

Nick Murray

INTERACTIVE

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To the Prospective Subscriber:

Nick Murray Interactive, now in its fifteen year of publication, intends to intervene positively and meaningfully in the career of the personal financial advisor who is striving to build and maintain an exceptionally successful practice in the context of a deeply satisfying life, without ethical compromise and without significant stress.

NMI is comprised of two complementary resources:

- **An online newsletter**, eight pages in length, published on the last business day of each month. It contains essays on behavioral investment advice, practical economics, market perspectives, practice management and financial planning. Also featured are reviews of important books, articles, speeches and marketing resources. Most months, we offer a **Client's Corner** essay, which may be accessed in pdf format for direct transmission (via email or snail mail, but never on a website) to clients and prospects. Finally, we reprint (anonymously) selected Q&A exchanges between subscribers and your editor, pursuant to the second aspect of *NMI*'s mission:

- **A situational, or "spot coaching," clinic.** Subscribers may email me with specific issues they're dealing with in client relationships, economic/market conditions, practice management and objections handling. As time permits, I'll respond directly, usually within 48 hours.

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NMI takes as its particular mission to arm subscribers with reasoned rebuttals of the apocalypse *du jour*—the current-events situation/objection which is most distressing to clients at any given moment. Especially through the horrific volatility of recent years, I believe we were decisively effective in enabling subscribers to cause their clients to maintain their long-term perspective. (We invite you to read the testimonials to this on *NMI*'s home page.)

Today more than ever, I believe *NMI* contains the best work I've ever done. I love producing this resource for its growing roster of subscribers, and I'd welcome the opportunity to do so for you, too.

Nick Murray

The Underappreciated Power Of Dividend Growth

FROM 12/14 ISSUE

It's just a month shy of five years (specifically, the January 2010 issue) since I wrote the essay in which I called dividend growth the Rodney Dangerfield of investing—that is, it don't get no respect at all.

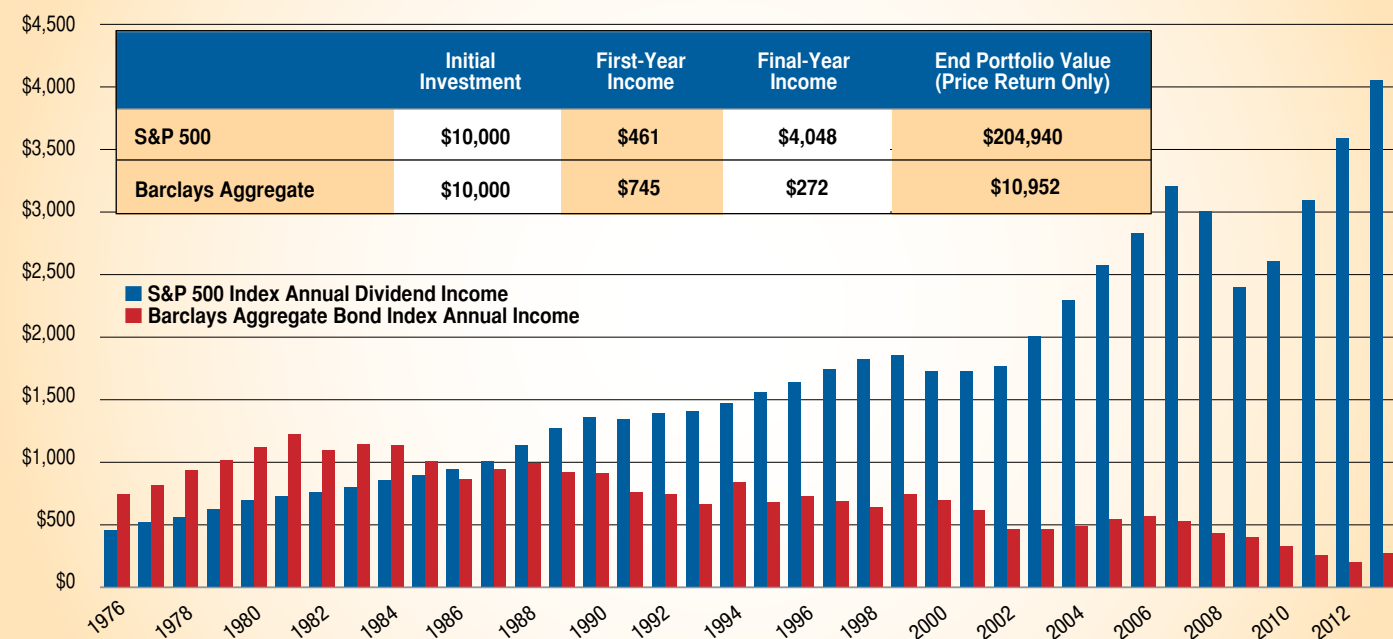
The turn of that year seemed to me a most appropriate moment to make this point, given that dividends were just then coming off two calendar years of growing south, if you take my meaning. That was due to the facts that (a) the six-month Great Panic of 2008-2009 was essentially a money panic, when any rational business entity which had cash hoarded it, and (b) public companies wisely used said panic (and recession) to write down everything but the kitchen sink, in effect zeroing out earnings, thus providing them a rationale for reducing or even eliminating dividends. (Even at that, the S&P's cash dividend, peak to trough, went down only about a third as much as did its price level, but set that glorious aspect of dividends aside.)

