[How Do You Compare To The Average American? Surprised At This.]

CNBC recently ran a survey the call the "All America Survey" in which they go out and survey Americans across all income levels and backgrounds. They try to get a pulse on what the average American thinks about the markets, investing and other financial topics.

I found it quite insightful to see what the "average American" is thinking right now. How good an investment environment are we in? What are the best investments available today? How stocks compare to bonds or real estate to gold.

You have to compare yourself to this crowd for one great reason: it will tell you a lot about your investment savvy. **And let me tell you, the "average American", at least according to this survey, is not terribly savvy.**

Today's podcast dives right in and talks about these results and how you might compare. I hope you enjoy.

How much Bitcoin should I have in my portfolio: IGGA Podcast

Based on numerous client and associate discussions I have been having I know what is on many people's minds: Bitcoin. Today we are going to take a look at Bitcoin and how the smart investor should be viewing this relatively new phenomenon of cryptocurrencies.

I hope you enjoy our take on Bitcoin and what it can mean for the informed investor.

What We're Reading

An Experts Guide to Calling a Market Top: This is by Barry Ritholtz and is a fantastic article. We found ourselves not only nodding our heads as we read it but laughing as well. This is a great piece that is a must read for anyone.

The $12-million iPhone: In light of the new iPhone X launch, this article seems very appropriate. This is by Bret Swanson. After reading this article you will see just how blessed we all are to live in the times that we live in.

19 Questions to Ask your Financial Advisor: If you're looking to hire a Financial Advisor and need a list of questions to ask, this is as good as we've seen. Jason Zweig, who's been writing on these topics for decades, knows exactly what you need to ask an Advisor before working with them. Our take, call us and ask us these questions, we have answers for them all! (you will need a Wall Street Journal log-in to read this article)

Do You Have Home Country Bias and Other Behaviorally Driven Investor Topics

In this week's podcast I'm basing my thoughts on the string of client questions I have been receiving over the last couple of weeks. You may have heard me say before, as a financial advisor I consider myself a behavioral advisor as much as a markets advisor.

Investors are antsy and they're asking questions like:

"The **market is at an all-time high** is it the time to sell?"

"This **political environment** is making me antsy, how do I trade it?"

I address these topics head on. What does history and what does probability tell us about them? The answers formulate our response.

Finally, I also address a critical behavioral weakness of many investors: ***home country bias***. You like many others may have this. It can hamper your portfolio's performance.

So click below to listen as we discuss these very important topics and see how you would grade yourself against our recommended approach.

This Client Asked Two Common Questions: Here's Our Answer

A client recently asked me two questions:

1) What is the market going to do over the course of the next year?

2) What is the secret sauce that has led to our success in the markets?

What I did was walk him through why those aren't the right questions to ask an adviser. I walked him through what I believe any client or potential client should ask their investment adviser.

The reasoning for my answer is deeply connected with why I believe a large number of investors, either on their own or with an adviser, don't achieve the success they should be able to.

Today's podcast is a simple review of that conversation. I hope you enjoy.

What We're Reading

The first rule of Investing is . . . This is a fantastic, quick read that we agree with wholeheartedly. The key to any "rules" is to implement them. It's one thing to know the rules, it's another to implement them.

What Matters and What Doesn't in Investing (and in Life) This echo's a lot of what we discussed in our podcast. There are some things you shouldn't waste your energy worrying about (even though the media sure does!).

Two Simple Ways to Trounce the Market – While trouncing the market is never "simple," this article does point out some two important principles that we agree with. In fact, for a lot of our clients, this is how we manage their money.

How To Think About This Market And The Non-existent Volatility We Are Experiencing: Podcast

For almost the entire year this has been a smooth sailing market. What does this mean for investors?

This week in our podcast we take a dive into the data around this Bull market, how it compares to other low-volatility markets of the past, and what you should be thinking about when it comes to your portfolio.

Click below to listen and enjoy.

What We’re Reading

Malcom Gladwell: There are no shortcuts to success – here’s what will up your chances. We agree 100% with this! It’s what we do every day for our clients to help them build and manage their wealth. It’s what we’re trying to teach our children daily, and it’s the one thing that you can’t succeed in life without.

Investors, Stop Worrying About Why ‘Nobody’ Is Worrying. Jason Zweig’s article falls right in line with our podcast for the week. We have no idea why volatility is non-existent. All we know is that it will eventually come, so prepare yourselves. It may be in the next week, month or year, but it will come, the preparation comes now.

