

## Executive Summary

There is really only one logical reason to work with a financial advisor. It is to achieve better outcomes for you and your family than you might have attained on your own. Even after accounting for the financial advisor's fees for service.

The financial advisor's value to you may be measured in something as specific as progress toward a long-term investment goal or as personal as the sense that he or she is relieving you of the time, energy, and worry that you'd otherwise have to put into managing your investments.

### ***A financial advisor CANNOT consistently provide:***

- ✗ Economic Forecasting
- ✗ Market Timing
- ✗ Selecting for Superior Performance

### ***The Holistic Wealth Advisor CAN confidently deliver:***

- ✓ Planning
- ✓ Long-term Historical Perspective
- ✓ Behavioral Coaching

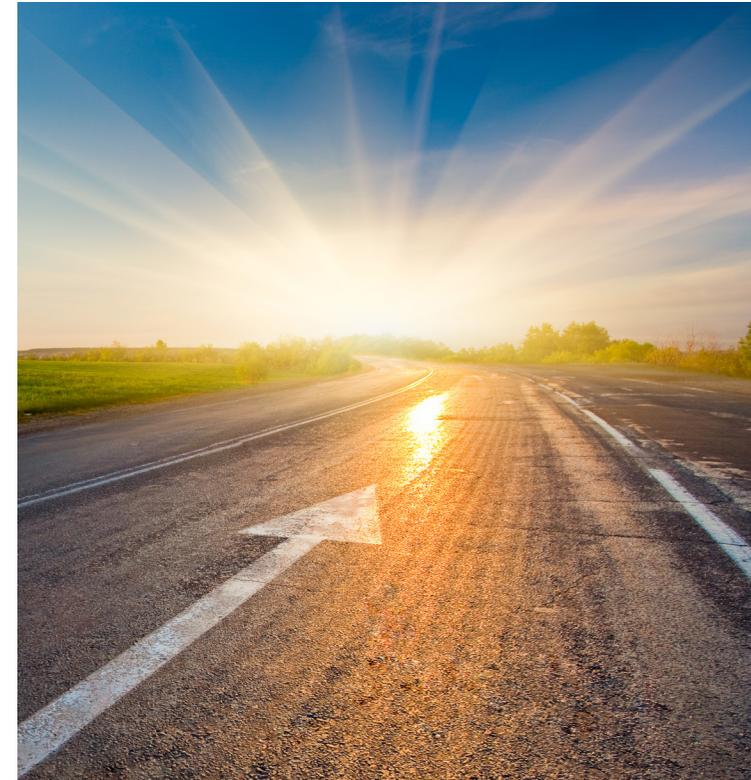
## The Planning Wheel



## Working with a Holistic Wealth Advisor

*The Quest for Better Investment Outcomes*

***At Regal Investment Advisors, we provide a broad range of portfolio solutions which enable the planning-driven financial advisor to deploy his or her clients' long-term, goal-focused capital in intelligent ways. We support our financial advisor community in their efforts to deliver better outcomes to their valued clients.***



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***"A journey of a thousand miles begins with a single step." - Laozi (604 bc - 531 bc)***

*Investment advisory services offered through Regal Investment Advisors, LLC, an SEC Registered Investment Advisor.*

## What even the best advisor CAN'T do for you

### Economic Forecasting

**We do not believe that any financial advisor can materially improve your investment outcome by trying to predict the economy.**

Many investors press their financial advisors for economic outlook because they think it will reliably point to what the markets are about to do. But, in fact, there's *very little evidence that the economy is correlated to the markets in any direct way*, other than over the very longest term.

For example, in most of the five years following the bottom of the equity market's epic decline (October 2007 - March 2009), the economy's growth was agonizingly slow and the unemployment rate remained stubbornly above seven percent. Yet, at the end of that period, the market grew to roughly three times its 2009 lows with dividends reinvested. Had one been able to predict the future of the economy, it would have given no guidance as to the market's eventual strength.