The cash dividend blasted through its previous (2007) high in 2012, followed by very handsome increases last year and this. It would appear that it will finish out 2014 somewhere in the neighborhood of \$39,

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Dividends Historically Provided More Income Than Bonds On The Same Invested Amount

Annual dividend income (S&P 500) and interest income (Barclays Aggregate) on \$10,000 invested in the respective indexes, 1976–2013



Sources: Morningstar, FactSet and Barclays

which represents (on a full-year operating earnings estimate of \$118) a payout ratio right around 33%. (That may be compared to a very long-term historical average just north of 50%, but given very robust share repurchases, I don't think that's apples and apples.)

But enough relatively late-breaking news. Let us pull back a bit, and have a good look at the accompanying chart on page 2, courtesy of Lord Abbett (in their November 3 "Market View" piece, and once again sent along by reader David Briegs). What we're looking at here is the cash dividends year by year on a \$10,000 purchase of the S&P 500 in 1976, graphed against the interest income from the same investment in Barclays Aggregate Bond

Index, bought at the same time.

It will not be lost on you that the going-in cash income from the bonds in 1976 was nearly two thirds again that of the S&P—as one would expect when comparing an asset class which can (and does) grow like a house afire to one that does nothing but preserve the number of units of the currency that are invested in it. (In case you missed it, that was a snarky way of saying that any snapshot of interest vs. dividends is *anything but* apples and apples.) But then watch what happens.

After peaking at the turn of the 1980s, interest income has tailed away by something like two thirds. Granted, it will not do that again in the next block of time, because what we're looking at is

the greatest interest rate cycle in living memory, and it has long since troughed. (In that sense, I suppose, I may appear to be kicking bonds when they're down. Be assured that I'm perfectly well aware of this. Kicking bonds—be they up, down or sideways—is what I was sent into the world to do.)

Much more to the point, dividend income has soared, to the point where—at just over \$4,000—it represents **a current cash yield on one's 1976 cost of 40%**. That's what it does; there is nothing at all extraordinary about this. For at least the last 80 years or so, as the cost of living has compounded at three percent, the dividend of the S&P 500 (and of its forerunner until

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"Every generation has perceived the limits to growth that finite resources and undesirable side effects would pose if no new recipes or ideas were discovered. And every generation has underestimated the potential for finding new recipes and ideas. We consistently fail to grasp how many ideas remain to be discovered."

—Paul Romer

Authenticity Above All

FROM 11/14 ISSUE

I have recently been struck, as I suspect you may have been, by the veritable tsunami of “white papers” engulfing the advisor community, purporting to instruct us on how to capture the business of the millennials, the very high net worth, or various other substrata of the population.

The unifying theme of these documents is that we advisors need to adapt (if not radically alter) ourselves in order to attract these people—that we must learn to think and/or speak and/or hold our teaspoon in some vaguely defined way *which is significantly different from what we do now*.

(I probably should—but cannot quite—forebear to point out that by and large these documents are written by “industry consultants,” a term the precise technical definition of which is “an individual professing superior wisdom regarding financial advisory who could not personally sell a glass of ice water to his own mother in the middle of Death Valley at high noon on the second Sunday in August.”)