There They Go Again . . . Again. When Howard Marks writes a memo, everyone should read it. We put Mr. Marks memos on the same page as Warren Buffett’s annual report. In this memo, he discusses risk, preparation for eventual volatility, and hits head on the ridiculous investment of crypto-currencies.

How Your Peers Are Managing Their Money – Survey Results

Four weeks ago we had our newsletter subscribers participate in a survey and promised to share the results along with our thoughts on what they mean. Well the results are in and there are some interesting insights into what it means for you and your peers as you manage your money.

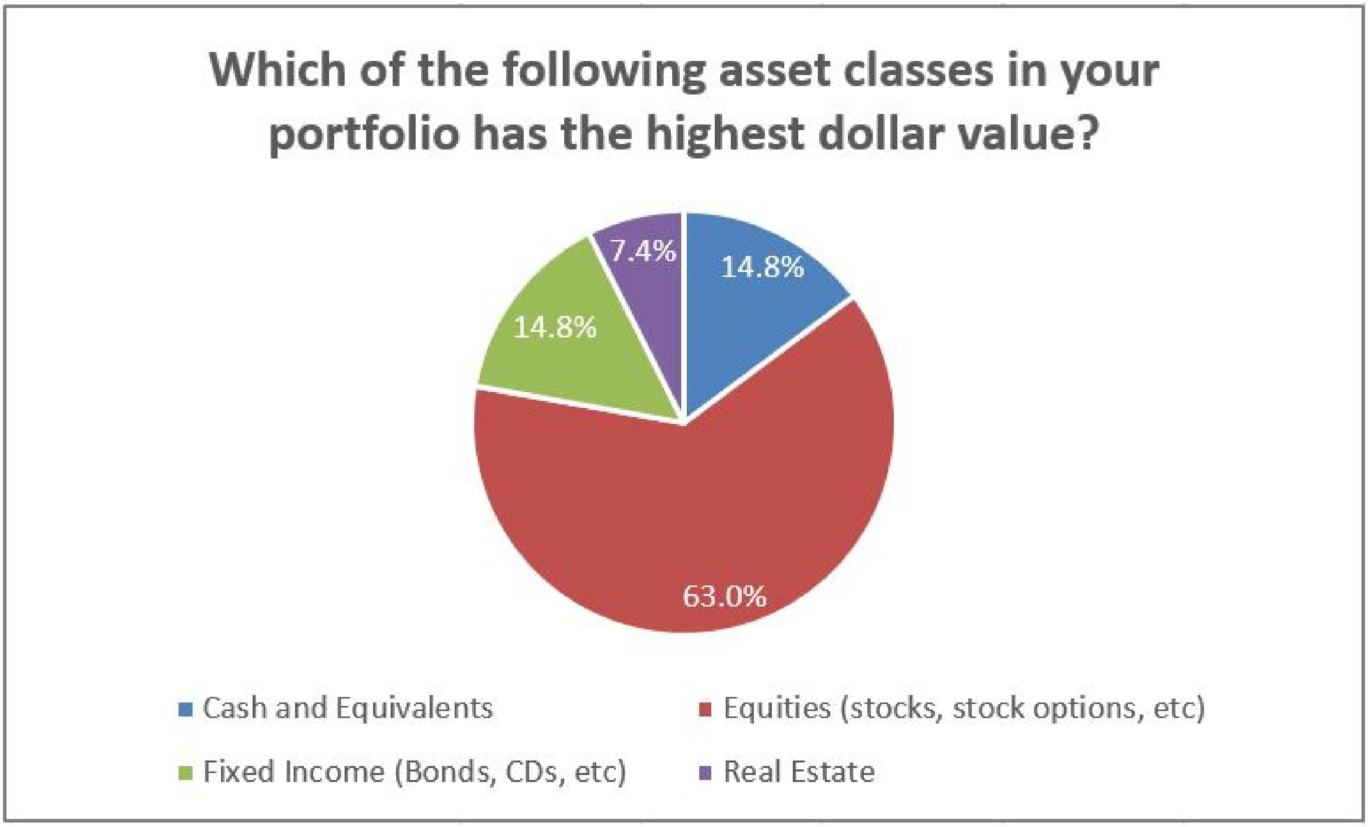
We recognize that the data is not a perfect representation of investors as a whole. Our subscribers are definitely a wealthier, more educated and more sophisticated slice of the population. Those subscribers who chose to participate may slant one way or another compared to those who chose not to. And finally, to keep it short and anonymous we didn’t get much of the detail that would have given even more insight into investor behavior.

