



Navigating the Transition to Retirement

by Matt King, CFA, Chief Investment Officer, Managing Director

If you are looking to discuss what happened last night on your favorite television show, I am not the person to ask. Whatever show you are itching to talk about, I probably did not see. Many shows over the years have been recommended to me—*The Wire*, *Mad Men*, *Breaking Bad*, to name a few—and I have not seen one episode of any of them.

It is not that I have something against TV. I own TVs and DVRs and pay way too much for cable just like you do, so I am not part of the anti-TV faction trying to warn you that TV will rot your brain. My main problem with TV is time; I simply do not have enough of it to keep pace. It is time-consuming to keep tabs on global financial markets while dealing with the complexities and logistics of a five-person family schedule. At the end of the day, there just is not enough time to keep track of what Don Draper and Walter White are doing on a weekly basis.

Believe me, it is not for a lack of trying. I used to record popular television series on my DVR. I also bought Season 1 of *The Wire* on DVD. But the DVR playlist just grew, and the DVDs just sat there unopened. Not watching these shows felt like not doing my chores; my list of to-do's just kept growing. The idea of catching up with all of my shows became a stressful thought—the exact opposite of what sitting down to watch TV is supposed to accomplish. So now when I want to relax in front of the tube, I just throw

on a ballgame or a show I can watch without needing to know what occurred in the last episode.

One show I watch regularly that fits that description is *Shark Tank*. If you are not familiar with the show's premise, it involves small business owners presenting to a five-person board of successful—and sometimes famous—entrepreneurs (aka the Sharks). If the Sharks like what they hear about the presenter's business or idea, they invest their own money to become a shareholder in the company. Think of it as venture capital meets *American Idol*.

Expertise/Experience is Capital

On the surface of it, small business owners enter the *Shark Tank* in search of capital to grow or expand their business, but there is more to it than that. As you watch the



show regularly, you notice that a lot of the small business owners are actually quite successful at what they do, often heading profitable, well-run businesses that bring in millions of dollars in sales each year. Many of these businesses are in a strong financial position and could easily self-finance any expansion from their own coffers. It is not so much the Sharks'

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capital that they need; rather, it is their expertise and experience.

All of the Sharks have gone through the process of growing a small business into a large one—some of them multiple times. They have been through it. They know what is involved in taking a small business to the next level. They know where to start. They know what connections and resources to tap. They know what pitfalls will likely show up on the way. For a small business owner who is looking at expansion for the first time, that is tremendously valuable knowledge to be able to leverage, which is why many of these small business owners happily sell off a significant share of their company despite the fact that they do not really need the money.

Retirement is Personal Growth/ Expansion

A good retirement planner does the same thing for those facing retirement. No one currently working at Bell Investment

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Account Performance Report Through March 31, 2014

Since 1999 we have calculated the average return of our clients' accounts. These performance figures are derived from actual accounts managed by Bell Investment Advisors. Here is a quick look at the latest results:

Index	YTD	January 1999 to March 2014	
	Total Return	Total Return	Annualized Return
Bell Average Account (1)	1.4%	201.5%	7.5%
S&P 500 Index (2)	1.8%	102.1%	4.7%
MSCI EAFE Index (2)	0.8%	108.3%	4.9%

This table compares our average account performance with the domestic stocks of the S&P 500 Index and the foreign stocks of the MSCI EAFE Index over the last 15+ years.

Despite two significant bear markets during this time period, our ACTIVE PORTFOLIO ENHANCEMENT® methodology has produced an annualized return of 7.5% since 1999. Our advantage lies in our proactive, momentum-based approach versus the passive strategy of tracking a particular market index.

When you compare performance results, it is important to make note of what is, and is not, included in the stated returns. Our returns are reported net of all management fees, mutual fund expenses, and trading costs. Here, the bottom line is the bottom line.

Notes

(1) Includes the effects of Bell's management fee, mutual fund expenses, Schwab transaction fees, short-term redemption fees, and cash holdings.

(2) Does not include the effects of the items described in Note 1.

Disclosures

Past performance is no guarantee of future results. Future returns may differ significantly due to materially different economic and market conditions. Returns assume the reinvestment of dividends and capital gain distributions. These investments involve risk and the possibility of loss—including principal. Mention of a security in this newsletter should not be taken as advice to buy or sell that security.

In regard to the Bell Average Account, the term "average" is defined as a simple average—not a weighted average. Only fee-paying clients who fully employ our ACTIVE PORTFOLIO ENHANCEMENT strategy are included in the return calculation. Client accounts that hold individual securities or funds not recommended by Bell; employ fixed income, hedging, cash reserve, market timing, socially responsible, or any other strategy not representative of ACTIVE PORTFOLIO ENHANCEMENT; or maintain cash allocations greater than ten percent of the portfolio for more than thirty days are not included in the calculation. We believe that removing these accounts improves the stated results as ACTIVE PORTFOLIO ENHANCEMENT has traditionally been our most successful strategy. Additionally, only client accounts that were managed for the full calendar year are included in that year's return calculation. Accounts opened mid-year are not included in that specific year's reported results. We do not believe this policy has any material effect on the stated results.