It is, I readily concede, narrowly true that the millennials are different from the population segments with whom we advisors are more accustomed to dealing. (They are younger, and have less money.) The same is narrowly true of the very high net worth. (They have more money.)

Let me expand my concession even further: men are different from women; the widowed are different from married people; couples in their first marriages are different from remarried people with mixed families, and economic conservatives are different from “progressives.” Every socioeconomic and/or demographic segment of the society is somewhat different from the others. Indeed, why stop there? ***Every person is different from every other person.*** What is the advisor to do with this conclusion? Read yet another “white paper”?

The fatal error in the subculture of the “white paper” is not simply the premise that some or another population segment is alleged to all think and feel and respond to offers of advice in the same predictable way. This would be more than stupid enough, if only it were left there.

No, the really meretricious (and even borderline evil) theme of the “white papers” is that we advisors must change ourselves—we, who have struggled for years, leaving blood in every footprint in the snow, to find our true voices, our priceless **authenticity**. This is a contention that could only be held, much less expounded upon at length, by people who themselves have no idea what authenticity is.

For us advisors, on the other hand, the differences among demographic and socioeconomic categories fade into utter insignificance when considered against the terrible intellectual gaps and temperamental biases which bind them all. It is

the immutability of human nature itself, and not the relatively minor cultural differences among some humans, which determines the way in which people present themselves to us, and from which we must attempt to rescue them.

They procrastinate about planning, and put off buying adequate life and disability insurance. They don’t regularly update their wills, if they have them at all. They consume too much and save too little. They assess safety and risk not in terms of purchasing power but of principal. They think that as a market or asset class increases in price it gains in value, and that the risk inherent in it declines; similarly in falling markets. They are prone serially to panic and euphoria, and always pro-cyclically. They allow ephemera like their cost basis and/or gains taxation to control their investment decisions. They mistake yield for total return. They chase “performance.” They herd.

Are we to believe that any of these dispositive characteristics are less true of someone born in 1981 than one born in 1951? Or that someone with twenty million dollars is less susceptible to them than someone with two hundred thousand? (Indeed, does anyone who has been in investment advisory for more than about thirty-six months still think that there is any positive correlation whatsoever between rich and smart?)

And what of us advisors? Have we any weapons against immutable human nature but our passion, our integrity and our empathy—as we have paid blood to develop those heroic virtues? Can we—nay, should we—ever convince anyone of any fact when he has made up his mind to resist it, regardless of his age or wealth? Can we ever offer anyone anything but the pure, unvarnished truth as we are given light to see that truth?

Or are we to compromise our authenticity, put on or discard some or another cloak or hat, shade or moderate what we know to be iron truth, in order to attract some group which is held by “industry consultants” to be unique?

Our own precious authenticity is an input; it is one of the only things in our professional lives over which we have total control. How persons of any demographic or economic stratum respond or do not respond to our authenticity is a variable over which we have (and should seek) no control whatever. It is an outcome, and can therefore be of no concern to us.

Preserve, protect and nurture your authenticity. Never bend, alter or disguise it to manipulate someone into accepting you—not least because he won’t know who the genuine “you” is. That isn’t a relationship; it’s an illusion, an effect. And it is certain to end badly.

You have to be who you are. And you have to know that who you are is more than good enough for just about anyone, regardless of age or financial status. For that is the great secret; it is the key to all success, and indeed to all happiness.



Ask Nick

FROM 12/14 ISSUE

A FOUR-MINUTE “ELEVATOR SPEECH” FOR A GROUP SETTING

Q I am to speak quite soon at a small dinner for investors, which will be attended by people 40–70 years old. (I dread this.) I’m only on for ten to fifteen minutes. I would like, as quietly as possible, to raise a thought-provoking topic which might cause some of these people to want to have a personal meeting with me. (I love doing this, and am as comfortable doing it as I am uncomfortable speaking to groups.) Let me not try to kid you: if you give me a topic, there is still no reason to believe I will handle it with any particular flair or distinction. I know this is asking a lot, but: in this situation, exactly what would you say?

