

The UPGRADER

Guide to Wealth Management



FundX
because markets **CHANGE**

- What advisors can offer people early in life
- Why good investors have advisors
- 4 myths about wealth management
- 6 questions to ask an advisor

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2020 STAR AWARD WINNER *Best Investor Newsletter*

The Upgrader won the 2020 Investment Management Education Alliance (IMEA) Star Award for best investor newsletter (for firms with assets up to \$10B). The Star Awards honor investment management companies that have made extraordinary efforts to communicate with investors and support their investment goals.

In this Guide

Investing for the Life You Envision

Working with an advisor early in life can help you make smart financial decisions that can really pay off later on. Find out what advisors have to offer people in their 20s, 30s, and 40s on pages 4-5.



How to Feel More Confident in Retirement

Will you have enough money for your lifetime? Will your spouse be taken care of if something happens to you? Learn how one investor answered these important questions on pages 6-7.



4 Myths about Wealth Management

Skeptical about paying for investment advice? Curious about who works with an advisor? Wonder how advisors add value? Get the facts on pages 8-9.



6 Questions to Ask an Advisor

How do you find an advisor that you can trust? Start by asking the six essential questions on page 10.



Stocks, bonds, and other asset classes have different risk profiles, which should be considered when investing. All investments contain risk and may lose value. FundX is a San Francisco-based registered investment advisor that has managed portfolios of funds for high-net-worth individuals, corporate retirement plans, and foundations since 1969.

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Who Needs an Advisor?

I've been a swimmer most of my life, certainly over 50 years now. So, when I started swimming with a coached master's group, I was surprised to see how much it improved my swimming.

On my own, I can swim laps, vary strokes, and even do some drills. But with a coach, I'm getting professional advice and learning smarter ways to move through the water. My swim coach reminds me to position myself for strength and to minimize drag to move through the water efficiently. I've learned where to get the most pull for my efforts and how to rotate my body to reduce resistance.

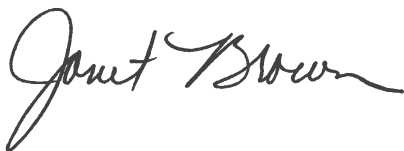
Investors need coaches, too.

In investing, as in swimming, it helps to have someone who can help you move forward and use your assets more effectively, and that's what investment advisors are trained to do.

My team of advisors and I work to position our clients for strength, help them efficiently navigate the ups and downs of the markets, and keep them on track to reach their financial goals.

You may have invested on your own for so long that you can't imagine why you'd need an advisor at this point. Once you start working with one, however, you may find that it makes a big difference in your life as well as in your portfolio.

The fact is, we can all benefit from having someone who keeps us disciplined, accountable and on course, and that's what we've been doing for investors like you for 50 years now. If you'd like to learn more about working together and you've got \$500,000 or more to invest, call us at 1-800-323-1510, and let's see if we're a good fit.



Janet Brown
President & CEO, FundX Investment Group



*We can
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INVESTING for the Life You Envision



Many people don't think about working with an advisor until later in life, often when they're close to retirement and want to make sure they're on track. But there's a real advantage to working with an advisor earlier in life: it can help you make decisions now that can really pay off down the road.

Take Amy, for example. At 36, she felt like many parts of her life were really coming together; when it came to her finances, however, she was at a loss. She wanted to make smart decisions about her money, but she wasn't sure what to do first or how to get started.

Most of what she'd read about investing focused on retirement, but that wasn't her top priority right now. She had more immediate concerns, like paying for her wedding and saving for a down payment.

For the last few years, she'd been putting her money in her savings account, but a friend had a different idea: Why not talk with an advisor about investing?

What an advisor can offer people in their 30s & 40s

Many people Amy's age assume that advisors work with older people who have a lot of money and more complicated finances. But this is a common myth. Age isn't the only, or even the most important, reason to work with an advisor. Many advisors find it rewarding to help people like Amy take charge of their finances and invest for the life they envision.

Making smart
financial
decisions early
in life can set
you up for
future success.



Rohan Nayak
Portfolio Manager

Here are a few reasons why you might choose to work with an advisor long before retirement:

Make time work for you

For younger investors, time often their biggest asset. An advisor can help you get invested earlier than you might on your own and let the power of compounding help you build lasting wealth.

Have a financial coach to keep you on track

Most people want to make good financial decisions, but they don't want to do it alone. They need someone to keep them on course with saving and investing.

Invest for many goals

Whether you want to pay for a wedding, save for a child's college education, or cover the costs of a home remodel, an advisor can help you develop a plan for near-term and long-term goals.

Avoid regrets later in life

Retirees often say that they wish they'd started saving for retirement earlier in life. An advisor can help you take action now, so you can avoid these kinds of regrets down the road.

