

[This is Your Brain on Financial Losses](#)

We're going to keep things really simple this go round.

Why? Because this basic principle is what keeps the wise getting richer and the unwise getting poorer. It's what drives the shift in market wealth from the unsophisticated investor to the seasoned investor.

And you just might recognize a bit of yourself in the foundational concept I share in the video. It's inspired by The Behavior Gap by Carl Richards and is applicable in many situations but particularly investing.

So take a look. I think you'll enjoy and come out wiser as you think about your money.

Check out what we're viewing on the web:

Edward Jones hit with suit alleging 401(k) mismanagement: Unfortunately this is becoming a common theme. As people become more educated these mammoth firms that have been ripping people off will be called out. We believe that this is a GREAT thing! If it's not in the best interest of the client, it should NOT be done. Period. [Read it here.](#)

Malcom Gladwell Revisionist History Podcast, "My Little Hundred Million": This podcast series from Malcolm Gladwell is fantastic, a must listen too! This one in particular highlights how an individual has completely changed a college through the legacy he has left. He also speaks about those Universities with Endowments that are so large, they'll never use all the

money. Our take, we'd have to side with Malcom on this one. [Listen here.](#)

How investors can sabotage performance by switching to index funds: This article continues the debate of active vs. passive investing. Passive investing has been very popular lately, certainly more popular than it's ever been. (That should be warning enough.) One quote we really like in the article says . . . "In other words, chasing returns and hot sectors is dangerous, no matter which type of fund you use." We agree! [Read the full article here.](#)

[What is the Value of a Dollar?](#)

Those that don't study history are doomed to repeat the same mistakes made in the past.

How many times have you heard this phrase or something similar?

This is why we study history at Iron Gate Global. If we look at the past it can give us an idea of what may happen in the future.

Take income investing for example. Academia has this notion that the older you get the more income type investments you should own. For example, when you're 60 years old you should have approximately 60% of your portfolio in bonds.

We couldn't disagree more with academia.

The amount you should have in classic income type investments (bonds and dividend stocks) depends on your goals and the need to grow your money.

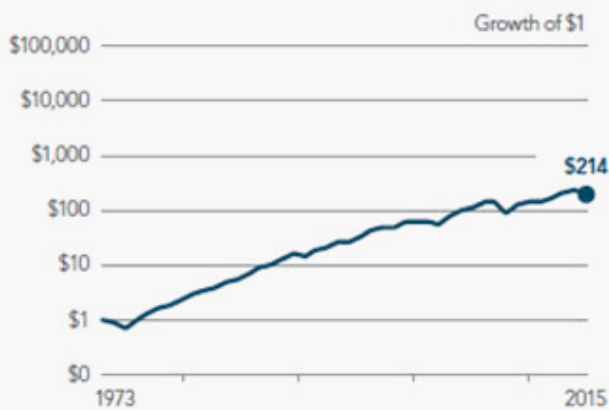
Here's what history has shown regarding the value of \$1.00 over time using different asset allocations.

As you review the returns, ask yourself the question, what type of return do I need to accomplish my financial goals?

If you don't know what type of allocation you should have, contact us. That's what we do, help people build a portfolio that allows them to accomplish their goals.

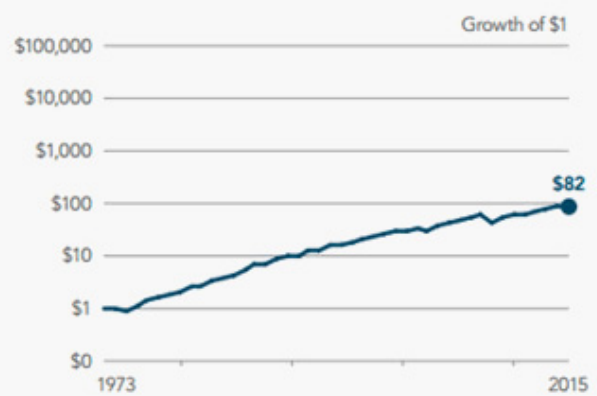
Balanced Strategy: Equity 100% Equity

1973–2015: Total Returns (%)



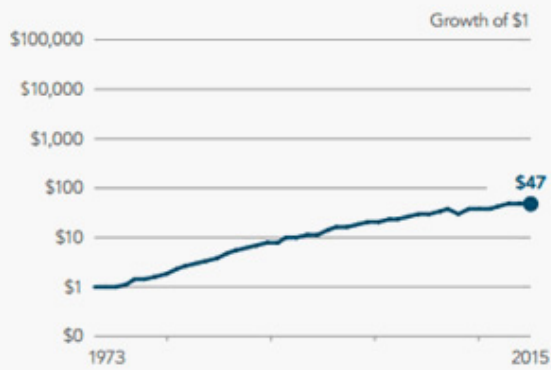
Balanced Strategy: Normal 60% Equity, 40% Fixed Income