A If I were given only ten or fifteen minutes, I would use four of them, and say precisely this:

When you retire, your financial life collapses down into one binary issue: will your money outlive you, or will you outlive your money?

Most people not only aren’t sure what the answer is; they don’t realize that’s the question.

A non-smoking couple of average retirement age—which is 62—has a joint life expectancy of 30 years. In English, that means the second person will pass at 92.

At trendline inflation of three percent, the cost of living goes up about two and a half times in 30 years.

If you haven’t got a plan to increase your income about as much as your living costs are going up in retirement, you may without realizing it have a plan for running out of money.

My mission in life is to help people make the right kind of plan. It’s a much shorter, less complicated conversation

than you might think. I invite you to have it with me, without cost or obligation.

I leave you with one thought and one statistic.

The thought is that you are probably not going to be able to solve a rising-living-cost problem with a purely fixed-income portfolio.

Here’s the statistic:

Since 1935—just to pick a time frame that almost certainly covers everybody in the room—the CPI cost of living has compounded at its trendline three percent.

The dividend—just the cash income, mind you—of the Standard & Poor’s stock index has compounded at about five and a half percent.

The Standard & Poor’s stock index is currently made up of 500 of the largest, best financed, most profitable companies in America and the world.

And what I’m telling you is that those companies have been raising their dividends at very nearly twice the inflation rate as long as anybody in this room has been alive.

That’s one way people have kept their income growing more than their living costs grew.

That’s my story, and I’m sticking to it.

I will be happy to meet with you individually to discuss this, or whatever is of concern to you financially.

Thank you.

COLLEGE: A TIME LINE FOR EXITING EQUITIES

Q What is your input regarding investments within 529s? Quite honestly, target date funds don’t make a lot of sense to me. For example, my 5-year old would be in nearly 30% bonds. That seems crazy to me. She has 13 years to go! Do I do a 5-fund bonehead and “forget” it until about 2 years before enrollment and then make a change? Ear-

lier? Please share your rule of thumb in this regard, as I sense you must have one. I’ve gotten into several of these inquiries from clients. Seems to be even more of a value added thing for grandparents. I just want to go about the best way that connects with what I am always preaching about their own portfolios. Thanks in advance for your input on this.

A It’s an important question, and I think it’s on a lot of people’s minds—perhaps especially grandparents, to whom it’s very important emotionally to do the right thing by the grandkids. (I can relate.)

You may remember from *Simple Wealth*, *Inevitable Wealth* that I recommend holding all long-term capital in equities (with the exception of two years’ living expenses in a money market fund for people in the withdrawal phase), and that I define “long-term” as capital that will not be needed for at least five years. Thus, as a general statement, I would convert any capital known to be needed within five years to a cash equivalent, or to a high-quality bond with a maturity date roughly equivalent to the time the capital will be needed.

In our family, we modified this as follows with respect to college costs. At the start of the child’s freshman year in high school, we take out of equities the estimated costs of the freshman year in college, then sophomore/sophomore, and so on. In a family of equity zealots like ours, you can be sure that this is, in Kipling’s words, a damn tough bullet to chew.

But it just makes a lot of emotional sense to us, and seems as good and conservative a formula as any. No formula is guaranteed to produce the optimum dollar outcome. But any formula that takes the emotion (and the temptation to market timing) out of the equation is better than winging it. This is ours.

Irrational Stocks And Rational Companies

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FROM 9/14 ISSUE

It has once again become fashionable in the bazaars of financial journalism to speak of a “stock market bubble.” “Bubble” is a code word—the kind media use in place of thought—to express the idea of equity prices propelled absurdly aloft by irrational exuberance, excessively loose Federal Reserve monetary policy, or air, depending on which pundit one is reading at the particular moment.

The unspoken corollary, of course, is that this wild overvaluation must vanish at any moment—in the analogy, the bubble will burst—and equity prices will without warning crash to some fraction of their present levels.

The core assumption underlying this cartoon theory of equity valuation is that stock prices are inherently random, unstable, and certainly not rooted in—much less governed by—any objectively verifiable standard.