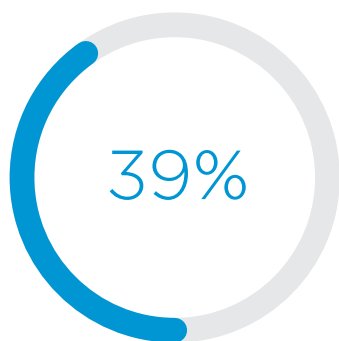
Get on the same page as your spouse

Many couples appreciate having an advisor to help them think holistically about their finances and decide how to handle separate accounts, risk needs and goals.

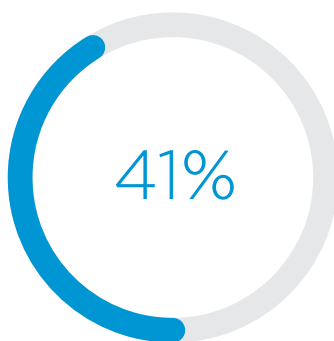
Feel excited about your finances

We've found that people feel empowered and even was excited about their finances when they know they have a plan in place.

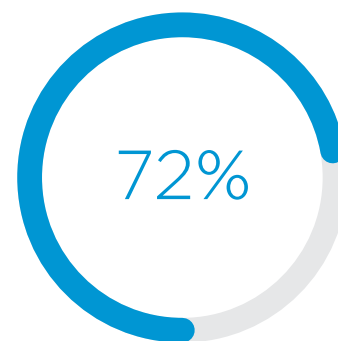
Among younger (millennial) investors:



cite lack of knowledge as a major barrier to investing



of millennials with taxable and or retirement accounts work with a financial professional.



of those working with a financial professions are very or extremely satisfied with their experience.

Data cited from CFA Institute and FINRA publication, "Uncertain Futures: 7 Myths about Millennials and Investing," October 2018. Millennials were defined as those born between 1981 and 1996 (ages 22 to 37 at the time of the survey).



How to Feel More Confident in Retirement

From the outside, Rick and Linda's retirement looked enviable. Their Facebook feed was full of pictures of their travels around the world, adventures with their grandkids, and barbecues with friends and neighbors.

On the inside, though, Rick was worried. There were so many uncertainties in retirement and that sometimes kept him up at night.

Were they invested the right way given their age?

He'd always been comfortable owning stock funds, but a big loss now could really change their quality of life.

Would their money last?

There'd been some unexpected expenses, like when they needed to replace their car last year. What if there were other unforeseen costs in the coming years?

Would Linda be taken care of?

He worried about this the most. She'd counted on him to get this right, and he didn't want to let her down.

Successful retirement investing requires more than owning good funds



Marty DeVault
Portfolio Manager/Principal

Why good investors have advisors

Rick was an experienced investor. He'd overseen their accounts for years, and he'd done well for them so far. But his investment strategy didn't help him answer the questions that were keeping him up at night, and it wasn't going to take care of Linda if anything happened to him.

Eventually, he decided to reach out to an advisor. He thought it was really for Linda's sake, but he found that he enjoyed working with their advisor. She addressed his concerns in a way that helped him feel confident that he and Linda could truly have the life they wanted in retirement. Their advisor helped them:

✓ **Bring all the pieces together into a real plan**

Their advisor didn't only look at their investments; she built a retirement plan for them that included their goals, investments, risk level, income needs, and time horizon.

✓ **Understand how to invest at this point in their lives**

Their advisor noticed that Rick and Linda were taking more risk than needed. By dialing down risk in their accounts, they'd likely have more peace of mind during market downturns.

✓ **Determine their chances of success**

Were they at risk of running out of money? Their advisor walked through how much they could sustainably withdraw from their portfolios and how they could prepare for changes in their spending along the way.

✓ **Provide continuity for the family**

Rick felt like he'd found someone he could trust who would look out for Linda and help his family have the financial resources they'd need.

What's keeping you up at night?

Worried about the markets? Unsure if your money will last? Concerned about who will be there for your loved ones? Then it's time to consider working with an advisor who can get a plan in place for you and your family.

We've been managing retirement portfolios for 50 years. Let's see if there's a way we could help you move forward.

Call 1-800-323-1510
and ask to speak with an advisor.



4 MYTHS ABOUT Wealth Management

Myth: An investment advisor's job is to find good funds.

Fact: Advisors help you plan and work toward your future.

Choosing funds is just one small part of an advisor's responsibility. The real work is coming up with a plan that can take you from where you are now to where you want to be in the future. This involves determining how much risk is appropriate for you, finding an allocation to stocks and bonds that meets your needs for both growth and stability, and then building and managing a diversified fund portfolio that's in line with your goals and risk level.

Advisors adapt your plans over time to account for changes in your life and the markets, and they provide ongoing support and guidance to help you stay on course and avoid emotional mistakes.

Additionally, a good advisor will help clients minimize taxes and trading costs, determine how much they can withdraw in retirement without running out of money, and build a portfolio to leave a lasting legacy for their heirs or support the organizations and issues that matter to them.



Sean McKeon
Portfolio Manager

Myth: It's not worth the cost.

Fact: Advisors can really add value.

