

BURNS INSIGHTS

STIFEL | Burns Investment Group

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Five-Year Reflection

Five years ago, I had the privilege of joining the Burns Investment Group of Stifel. In honor of such a great anniversary, I took it upon myself to write the bulk of our newsletter this quarter. In my eight years as a professional in the financial services industry, including five as a financial advisor, I've learned a lot about personal finance and a little about life in general. Here are the top five lessons I've found great value in:

Watch out for extreme emotions.

Entering the financial services industry in the wake of 2008, I originally thought that fear was the largest motivating factor for investors. The financial crisis in 2008 was the greatest financial disaster since the great depression. In the history of the U.S. stock market, there has only been one year with a worse yearly return than 2008. So, of course, it was followed by pessimism, stress, blame, and a lack of trust in financial institutions.

Accordingly, my first years in the industry were peppered with countless calls about how to protect client assets and invest in something safe. However, after I questioned clients about which investments they considered "safe," I noticed a pattern. Many of the investments my clients considered safe had enjoyed recent success. At the time of this realization, gold was reaching all-time highs and bonds were nearing the end of a 30-year bull market. This made me realize how strong of a factor greed can be as a motivator. As we say, "greed sucks you in at the high, and fear spits you out at the bottom." Many investors wanted out at the bottom of the U.S. stock market and were then looking for ways to invest at the top of a different market to the detriment of their portfolios and retirement security.

Remember this mantra: "logic over emotion." We don't ask our clients to be completely void of emotions, just not to act on them inside of their portfolios. There will always be a shiny new idea that has great recent performance and seems like an unmissable opportunity. Trust in this mantra, and when in doubt, use us as a resource.

A secure retirement is much more than picking good investments.

There are six pillars of financial planning according to the Certified Financial Planner Board of Standards: cash flow management, risk management, investments, retirement planning, tax planning, and estate planning. Each one of these is an important part of creating a secure retirement. Plan it well, but make bad investments? Your retirement could be in jeopardy. Counting on your \$1 million IRA to act like \$1 million after taxes? You may have less cash flow to depend on. Great investments, but spending through your nose? You just might spend all of it. So if you have not had a full financial plan done in the last few years, then please reach out to us so we can make sure you're addressing each of these pillars to move yourself closer to your financial goals.

Meeting your financial goals takes a long time and hard work.

Many years ago, researchers at Stanford ran a simple experiment. They put a child in a room with a table with a marshmallow sitting on top of it. Then it was explained to the child that he or she could

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Five-Year Reflection *(continued)*

eat the marshmallow, but if they don't eat it within the next fifteen minutes then the child would get two marshmallows. How exciting!

It might be obvious to some, but the marshmallow test is a lot like saving for retirement and other spending goals. In order to have long-term success (retirement, vacation home, or two marshmallows) you must sacrifice short-term rewards (spending too much of each paycheck). In a retirement plan, saving and spending are the most flexible, fixable, and controllable inputs. Often during our plan deliveries, we discuss what's in our control and what's out of our control. What the stock market does, what the president tweets, and what those in the boardrooms decide about their companies are all completely out of our control. However, we can increase the odds of reaching our financial goals by making the consistent, disciplined decisions to save more for our futures.

Never forget to smell the roses.

Our practice has helped many younger widows through their time of grief, turbulence, and transition. In working with those who have lost a loved one at a young age, I have found a newfound appreciation for what I've been given in this life. Our team has first-hand experience with the fragility of life, which helps us keep things in perspective. Sitting here writing this newsletter, I find myself reflecting on the position I'm in ... I have a fulfilling career, fantastic clients, and wonderful loved ones. I encourage all of us to take time out of your weeks to appreciate the good things in life. In honor of this sentiment, our team would like to express our gratitude for all of those who have placed their trust in us. Thank you to every one of our friends and clients!

Life is about experiences and relationships.

This is what I call our team's "core value." It's a guiding principle that edifies our life-changing decisions. One such decision will have been made by the time of this newsletter's publishing. As of Saturday, September 29, 2018, I will have married the girl of my dreams. We are so excited to take this next step in life and our relationship. We are also proud to have a wonderful officiant in Mr. Robert Burns. In striving to be the best husband, I hope to apply some of these lessons to my marriage: I'll try to keep a cool head in the face of strong emotions, I'll remember that marriage is more than just picking the right partner and it could take sacrifices and hard work to succeed, and above all else, I'll appreciate the wonderful woman that has chosen to spend her life with me.

In conclusion, it's been a great five years here at Stifel. I've helped many friends and families reach and secure their financial goals, and I look forward to helping more of you over the rest of my career.

Robert's Corner



Last July, I began my newsletter with the song lyrics: "To everything there is a season, and a time to every purpose under the heaven." Thus begins the Byrds' hit, "Turn! Turn! Turn!" This song, has again been playing and replaying in my head over the past quarter. Life happens – and it has been happening for me over the past quarter.

On the joyful side, we have had Noah and Nicolette's wedding, and we are planning Crosby and Jon's wedding that will take place in several months. We have several great nieces and nephews, with one more on the way in a couple of months. Babies are always a reason for celebration.

On the mournful side, I lost my step-sister, Anne Marie, to cancer. She was only 52 and leaves three teen-aged sons. There can be such sadness in death, but the blessing for our family is that it has been a reason to pull us closer together. We are all rallying around her sons especially.

On the healing side, I have recovered from my stomach surgery in May, and I will be getting a knee replacement at the end of October. It has become apparent in a big way that "the old gray stud" ain't what he used to be. My heart and soul tell me that I am younger, but my body and mind are telling me I am not. I have accepted that I physically cannot do what I did even just 10 years ago. And yes, I use handrails coming down stairs, and I am afraid of uneven sidewalks.

On the peaceful side, I know I have a rich and fruitful life. I would like to reiterate Noah's sentiment about how grateful we are for you, our clients and friends. I have been an advisor for 32 years, and it has afforded me the opportunity to see how life affects us all. I don't know how long I have in my career – a lot of it is not in my control. I think I am good for another ten years, but who knows? That being said, I look forward to continuing to help all of our clients through whatever life events come our way.

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