In fact, equity prices are, in the long run, reliably related to the fortunes of the companies whose ownership the stocks represent. That is, stocks are shares of direct ownership in businesses. It is perhaps too easy, during periods of extreme public pessimism (and optimism, for that matter) for people to forget this. **Stocks are companies.**

Granted, in the short and even intermediate term, that equity prices can and will be affected by geopolitical events, extremes in investor psychology, interest rates on bonds which compete for savers’ capital, and other phenomena not

directly related to the operations of the underlying companies. But in the long run—and all investing worthy of the name is long-term—stocks have very efficiently and quite consistently reflected the earnings, dividends and cash flows of the companies in which they are shares.

In periods of cyclical or event-driven financial or economic contraction (a credit crisis, say, or a recession), stocks have often declined in price. Sometimes these declines have been quite significant, reflecting not just actual prevailing conditions but the public’s herd-like overreaction thereto. But such a decline, though it may seem sudden, isn’t often random. It’s simply a reflection of the declining earnings, cash flows and even dividends of the companies. *Yet just as these fundamental declines in the businesses of the companies have historically been temporary, so have the declines in their stock prices.*

For a demonstration of this, look no further than the catastrophic collapse of the financial system, and the longest economic recession since WWII, which took place beginning in the autumn of 2007 and continued to the middle of 2009. (This is admittedly an extreme example of the phenomenon, but it’s also classically instructive.)

A number of very prominent financial institutions failed. Two of the three leading automakers became insolvent. *On net, the earnings of the companies in the Standard & Poor’s 500-Stock Index did not merely*

decline: they disappeared. In sympathy, the equity market—the prices of these besieged companies’ shares—declined more than they had since the 1929-1932 event.

Today, as you know, the earnings of the S&P 500 companies are by a very significant margin in new all-time high ground. As is the Index itself: once again, the aggregate value of the shares in the five hundred companies. ***There is absolutely nothing random about this.*** Over time, the values of the shares must follow the fortunes of the companies.

What, we may ask, did the companies—rational business enterprises managed in the long-term interest of shareholder value—do to weather this epic storm, and to emerge more valuable than ever? They did what well-run businesses always do in adverse times.

They reduced their manufacturing activities because of weak demand, and laid off employees for whom there was no work. They closed facilities altogether. They sold off excess inventories, even at a loss, to raise cash and shore up their balance sheets. They wrote off aging and obsolescing plant and equipment. All of these losses, taken suddenly together, caused their earnings to disappear.

Yet many companies concluded that this was still not enough: they reduced or eliminated the dividends normally paid to shareholders. (If there are no earnings, paying dividends can only

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Always Go Straight At The Fear

FROM 8/14 ISSUE

I've suggested in the past that when a prospective client couple—even a referral—sits down with you for the first time, you try to picture a curtain of distrust hanging between you and them. Your ability to meet their eyes, to hear what they are really saying, and to have confidence that they can really see and hear your sincerity, is impeded by that curtain, and the very first thing you have to do is tear it down.

Since there is no one reliable way to effect trust—different people get there in different ways and at different paces—about the only thing we can do is to be as perfectly trustworthy as we have it in our capacity to be. The only way I know how to do that, in a phrase I must have written a hundred times in this newsletter's fourteen years, is to tell the pure, unvarnished truth all the time, and let the chips fall where they may.

If you were trained as I was, in what I would call the sales paradigm, this isn't exactly what we were taught to do. We certainly weren't trained to dissemble—at least I wasn't—but simply to find out what the folks were looking for, or what they wanted to do, and convince them that we were the advisor to do it for them.

This is a process that's inherently outcome-oriented: our goal is to get the business, to open the account, to bring the assets over, to start earning commissions or fees. And in the sales paradigm, this makes perfect sense. In that purely binary system, there is only getting the business or not getting the business. And what we find, over time, is that it produces a tremendous amount of unhappiness. We take the wrong "clients," who want to pursue the wrong things, and who then blame us when those things don't happen, because they can't happen (e.g. "outperformance," or "safe, high-yielding bonds"). We rent the money, and it breaks our hearts.

At some point, we come to realize that we can only really help people who genuinely come to want to be helped by us. People who learn to do the things we instruct them to do, at the end of the day, primarily because we told them to. The only basis for that kind of acceptance is trust. And trust proceeds—on those rare occasions when it proceeds at all—only from the perception that we are telling people the truth: not what they want to hear, but what they need to hear.