In the short- to intermediate-term, the course of the economy has very little effect on whether investors actually achieve their long-term goals. For these reasons, we don't believe your financial advisor can or should be relied upon to provide economic forecasting.

### Market Timing

**We have never known a financial advisor or financial institution who was consistently able to gain a timing advantage over the markets for their clients in the sense of taking them out of a market before a serious decline and re-entering before a major advance.**

In practice, investors seek to exit the markets as they decline in response to financial, economic, or geopolitical "crisis," except in that their financial advisor will then be able to get them back into the markets opportunistically. All too often, they find that the "crisis" has been resolved and markets have already risen significantly, yet their financial advisor had no more ability to forecast that turn than anyone else.

*"The only function of economic forecasting is to make astrology look respectable."* - 20th century economist, John Kenneth Galbraith Ph.D

### Selecting for Superior Performance

**The third and last service which we have never seen financial advisors consistently deliver is the handicapping of future relative performance.**

It's quite the opposite, in fact: performance-chasing in practice manifests as selling holdings that are currently out of favor in order to buy something that has performed well in the recent past. This is, in effect, selling low and buying high. Doing so again and again causes investors not just to under perform the markets themselves but in some cases under perform in their own investments.

*Moreover, "outperformance" isn't a financial goal. Not outliving one's income in retirement, to cite a relevant example for most, is a financial goal. That is something that must be planned for.*

## What your Holistic Wealth Advisor CAN do for you

### Planning

**We believe that one of the highest value functions today's Holistic Wealth Advisor can deliver is planning.**

This may take the form of something as broad as a comprehensive financial plan or as narrow as a written, dollar-specific, dates-specific retirement capital accumulation plan. As reluctant as good financial advisors are to advance an economic forecast or a market timing opinion, the best of them are more than eager to help their clients plan and help integrate resources to achieve plan benchmarks.

*The organizing principle is that failing to plan is planning to fail.*

Given the choice, your Holistic Wealth Advisor would much prefer to interact with you as a planner rather than a prognosticator because in that way, he or she may be able to do you the most good.

A well thought out plan that has discipline, balance, and consistency will fair much better than listening to the latest or greatest prognosticator.

### Long-Term Historical Perspective

Investors are inundated by the 24-hour financial news cycle with up-to-the-minute commentary on fast-breaking economic and financial developments.

We believe that in order to make better long-term decisions, investors simply need long-term perspective. Be consistent, balanced, and to have courage.

This is perhaps more true today than it's ever been as investors must prepare for what may be three-decade long, two-person retirements. It is easy - and far too tempting - to make portfolio decisions based on current events and market trends. That's the equivalent of what hockey great, Wayne Gretzky, called "skating to where the puck is going."

**When helping you align your portfolio with your goals for a possible 30-year retirement, your Holistic Wealth Advisor is more likely to consult history than headlines.**

In particular, he or she may help you develop an income strategy to provide some defense against increases in the cost of living over several decades - which for many investors will become the key question as to "where the puck is going."

### Behavioral Coaching

Today's better Holistic Wealth Advisors know that they are often called upon to help manage their clients' emotions every bit as much as their portfolios.

Investors are only human and human nature is much more distressed by perceived losses than buoyed by gains. This is one reason why many people react to declining markets by abandoning their long-term plan and selling in fear.

It is during such times that the planning-driven Holistic Wealth Advisor may be able to help clients realize that, for investors with multi-decade time horizons, executing a rational long-term plan has historically been a more successful strategy than reacting to a sharp market decline.

**This is where the three points we've just reviewed come together:**

A **plan** gives clients a basis on which to act rather than react.  
*Consistency.*

**Historical perspective** reveals how routine (and even necessary) sharp market declines have been but also how markets have recovered.  
*Coverage.*

**Behavioral coaching** allows the empathetic Holistic Wealth Advisor, while recognizing the clients' concerns, to encourage them not to give in to fear.  
*Balance.*