

Wayne's World

Sage, Ruddy and Company

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Nick Murray

Around the Year continued.....

Then what are Bonds for?

Bonds are very useful for the funding of known capital needs that will require large withdrawals from the client's basic pool of capital within five years. When Capital

during market volatility. Of course, those are just two men's thoughts. **Our Standard Withdrawal Strategy** We've established that, at retirement, we will wish to set aside any

A sensible program of equity withdrawal can and should endow retirees with both a life of rising income and growing capital values, such that at the end of their lives they may possess and bequeath the most invested net worth they ever had.

needs are looming within five years, one ought to be, in the words of Will Rogers, a lot less concerned about the return on one's money than the return of it. I would challenge Nick on this one as the right size portfolio of secure fixed income investments will allow an investor the ability to "stay in the market" with equities

significant capital sums which must be spent within five years, investing in cash equivalents or high quality debt whose maturities are matched to the capital needs. The whole point is that this is money that just has to be there. Thereafter, our standard withdrawal strategy is as follows: set aside two years of living

Cyber Security Regulatory Pressures Means Change

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New York State recently enacted new regulations pertaining to Cyber Security around the protection of client personal information, Rule 23 NYCRR 500 Cyber Security Requirements for Financial Services Companies. FINRA and the SEC are not far behind developing their own standards. Portions of their exams increasingly include the review of policies and procedures around the protection of sensitive confidential client information and the controls over access to such information. Sage Ruddy will begin to tighten up our technology policies and procedures in response. Stay tuned for further communications on this important initiative.

expenses in a money market fund. Invest the entire remaining balance in a well-diversified equity portfolio. Begin withdrawing from the portfolio (say) four and one half percent per year. Increase the dollar amount of the first year's withdrawal by three percent to offset inflation. Why two years of living expenses in a side fund? So you can cut back on or stop altogether your equity withdrawals, if the combination of them and a market decline seems to be meaningfully threatening your capital. When do you access the side fund? The client has to determine that. What if two years is not enough? At retirement, tighten your belt, trim your lifestyle a bit and begin to withdraw at a lower rate than your ideal. Go back to work for a while. Sell something. If you cannot live with this

scenario, start with three years of living expenses.

Equity Withdrawal is for Grownups. You need three temperamental/behavioral qualities which light the path of the genuinely successful lifetime investor; **faith, patience and discipline.** Faith in the future. Patience and discipline to stand by your plan in the face of provocation. (And the intensity of that provocation will at times be very sharp.) **The Truth and Beauty of Rebalancing.** We start out, in a properly diversified equity portfolio, having allocated our assets in such a way that the blended historical returns of the different sectors and styles we chosen end up matching our over-arching target return for the portfolio. Whereupon reality intervenes: some of our components proceed to outperform while others lag. We will wish, then, to restore

the portfolio to its originally intended proportions. When and how do we do this? The simple, elegant, answer is annually, on the same day. We sell some of the stuff that's up to buy some of the stuff that's down. Rebalancing saves us from ourselves. Rebalancing, much like dollar cost averaging itself, is smarter than we are. Finally, **Keep the Focus on What Matters.** It is not the investment return but the investor return. Investor return comes about from planning and behavioral coaching. This is where we earn our keep and where our client conversations need to be focused. **If Nick's messages ring true to you or calls you and you would like this book, just let me know and I will secure you a copy, my gift to you.**

BIG Month! REALLY Big Month!! No really, A REALLY BIG month! Congratulations everyone. July was the highest revenue production month in the history of the firm at \$2,775,000. Many advisors and teams hit a record production month and or a rolling 12 month high-water mark. So on top of that, Sage Rutty was recognized by Rochester Business Journal and The Daily Record readers as Rochester's #1 Wealth Management Firm, great press.

We have some celebrating to do. We will close the office early on Tuesday, August 29th for drinks and snacks at 4:30 at Delmonico's. We will continue the celebration with having breakfast and lunch brought in on Wednesday the 29th along with a casual day observance. We will use both celebrations to help welcome Brennan and Lauren too and Brennan's wife Heather and daughter Phoebe will join us Tuesday afternoon for all of you to meet.

We celebrated this month, Jimmy C's 15th Anniversary with Sage Rutty. We surprised Jim with \$200 gift certificates to 11 different local restaurants. Each time he has

dinner with friends and family, while using the gift certificates, I hope he will think of Sage Rutty and all of his friends here.

Congratulations to both Connor and his bride, Emily as they are expecting their second child in January. Their son Holden will be 2 in September and is anxious to help mom and dad with his new sibling. Wonderful news Connor. Being a dad...best job in the world.

We have set our new BHAG (Big Harry Audacious Goal) in Fee Based Assets Under Care, \$2.2 Billion by December 2020!! We will begin to chart our progress and plan an ample celebration for reaching it.

Don't forget our Sage Rutty Hot Dog Day on Wednesday, August 16th. Bring your appetite and no lunch that day. Hot Dogs, salads, snacks and desserts will be provided.

If you are a breakfast person, mark your calendar for another Pancake Breakfast on Friday September 22nd starting at 8:00 am. Yours truly will be cooking and serving Pancakes, sausages, pastries and juices. Start the day off right with a

hearty breakfast with colleagues.

It won't be too long until we have our third quarter Town Hall Meetings scheduled for September 20th and 27th. It is NOT too early to submit any questions you would like to ask management. Send them to me in the form of an email and I will collect them. Your management team looks forward to fielding your questions.

As stated earlier, what a month. Success all the way around and of course we have a market that is on a tear but the assets just keep coming in and that only comes from hard work and heavy lifting by many.

Trina	1,288,000*
Curt	706,000*#
Doug	671,000*#
Jim B.	671,000*#
Jill	671,000*#
Randy	641,000*#
Sandy	533,000*
Kim	479,000*#
Kris	458,000#
Chris	395,000
Neil	367,000*
Laura F.	367,000*
Steve	331,000
Zach	328,000*#
Joe	291,000*#
Pina	282,000#
Winsome	219,000

Laura P.	172,000*#
Dave	169,000*
Jim C.	152,000
Connor	136,000*#

*record production month
#R12 Highwater Mark

So congratulations to everyone for a terrific month. Please try and make it to a few of the celebrations coming up, Hot Dog Day, Pancake Breakfast, Cocktails and snacks, breakfast and Lunch casual day for #1 RBJ Reader Ranking recognition. We do

this together, supporting one another in so many ways. You are great. Thank you,

Wayne

Sage Ruttly Core Values

Do the right thing, always
Encourage individual ability and creativity
Build a positive team and family spirit
Strengthen and enrich our community

Sage Ruttly Core Purpose

Sage Ruttly is the partner of choice for Financial Professionals seeking supported independence, an engaging peer network, extraordinary client relationships, and the opportunity to shape the company's future.