I think that one common mistake we make, in our zeal to put people at their ease, is sensing what we think is the source of their fear and trying to talk past it, to assure them that they have nothing to fear from or with us. Again, this seems to me classically outcome-oriented. We're not really working to understand and empathize with their fear (which is an input). We are, in effect, trying to overcome the objection of fear (which is simply a means to the outcome of getting the account).

Our position is: whatever you're worried about, you don't have to worry about it with us. But "he convinced against his will is of the same opinion still." That is, we can browbeat people into stopping talking about their fear—which seems to me the opposite of what we should be trying to do—but that doesn't make the fear go away. The curtain between us remains firmly in place.

The overarching mistake we're making, as Roy Diliberto points out in his classic book *Financial Planning: The Next Step*, is that we expend limitless energy on understanding the client's financial position, and relatively little on understanding their feelings about money—and about advisors. Specifically, we either don't have the wit or don't have the courage to ask them what their real fears are. Yet we know from all our experience that for many people fear—and the avoidance of pain—is much more of a money motivator than hopes and goals are.

I say: always go straight at the fear. Not to the exclusion of the hopes, certainly, but packaged with them and given equal weight.

What are the things you most hope will happen in your relationship with a financial advisor (or: for the balance of your financial lives)? And, just as important, what do you fear might happen?

You'll find, with good prospects, that they will welcome your candor and openness about their fear. And you'll find the emotional

I say: always go straight at the fear.
Not to the exclusion of the hopes, certainly, but
packaged with them and given equal weight.

distance between you closing (or the curtain evanescent) as they get to talk openly about their fears. Even here, the difference between the outcome paradigm and the input paradigm is startling.

They: This is our retirement money, and we can't afford to lose it.

Outcome paradigm: We are a very fine firm, and we won't let that happen to you.

Input paradigm: I can certainly understand that. But how would you see that happening?

If the answer has Bernie Madoff in it, you know you're the issue. If it has "the risk of the stock market" in it, you know you're talking to people who don't know there's a difference between volatility and risk. In either case, you have started to track the fear to its lair—something you could never have accomplished with an empty, outcome-oriented reassurance.

Most of us spend far more time thinking about the folks' money than we should, and far less thinking about their emotions in general, and their fears in particular. This almost always comes back to haunt us. The discipline of always going straight at the fear is one effective way of weaning us off this critical mistake.

Resources

FROM 11/14 ISSUE

1 One of the greatest biographies of modern times—and surely the most successful in terms of worldwide distribution—is Walter Isaacson’s of Steve Jobs, which had been in the works through the closing years of the subject’s life, and which was in fact published nineteen days after his death in October 2011.

Previously a biographer of Franklin and Einstein, and himself a direct participant in the Internet revolution—he was in charge of Time Inc.’s ultimately failed web strategies in the mid-1990s—Isaacson accomplished, for me, what must be the most difficult task of a biographer: a life in full of a genius for the ages who was also a species of monster. (I read it when it first came out, and then again this spring; it was, if possible, even more impressive on the second reading.)

No surprise, then, that Isaacson has now produced the definitive history of computing—or more accurately of the men and (vastly underappreciated) women who brought computing from its infancy to its present state. The book is *The Innovators: How a Group of Hackers, Geniuses and Geeks Created the Digital Revolution*,

and it demands to be read by any advisor interested in how we got here and where we may be going. (Isaacson is clearly convinced that the next great leap is not artificial intelligence but a symbiosis between man and machine on a hitherto unimaginable scale.)

The themes which come out of *The Innovators* include the extraordinary extent to which progress in computing has been intensely collaborative, and the ways in which so many of the seminal actors in that progress can be found at the interstices of technology and art. Even an innumerate technophobe such as your intrepid editor found this fascinating; I expect you will too.

FROM 6/14 ISSUE

2 Quite a number of you suggested that I might have ghost-written Joel Kurtzman’s May 4 *WSJ* op-ed “Getting Depressed about U.S. Success.” Would that I had the wit. The piece is a devastatingly funny and trenchant riff on the persistence of pessimism in contravention of all the known facts, and it is something that no client or prospect should be safe from receiving from you. Once more, with feeling: yours may be the only intel-

ligently optimistic voice your client hears today. Never think you’ve exposed your clients to too much optimism: as with Vitamin C in the human body, their psyches don’t store it.