The S&P 500 Index is an unmanaged, market-cap weighted index of large-cap stocks commonly used to represent the U.S. stock market. More information can be found at www.standardandpoors.com. The MSCI EAFE Index is an unmanaged, unhedged, market-cap weighted index of foreign stocks commonly used to represent developed stock markets outside of the United States. More information can be found at www.msicibarra.com. Neither the Bell Average Account nor these indices can be invested in directly. The composition and volatility of Bell's client accounts vary and may significantly deviate from these indices over time. ■

Navigating the Transition to Retirement (continued)

Advisors is retired (obviously), but we have gone through the process many times with our clients over the years. We know what it looks like. We know where to start and what to expect. We have connections to other professionals who can provide help in often overlooked areas like health insurance/Medicare planning. And perhaps most importantly, we know the potential pitfalls that lie ahead, so we can help you steer clear of them.

The most frequent questions about retirement range from the simple (e.g., "How do I get money?") to the complex (e.g., "When is the optimal time to take my Social Security benefit?") to the seemingly abstract (e.g., "What does retirement look like?"). Regardless of the nature of your retirement questions, we can help you with the answers because we have been through countless retirements before.

To have your retirement questions addressed, all you have to do is contact us. We won't ask for a 51% share of your future earnings, and you will certainly find our team of experts much less hostile than the Sharks. ■

2014 Bell Youth-in-the-Arts Grant

For a third year, Bell Investment Advisors is offering a \$5,000 grant to an Oakland organization that supports arts education for Oakland young people. Application and guidelines are available at bellinvest.com/about/bell-youth-arts-grant. If you know a deserving organization, let them know!

Are You Blocking Your Own Career Development?

Coming soon! Our latest white paper, "Are You Blocking Your Own Career Development?" by Bonnie Bell, MA, MDiv., Principal, and Director of Career/Life Coaching will be available at our Resource Center at bellinvest.com.

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Is “Sacrifice” a Dirty Word?

by Jim Bell, CFP®, President and Founder

Recently, I was interviewed by the governance committee of a non-profit agency. They wanted to discuss my views on leadership and service. When I accepted their request, the first thing I thought about in regard to leadership was “intention”—living and leading with intention.

Stretching Out

One of the meanings of the Latin *intentio* is “stretching out.” I am fond of associating a stretch with intention because fulfilling an intention is likely to require that one do some stretching. We all know people with good intentions that somehow never become realized. To stretch is to act. True intention and reaching the goal is about stretching beyond sentiment into effective action.

Leading with intention is about making things happen, getting the job done, reaching the goal. As I discussed these views about intention, I realized that “sacrifice” is also something I associate with leading and making things happen. One of my interviewers objected to my use of the word “sacrifice,” which is exactly why I am writing about it now.

Giving Something Up

Sacrifice means to give something up for a greater good. There seems to be an attitude loose in our culture that getting what is desired can be and should be accomplished without giving up anything. I know a few business owners in technology who have the challenge of hiring young engineers. It is common for the business owners to complain that the qualified young people want good performance reviews and promotions just because they went to good schools and they show up during business hours. They do not seem familiar with stretching out or giving up a weekend to make something happen.

Worrying About the Young

I am an old person, turning 68 this April, in Act III of my life. (Because one meaning of “retire” is “discard”, at Bell Investment Advisors, we prefer to think of the final 30 years of life as Act III.) Old people worry about young people, and the lack of willingness to sacrifice that I observe concerns me.

When I brought up sacrifice in my interview with the committee, I was thinking of

all the things I had done in my volunteer service to make things happen. Sometimes it meant giving up a whole Saturday or giving up a Saturday breakfast with Bonnie to meet for breakfast with a donor. Or giving up an evening to meet with someone at 8 or 9 pm because that was the only time it could happen. To make things happen in my life, I have to think in a 24/7 timeframe. Not everyone thinks this way. It is as true for my business as it is for my volunteer work. I can’t help it. It is who I am. And it is probably why some folks would seek me out to talk about leadership and service.

Styling for Life

I believe the phrase “life style” first became popular in the 1960’s. One of my undergraduate professors protested the concept passionately. He did not believe that life could or should be reduced to a style, something that can go in and out of fashion, and that exists on the surface.

I think my professor was on to something when I consider what is known as “Life Style Practice”, something that has emerged in the profession of financial planning. Many financial planners are not willing to sacrifice to benefit their clients and their businesses. They may be sole proprietors with no employees because hiring people is complicated, risky, even dangerous for them; they don’t want to give up the safety of sole proprietorship

Sacrifice . . . and stretching are how I make things happen.

