

BURNS INSIGHTS



STIFEL | Burns Investment Group

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Burns Investment Group: Our Stand for 2018

There is nothing more important to our team than the relationships we have developed with our clients and their other advisors. We often state, "Life is about experiences and relationships." Due to personal life experiences, that statement has really meant more to me this past year than ever before. It has been quite a balance between both good and bad – We lost my step-dad, and we moved my mom to an assisted living facility; my sons each got engaged, and two of my kids are thriving on the East Coast; and I have had my own health issues, i.e., my joints, that have limited me physically. I know that these are normal life events that we all face, but it has made me very aware that life is indeed short and so much of it is out of our control. As I am now in my 32nd year as a financial advisor, I am looking in the rear-view mirror remarking to myself, "Wow, that went fast, and how did I get here so quickly?" I feel that there is a compression of time. In not knowing what the future holds, I am compelled to make sure I make the most out of both my personal and professional life. In discussing this with my team, we want to make an even bigger commitment to our clients to improve your experience with our team and to help deepen our relationships with you. Here are some of the areas we will proactively be focusing in on.

"What is your Confidence Zone?" The top priority for most of our clients is making sure they will achieve a lifetime of financial security. This will empower them to maintain the lifestyle to which they've become accustomed without becoming financially dependent on their family. In the nine years since my joining Stifel, the company has fortified the level of financial planning capabilities we can offer our clients. Stifel's Wealth Strategist Report® allows us to examine the variables unique to each of our clients and to set goals and risk parameters. From there, we run a custom-tailored analysis that computes the probability of meeting one's lifetime goals. We call this probability outcome your "Confidence Zone." It has been a useful tool in helping our clients become more aware of the factors over which they have the greatest control. Once we have done one for you, it's easy for us to update it periodically to help ensure that your confidence remains high. We will ask you if you would like us to do this for you, but you can always feel free to ask us as well.

Advanced Planning Issues. Besides planning for a secure retirement, there are some of our clients that have more advanced needs. We have a whole team of professionals in our home office in our Wealth Planning department who are available to address the more complicated issues our clients may have on a very high and comprehensive level. For individuals, we can look at issues surrounding estate planning, tax-efficiency, long-term care planning, stock options, asset allocation, net worth accumulation, and more. For the business owner, we are able to address issues such as business continuation planning, debt management, retirement plans, and key owner/executive benefits.

The New Generation. I have now been doing this long enough that many of our clients' children are retiring and are choosing to have us help them. We have also started working with many of our clients' grandchildren. This vote of confidence has been personally rewarding to me. We want to reach out to this new generation to help educate them about wise money management and how to be successful long-term investors. In my younger days, I made some really bad financial decisions. I would like to help them learn from my experiences. We want to work with and get to know those younger investors who would value the type of relationship we offer.

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“Service Above Self.” I have been a member of Rotary for 26 years, but I have never been president of my club in San Clemente. Even though I have served on the board for many years in other roles, I have artfully dodged the presidential responsibility for a very long time. It is quite a commitment. But, that is changing. Beginning on the first of July, I will begin my one-year term – I am actually looking forward to it. Anyone associated with Rotary recognizes the above mantra as central to a Rotarian’s being, and I want to bring that philosophy to the Burns Investment Group. We will be reviewing the way we communicate to make sure it is authentic and as meaningful as possible. We will also look for ways to show our appreciation by continuing to have events throughout the year, and to celebrate life’s moments. If there is something we can do to improve your experience with us, we want to hear about it.

Staying Current and Relevant. In these ever-changing and uncertain times, we as professionals must invest time and energy in keeping up on the current issues that face the financial markets and impact our clients. If we are not developing ourselves, we run the risk of becoming irrelevant – and we do not want that to happen. Our team will seize more opportunities to learn, whether it be reading books and research reports or attending workshops. One of Stephen Covey’s *Seven Habits of Successful People* is “Sharpen the Saw.” We will try to be like razors!

Financially speaking, overall 2017 has been a good year for our clients. The market returns have, for the most part, exceeded expectations. We don’t know how long it may last and to what degree it can continue. We do know that it will change, but rest assured, we will continue to be there for you no matter what. One of my mentors would often declare, “Be thankful for everything; entitled to nothing.” Please know that we are thankful for the relationships we have because we know that you have a lot of choice out there. Not only do we look forward to solidifying our current relationships, but also we look forward to having the opportunity to work with new clients as well.

May 2018 hold many blessings for you and all of your loved ones.

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Noah’s Corner



2017 Was a Fantastic Year for Me

I attained the CERTIFIED FINANCIAL PLANNER™ professional certification in March, spent my summer weekends at the beach, and got engaged in October. On top of that, we welcomed some fantastic new clients! In general, it was a great year for the overall stock market as well. As of Christmas, we have seen the best returns in the U.S. market since 2013, consistently low volatility compared to other years, and there wasn’t a single correction in the U.S. market. Even though I am very excited to greet 2018, I must admit that I am a little apprehensive about the market outlook.

Throughout my career, I’ve subscribed to the maxim commonly attributed to Mark Twain, “History doesn’t repeat itself, but it does rhyme.” In the last year, I have seen more complacency about risk than any other year in my career. While I may not have a career that spans 30 years like Robert’s, seven and a half years is a pretty big chunk of time.

This complacency is to be expected, especially within my own generation, although I’ve seen it in others too. Anybody that started investing from the beginning of 2009 until now has had a pretty great ride. Since the bottom of the market in April 2009, there have been only three corrections in the U.S. stock market. That’s three in eight and a half years, but on average there is a correction once per year. Moreover there hasn’t been a bear market (a correction of 20% or more) even though we average one of those every three and a half years. In other words, new investors and even some experienced ones are maybe a little too confident.

So how might history rhyme with itself in 2018? I’m not sure. Could the market ignore too much confidence and boom like it did during the tech craze of the late 1990s? Sure it can. But could it serve up some humble pie to some of those overly confident investors like it did on Black Monday in 1987 or when the tech bubble burst? I pray not, but it is possible.

How can we use history to our advantage? At each of these aforementioned times, and during countless other manias and panics in the past, feeding into the emotions of fear and greed victimized investors. People fed greed by investing heavily in tech stocks in 1999, which ended up being a terrible idea. On the other end of the spectrum, letting fear take control on Tuesday, October 20, 1987, by selling your stock positions would’ve had you miss out on an incredible rebound.

Unfortunately for us financial advisors and investors, what markets do is far out of our control. In 2018, my hope is for a repeat of 2017, which would mean major life accomplishments and a steady trend upward in the market. Nevertheless, our team remains steadfast in our efforts to help clients resist their emotions should the status quo change. We are prepared and ready to help walk you back toward logic and reason. Lastly, we encourage our friends and clients to continue focusing their efforts on what is more in their control: Retirement planning, cash flow, asset allocation, debt management, spending levels, and most of all, quality life experiences with their loved ones. Happy 2018 to all our friends, family, and clients!

Sources: <https://www.cnn.com/2015/08/24/8-things-you-need-to-know-about-bear-markets.html>
<https://qz.com/1154499/the-vix-2017-was-the-least-volatile-year-in-decades/>