



## >: A Little Secret Worth \$2.6 Million ...

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There's a dirty little secret **Business Development Guy #1** would think spend millions of marketing dollars convincing everybody that they cannot make money on their own! Then let's convince everybody that the only way to make money is to buy a diversified mix of mutual funds and hold onto it for 30 years!

Let me back up for a second. **Business Development Guy #2** is not taking you money, and he's not to lose your money either! (they just can't help doing that). I know, let's call it MODERN PORTFOLIO THEORY!

Let me explain. **Business Development Guy #3**: "Yes! That's it. Oh, and by the way, take a look at all this yummy projected cash flow on those 1% fees we will be collecting for the next THIRTY YEARS!!!"

Wall Street has spent millions convincing the public that they are the sole keepers of your financial future; and for a small nominal fee (usually 1% annually), they will guide you through the perilous investment waters to deliver you to the land of your financial dreams. It's an interesting fairy tale, and it would be a humorous one at that if it weren't for the fact that so many people

I'm going to let you in on a huge industry secret! Are you ready?

**The number one goal of any Wall Street firm is to keep you even.**

Why?

Have you noticed that many firms have shifted away from commission-oriented transaction business to charging an annual fee instead? On the surface it looks like a good deal. "My objectives are tied with your objectives Mr. Jones," says your friendly neighborhood broker, "The more you make, the more I make."

But do you know why the firms have really made this move? It's not because they're good guys and wanted to do you a favor. They realized that they could not consistently show you above-market returns. So how could they keep your account, keep you even, and stop you from bolting? I can just imagine the strategy meeting that took place ?

But let's take a closer look at this strategy before we dismiss it out of hand. Maybe the buy and hold approach is the right one after all, and why should we begrudge the mutual fund boys their 1% fee? After all, it's not like they're not working hard for that money ? generating new ideas, poring over research, and committing huge amounts of energy to generating money-making

Actually, they're not.

75% of all mutual fund equity is invested in the S&P 500. 87% of mutual fund performance is correlated to the S&P 500!! Want to know another dirty little secret that the Wall Street firms hope you don't find out?

**You don't need them to enact this strategy!!**

Do you want to know how to do this on your own?

Well here it is: Just buy 5 different exchange traded funds, one each for big cap & small cap growth, one each for big cap & small cap value, and a diversified international exchange traded fund. Dollar cost average in every month/quarter, and after thirty years you'll have about an average compounded 11% rate of return (that is if you also reinvested all of your dividends). That's it! Pretty simple huh? No wonder the firms love this approach! It's so profitable for them. They have you feeding them money every month, and all they do is passively invest in mutual funds. That's it! My eight year old daughter could do that!!

"But it's only 1% a year, and I don't have to be bothered with it" I can hear some of you saying.

Let me show you how much that 1% per year is costing you over a thirty year period. Let's say you're 35, and you invest \$1,000,000 in a retirement portfolio of 5 diversified exchange traded funds as outlined above. You go about your business for the next thirty years, building your career, raising your family, going to church and living life. Lo and behold, age 65 is here before you know it. Now, all things being equal, your \$1,000,000 investment - through the magic of compounding - should have grown to \$8,000,000, right?

**Wrong!!**

You forgot about your friendly neighborhood brokerage firm. They have to be paid for all of the "work" that they did. Here's what it cost: After *thirty* years of paying out 1% annually in fees, it has cut your retirement nest egg *by a third!* Instead of \$8,000,000 you will receive \$5,333,333!!

Think about that for a second. You just paid out over \$88,000 a year in fees, and lost capital gains *(two million, six hundred and sixty six thousand dollars)* for something you could have done by yourself.

It is insanity to give up one third of your entire portfolio to enact this "no-brainer" strategy.

Isn't it time to grab hold of your own financial reins?

"Let the Game Come to You."

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