That said, below are the survey results and some of our thoughts on what they may mean for you as you consider your investments and those of your peers.

The responses to this question reiterate one of the most common themes of investors everywhere. People don't engage with their retirement as early as they should. Decisions made when young will usually have a far greater impact on your retirement than those made when you are nearing it.

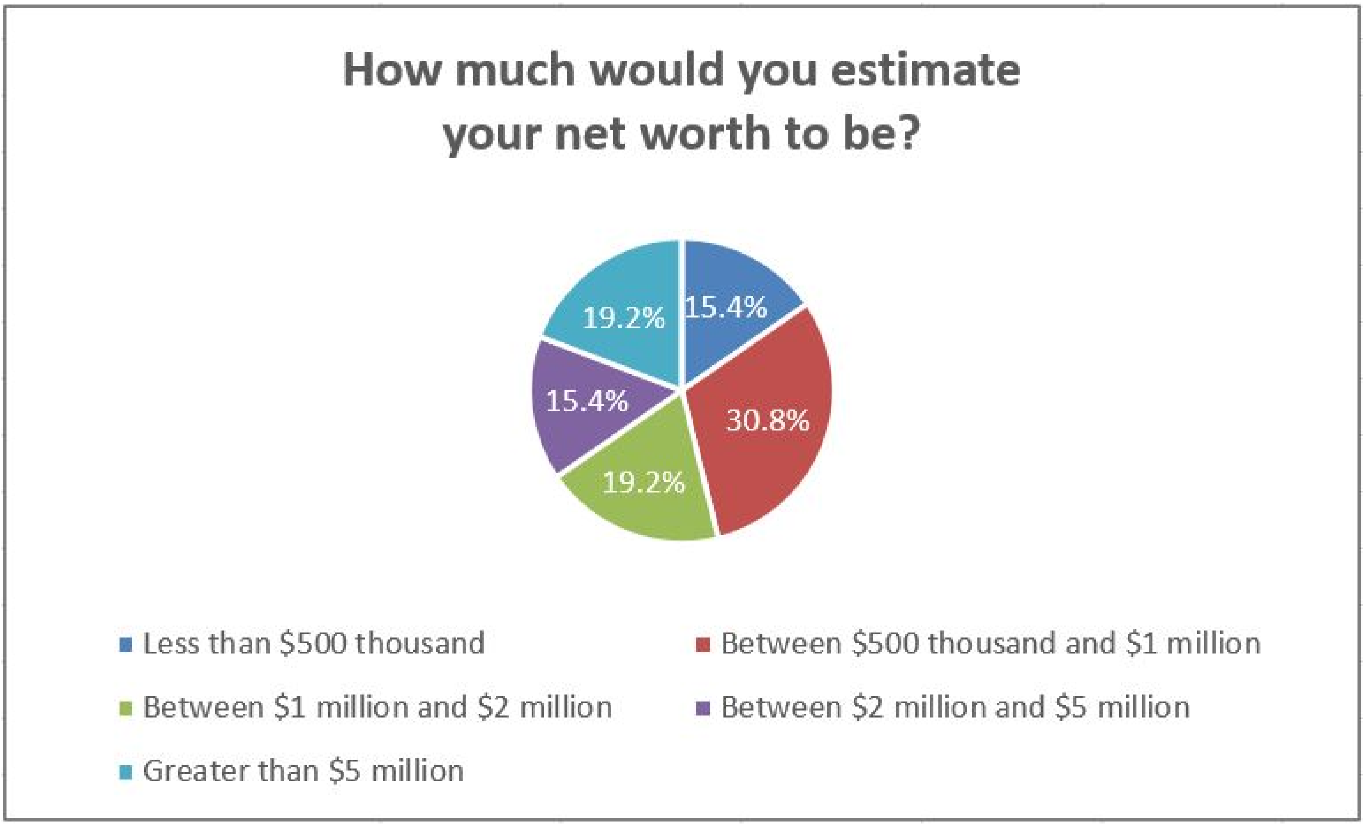
Yes, the money you make is often less when young, and psychologically we feel far removed from the reality of retirement. Whether it is that our subscribers as a whole are closer to retirement, those who chose to respond are closer or something else, it was very clear that the level of engagement and interest in the data from the survey was far higher for those closer to or already in retirement.