– Jim Bell, CFP®



in order to provide better service for their clients. Many of the life style planners that I know work only two or three days a week. I am not sure how such planners are effective or win the full trust of their clients when their availability is severely limited and they have no employees to serve as backup . . . and no succession plan—but it is their “life style”.

Before Act III ends for me, I want to make the point that *sacrifice*, which for me sometimes means giving up weekends and evenings, and *stretching* are how I make things happen. I don’t know any other way. ■

UPCOMING EVENTS

WEBINAR

Are You Missing Strategic Benefits from Social Security?

Wednesday, April 23, 2–2:30



LUNCH & LEARN, Oakland Office

The Art of 1031 Exchanges for Your Real Estate Investments: Leveraging Your Wealth While Deferring Taxes

Wednesday, April 30, 12–1:30 pm

LUNCH GATHERING, Oakland Office

Making a Good Life Happen—The Lunch

Wednesday, May 21, 12–1:30 pm

WEBINAR (FOR CLIENTS ONLY)

Investment Committee Update

Wednesday, May 28, 2–2:30 pm

LUNCH & LEARN, 500 12th Street, Oakland
Is Your 401(k) Plan Right for You?

Wednesday, June 18, 12–1:30 pm

WEBINAR

Is Your 401(k) Plan Right for You?

Wednesday, June 25, 2–2:30 pm

WINE & CHEESE GATHERING, Oakland Office

The Women's Roundtable: Taking Charge of Your Financial Future

Wednesday, June 25, 6–7:30 pm

REGISTER FOR THE WEBINARS:

bellinvest.com/news-events/events

REGISTER FOR OTHER EVENTS:

510.433.1066 or info@bellinvest.com

We appreciate your topic suggestions!

Bell Symphony Sponsorship

We are pleased to sponsor the Oakland East Bay Symphony's May 16 Season Finale: the Berlioz *Requiem*. As described in the Symphony notes, this piece is a powerful, deeply moving and timeless relevant tribute to victims of war. It features an unusually large orchestra, chorus, tenor soloist and four brass ensembles, making it one of the most impressive works of the Romantic era. For more information and to purchase tickets: www.oeps.org.

Making a Good Life Happen®—The Philosophy

by Bonnie Bell, MA, MDiv., Principal, and Director of Career/Life Coaching

If you know anything about philosophy in general, you know it has something to do with the pursuit of wisdom, “an overall vision of or attitude toward life and the purpose of life.” You may or may not know that at the heart of every philosophy is the age-old question, “What is a good life?” Philosophers and regular, everyday people like you and me, philosophize all the time, whether we are aware of it or not. While “philosophy” itself, as a subject, is often thought of as a purely intellectual pursuit reserved for professors and their students at universities, there is

a way in which we are all philosophers in pursuit of a good life. Political wrangling aside, we come together and split apart over common and/or different philosophies of life. The problem for all of us is that no one can really define for anyone else what a good life is; we have to work that out for ourselves. And then we have to be engaged in the process of actually making it happen in our lives, not just talking about it.

Making a Good Life Happen® is the business philosophy at Bell Investment

Advisors. As we often say in our ads, “It’s not just about your money; it’s about your life.” On the most basic level, we believe that everyone wants a good life, but that the problem lies with the fact that most people simply cross their fingers and hope they will have one. There are no guarantees, of course, and hope is not a strategy. As people evolve and mature, most people eventually realize that their “real” job in life is to become a grown-up, one who is a good, responsible manager of their life. This is the most challenging job you will ever have. You don’t and



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can’t know everything about everything. You will have to get help at times from friends, family, teachers, philosophers, and professionals.

That’s where Bell Investment Advisors comes in. Through investment management, financial planning, and career/life coaching, we intend to help people gain clarity about who they are and what they want and help them develop a strategy and a plan to make it happen.

Our business philosophy pervades just about everything we do. Consequently, there is *Making a Good Life Happen—The Philosophy*; *Making a Good Life*

Happen—The Blog, which concerns managing career/life issues effectively; *Making a Good Life Happen—The Package*, which is a special offer that bundles career/life coaching services with financial planning to give you a

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— Bonnie Bell, MA, MDiv.



sense of where you stand in relation to your money and how you may want to develop your career for optimal satisfaction; *Making a Good Life Happen—The Webinar*, which addresses our philosophy and how it relates to your money, career, and life; and once a quarter, we have our *Making a Good Life Happen—The Lunch* in our office from noon to 1:30 pm. If you haven’t attended that lunch yet, or if you would like to attend again, you are most welcome. This is a great networking opportunity and a chance to revisit or update your philosophy of life. ■