FROM 8/14 ISSUE

3 It may not be something you feel an immediate need to send out, but have a look at Brian Wesbury’s June 23 posting, “Dollar Ain’t Losing Its Reserve Status.” You’ll want to hold this for the next time the dollar’s reserve status becomes the object of pusillanimous punditry, as it occasionally does. Brian makes the important point that a reserve currency need not be perfect—it never is—nor the economy behind that currency fiscally unblemished. It just has to be preferable to the other candidates, and the country behind it has to have enough GDP (and debt) to make the market for the currency deep enough for the global economy. He points out that the dollar share of reserves is actually higher today (at 61%) than it was in 1995, before the euro was created, and ticks off the weaknesses of the “competing” currencies. An important and typically readable contribution.

Client’s Corner CONTINUED FROM PAGE 5

deplete precious cash.) They used the savings to pay down debt and otherwise to further strengthen their balance sheets. In sum, *they behaved rationally*.

And in time, as the global economy continued to expand and the American economy revived (however slowly), the survivors thrived as never before,

and their share prices—which can do little else—rose to reflect this.

Stock price movements may appear random and irrational—and this is certainly the narrative reinforced by financial journalism, whose only goal is to keep you nervously clicking on to it.

But the next time you find yourself be-

devised by the seeming irrationality of stock prices, invite your financial advisor for a cup of coffee. I can confidently forecast that you will find him or her serenely confident in the ultimate value of shares in well-diversified portfolios of rational companies.

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Don’t Just Do Something: Stand There

“All of us would be better investors if we just made fewer decisions.”

—Daniel Kahneman

The Underappreciated Power Of Dividend Growth CONTINUED FROM PAGE 2

1957, the S&P 90) has been compounding merrily at five and a half percent. ***That's how it works.*** That's why an Index investor's cash dividend income could be standing today nearly ten times higher than it was in 1976, ***while the CPI is up "only" four times.***

(I decline to make much of the fact that the ending value of the S&P 500 portfolio is just over \$200,000 and of the bond portfolio just under \$11,000 on an original 1976 investment of \$10,000. That would not only be piling on, but it would detract from the narrow point I'm attempting to make, which is purely about rising income to offset rising living costs.)

This is not just data mining. There is a deadly serious point here—one which, with very few exceptions, some forty million American pre-retirees between the ages of 50 and 62 don't know. Nor will they

tumble to this epiphany until it's far too late—***unless one of us has the common decency to attempt to point it out to them, be the outcome of that attempt what it may.***

That point, repeated on virtually every page of my work, is that three-decade, two-person retirements such as our average client couple will have **must essentially be a battle to preserve purchasing power.** And that there is, in the entire spectrum of financial assets, only one which can demonstrate an income that (since at least 1926) has never failed to increase at a greater rate than has the CPI cost of living over thirty-year time horizons. That phenomenon is the one we of this tribe call **the constantly rising dividends of the Great Companies in America and the World.**

In the past, when all retirement investors ever wanted to focus on was the cur-

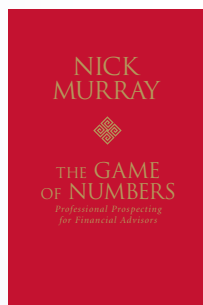
rent yield of stocks vs. the substantially higher yield of bonds, this might have been a relatively tough sale. And one day, when interest rates normalize, it may yet become a tough sale again. But on the day I write—with the current yield of the S&P 500 around 1.9% and that of the 10-year Treasury 2.35%—this may be the last great opportunity we're going to get to show our retirees and especially our pre-retirees that ***they don't really have to give much of anything up*** in order to move from the darkness of fixed income to the sunlight of the constantly rising dividends (and values) of the Great Companies.

I can't help but think that advisors who make this the major focus of their client and prospect interactions in 2015 will be the ones who experience the strongest—and by far the healthiest—growth in assets under management in the coming year.

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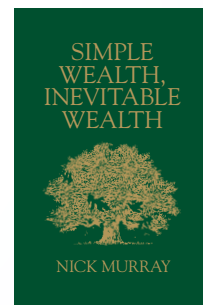
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