1973–2015: Total Returns (%)



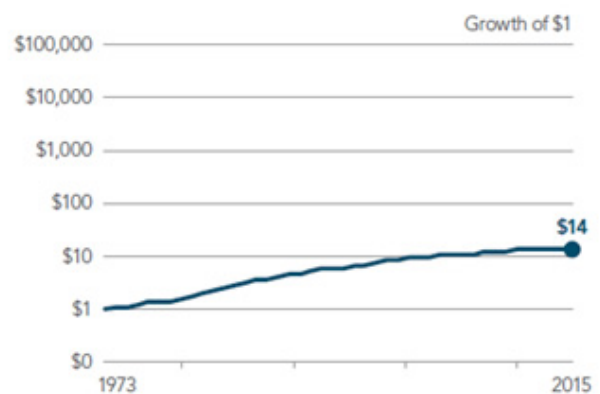
Balanced Strategy: Moderate 40% Equity, 60% Fixed Income

1973–2015: Total Returns (%)



Balanced Strategy: Fixed 100% Fixed Income

1973–2015: Total Returns (%)



Dow Jones US Select REIT Index

1978–2015: Real Returns (%) (Inflation Adjusted)



Data provided by Dow Jones Indexes.

What We're Reading

Latest memo from Howard Marks: Political Reality – Howard Marks is one of our favorite investors to read and learn from. Any time he comes out with a memo it is required reading for us. It's similar to the Berkshire Hathaway Annual Report in our eyes. This memo is another classic that gets you thinking.

[Click here to read the full article.](#)

3 Things All Self-Directed Investors Should Know – This is an instant classic! Once you see the author we are sure you will agree! If you are managing any of your own money these three items are vital for you to understand. [Read it here.](#)

11 Common Medicare Mistakes – If you're in that stage of life where Medicare plays a role, please read this. It's important for you to understand some of the common mistakes that come from a confusing program. [Read the article here.](#)

[What I'd Tell Every Teenager and It's The Key For Your Wealth Too](#)

I just had a great conversation with a fifteen year old who had been working hard to save his money. I told him one secret about what to do with it and it blew his mind.

That secret is the one thing you too should be applying to your wealth building approach. It's the very first thing everyone needs to do when planning for their financial future.

This video reviews that conversation and is a great check up for you as to whether you have the right mind set for your portfolio. It's short (three and a half minutes long). It's sweet. And it's the key to wealth. I hope you're already doing this one thing.

Enjoy.

What We're Reading

More Money, More Success, More Stuff? Don't Count on More Happiness – Money and items are not the key to happiness, including winning the lottery! [Read the full article.](#)

One Popular Investor Obsession You Should Give up Right Now – We agree with this article 100%! While we look at the history of the market to help guide some of our decisions, the key to investing is understanding great businesses and buying them at great prices. [Read the full article.](#)

The Power of Compounding Your Wealth in one image

Public service: Find a young person and teach them about the power of compound interest. pic.twitter.com/qwKU0Gin0p

– The Motley Fool (@themotleyfool) [August 3, 2016](#)

[Market Commentary – What History Has To Say About Lethargic Markets](#)

The markets have gone sideways for well over a year now. History has a little bit to show us about what that might mean and how we may want to think about

the next few months.

In this month's Market Commentary we're going to review historical references of when the markets looked similar to what we see today. It's an interesting view on why being consistent, and focusing on probabilities is the approach that is most likely to yield results.

And below the video we have our "[What We're Reading](#)" section to give you some of our favorite articles. Enjoy.

What We're Reading

What's Your Plan B for Retirement? This is a great article about the importance of a well-built portfolio as well as the need to make retirement about more than just money. [Read the full article here.](#)

Buy-and-hold fund prospers with no new asset bets in 80 years. This is a fascinating article that shows how a portfolio was built, using a value based investing model, and how it has performed over the last 80 years. It's another example of the power of investing vs. trading. [Read the full article here.](#)

No matter what, the long-term investor comes out ahead of the short-term trader. This is one of our favorite articles detailing how hard it is to actually make money actively trading your entire portfolio. Can one of the best traders of all time outperform one of the most passive traders? Read it and find out. I think you'll be surprised. [Full article here.](#)