Advisors aren't free: they charge for their services, and their efforts can really improve your quality of life. Some clients value having the peace of mind that comes from knowing their accounts are taken care of. Others appreciate having the freedom to spend their time on their interests and hobbies, especially in retirement when time may be in short supply.

Studies find that working with an advisor also has the potential to improve your long-term results. A 2016 Vanguard study¹ found that advisors could add about 3% in net returns, and a 2019 Russell Investments study² determined that advisors could boost returns by more than 4% through allocation, rebalancing, behavioral coaching, and managing costs and taxes.

Myth: It's only for people who can't do it themselves.

Fact: Even experienced investors use advisors.

Many people, even people who've invested successfully on their own, turn to advisors at some point in their lives.

Most of our wealth management clients managed their own money for years, and they were good at it. Some were busy professionals who hired us so they could focus their attention on running their businesses and supporting their families.

Others were comfortable taking risks and building wealth, and they came to us to help them manage risk and preserve their nest egg. And there are also clients who were comfortable managing a few hundred thousand dollars, but they wanted a professional to handle accounts worth millions of dollars.

A relationship with your advisor can be one of your best investments.

Russell Investments, 2018

Myth: It's for older people with complicated finances.

Fact: People of all ages need advisors.

There's comfort in knowing you have a game plan for the future at just about any age. When you're younger, an advisor can help you get invested and set you up for success.

When you are raising kids and building your career, it may be a relief to have someone who can help keep you on track for retirement, make sure you have educational accounts for your children, and talk through your finances and future plans.

The years leading up to retirement are critical, and many people find that working with an advisor gives them the confidence that they can make their retirement plans a reality. Once you've stopped working, an advisor can help you keep your quality of life and set up your legacy and estate plans.

¹ Vanguard, "Putting a value on your value: Quantifying Vanguard Advisor's Alpha," 2016.

² Russell Investments, "Value of an Advisor Study," 2019.

6 Questions to Ask an Investment Advisor

Most of us only choose an advisor once or maybe twice our lives, so it helps to have a list of questions to ask potential advisors before investing with them

Here are six essential questions to get you started.

① Are you a fiduciary?

Registered investment advisors, or RIAs, are held to the fiduciary standard. This means they work directly for their clients and are required by law to place clients' interests ahead of their own. Other financial professionals, such as brokers or registered representatives, serve the broker-dealers they work for and are held to a lower suitability standard.

② How are you compensated?

Fee-based advisors are paid by their clients; typically these advisors charge a predetermined percentage on total assets under management. Commission-based advisors, on the other hand, are compensated for purchasing and selling securities. There may be a conflict of interest in this arrangement, for example if a broker is motivated to place an investor in a fund that pays a higher commission rather than in the fund that best serves the client.

③ Where are my assets held & who has control of them?

You'll want to ensure that your account will be kept in your name at an independent custodian, like Charles Schwab or Fidelity. You should also consider how much authority an advisor has on your accounts: Does the advisor only have the authority to place trades without your approval, or could the advisor transfer money out of your account without your consent?

④ How do you make investment decisions?

You don't need to be an investing expert, but you should expect an advisor to have a coherent strategy for making buy and sell decisions in your portfolio. Even if you already work with an advisor, it's reasonable to ask how the advisor decides which funds to buy, hold, or sell. The answers can give you some insight into how your advisor thinks, and if you are comfortable with his or her approach.

⑤ How do you manage risk?

You want to make sure you are investing with an advisor who has proper risk controls in place when selecting funds. How liquid are the advisor's recommended investments? How does he or she handle market downturns? Does the advisor look at your portfolio with your particular risk tolerance in mind, or does he or she have the same outlook for all clients?

⑥ How will I know how I'm doing?

Your advisor should keep you informed on your progress. Some advisors have in-person meetings, while others do video conferencing or phone calls. Advisors typically send clients quarterly updates on their investments. They also may have online tools, like a client portal, where you can log in and see how you're invested.

The key is to find an advisor you feel you are comfortable with and can trust.

Invest with FundX


FundX Investment Group was one of the first advisors to use commission-free mutual funds to manage client accounts in 1969. We developed an evidence-based investment process, which we use to manage equity, sustainable and fixed income portfolios for individuals, institutions and mutual funds.

As a registered investment advisor (RIA), we are fiduciaries who act in your best interest.

5 experienced
wealth advisors

More than 300
client relationships

Nearly \$900 million
assets under management



We pride ourselves in helping generations of clients build and preserve their wealth for 50 years.

Janet Brown, CEO

Take the First Step

The first step is to have an initial chat with one of our investment advisors. It's free, confidential and there's zero obligation. It may be that you're doing perfectly well on your own, or perhaps there's a reason for us to work together.

Let's find out if we're a good fit.

Call 1-800-323-1510 or go to www.fundx.com and click Get Started





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FundX in the media

"Successful investors know that you can't let uncertainty hold you back. You've got to identify what's working in the current market environment and adjust your portfolio as markets change."

Janet Brown

FundX CEO
TD Ameritrade Network
May 21, 2019



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