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THE FAMILY ISSUE

HOW TO BUILD
A **LEGACY** OF WEALTH
AND PURPOSE
THAT ENDURES FOR
GENERATIONS

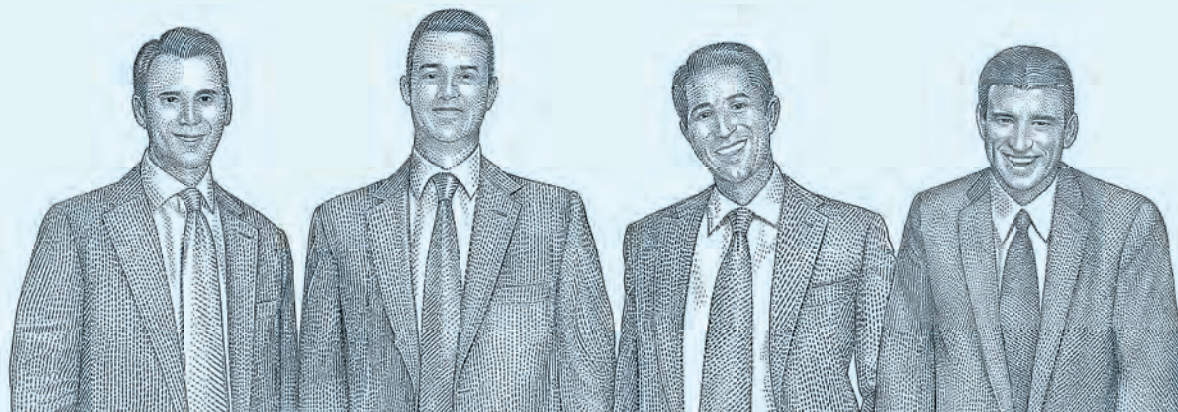
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How can I best navigate an increasingly complex investment world?

BY KEVIN R. LUCHETTA, CFP®, AEP®



Left to right:
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FINANCIAL SERVICES EXPERIENCE

Kevin R. Luchetta, 18 years
Stephen A. Schwartz, 15 years
James L. DiNardo, 15 years

ASSETS UNDER MANAGEMENT

\$1+ billion

COMPENSATION METHOD

Asset-based fees and commissions (investment and insurance products)

PRIMARY CUSTODIAN FOR INVESTOR ASSETS

Accounts held at Northwestern Mutual Investment Services LLC, an introducing broker-dealer, member FINRA, SIPC. Accounts carried, and all transactions executed, cleared and settled through Pershing, A BNY Mellon Company, member FINRA, NYSE and SIPC.

PROFESSIONAL SERVICES PROVIDED

Financial planning, investment advisory, risk management and money management services

MINIMUM FEE FOR INITIAL MEETING

None required

MINIMUM NET WORTH REQUIREMENT

\$1 million

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hings aren't as simple as they used to be: Modern technology has brought many great things, but sometimes we can get overwhelmed by instant access to more information than we can handle. For better or worse, the investment world has become similarly complex and confusing. We are bombarded with advertisements for the ETF that will offer the returns of the S&P, with half the risk; or the once-in-a-lifetime opportunity to buy undervalued assets. On top of that, your friend asks why you work with a financial planner, when your portfolio returned only 5 percent last year, versus the S&P's 13.7.

In this era of information overload, however, we should remember what's at the heart of our decisions. We believe that our clients decide to invest because they envision that investing will help them achieve their financial dreams.

Still, to achieve any goal, you need a plan, and the only investment advisors worth a damn are those who make sure they completely understand what it is you want to accomplish.

Your friend may say, "I want to beat the S&P this year, so I'll find an advisor who'll tell me which asset class will do that." While we're sure your friend will find dozens of "advisors" with hot tips, we'd encourage you to advise that timing and selection will always be a fancier name for gambling. Beating the S&P is not a financial plan. The best financial planners admit that they don't know what asset class will perform best this year.

What we also know is that a well-diversified portfolio, continuously monitored by quality mutual fund managers, will give our

the average investor earned 4.8 percent annualized, while the average fund earned 7.3 percent. To put this in perspective, the difference on a \$100,000 initial investment would have been \$42,288 (\$159,813 versus \$202,301). So, consider: A good financial planner will always be there to remind you of and help you stay committed to your financial plan.

There have been eighteen bear markets since my father was born in 1934—one every 4.5 years on average.¹ I can say with confidence that more will follow. When they do, it won't be fun, but if you develop a comprehensive financial plan early on, revisit and update your plan yearly and commit to the planning process, your odds of weathering the storms dramatically improve. ●

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clients the greatest chance to realize their financial dreams.

We also understand that even the most well-constructed financial plan can unravel, if we veer off course. Investing can be particularly confusing because it doesn't work like many other things in life—and when we follow our instincts, we often wind up going in the wrong direction. When the market is performing poorly, it's natural to want to get out. When things are looking great, it's easy to become overconfident.

Last year, Morningstar added yet another report showing how investors' behavior negatively impacted their performance. In the 10-year period ending in December 2013,

¹"History of U.S. Bear & Bull Markets Since 1929," <http://www.gold-eagle.com/article/history-us-bear-bull-markets-1929>, DrDoolittle, May 5, 2013

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Ⓣ ABOUT US

PIONEER FINANCIAL AT NORTHWESTERN MUTUAL PROVIDES FINANCIAL SERVICES TO HIGH NET WORTH AND EMERGING HIGH NET WORTH INDIVIDUALS, FAMILIES AND BUSINESS ENTERPRISES.

Pioneer Financial's team of 20 associates/staff serve clients nationwide from their Park Avenue office in New York City. Kevin R. Luchetta, Stephen A. Schwartz and James L. DiNardo are wealth-management advisors and CERTIFIED FINANCIAL PLANNER™ practitioners. The practice is focused on assisting clients through comprehensive financial planning that includes asset management, retirement funding, risk management, estate preservation and distribution. ●



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