your computer. No information constitutes tax, insurance, legal or investment advice. All written content is for informational purposes only. Opinions expressed herein are solely those of Fiduciary Financial Group. Material presented is believed to be from reliable sources; however, we make no representations as to its accuracy or completeness. Fiduciary Financial Group is not affiliated with or endorsed by the Social Security Administration or any government agency and are not engaged in the practice of law. Content should not be viewed as an offer to buy or sell any of the securities mentioned or as legal or tax advice. You should always consult an attorney or tax professional regarding your specific legal or tax situation. Images and photographs are included for the sole purpose of marketing. None of them are photographs of current or former clients. They would not be construed as an endorsement or testimonial from any of the persons in the photograph.

© 2018 FA Digital, LLC.



(415) 717-4831



trevor@ffgwealth.com



Larkspur, CA