Takeaway: If you are young and just starting out get engaged with your retirement planning now. If you are closer to or in retirement tell every younger friend you know the wisdom you have now – plan for retirement while young.

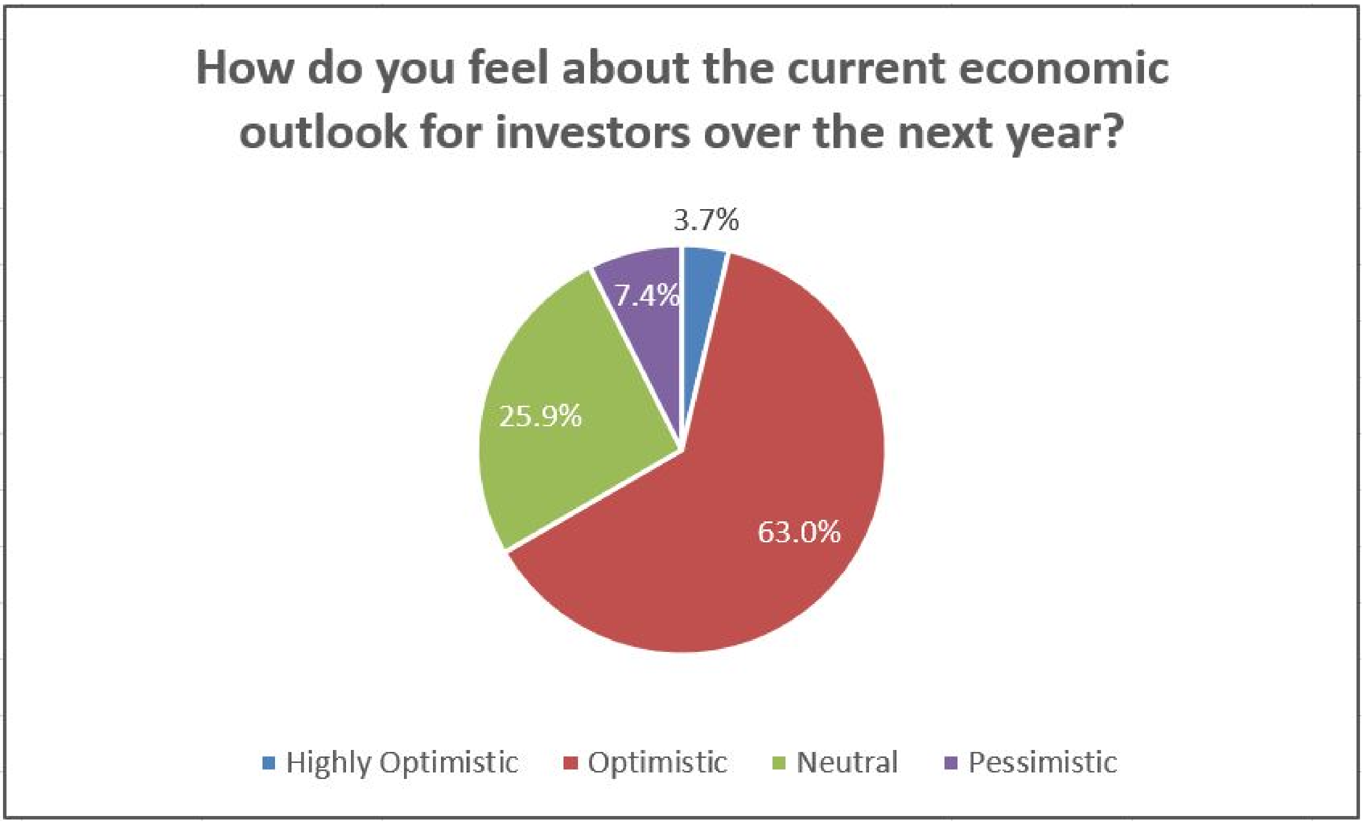


We’re thrilled to see that most of our respondents understood that equities are so crucial to their portfolios. It was even interesting to note that the majority of those who are in the “Currently retired” category had the largest portion of their assets in equities.

Even when in retirement your investment timeline should very often justify a substantial allocation to equities. We recommend you speak with a qualified financial advisor to make that decision.

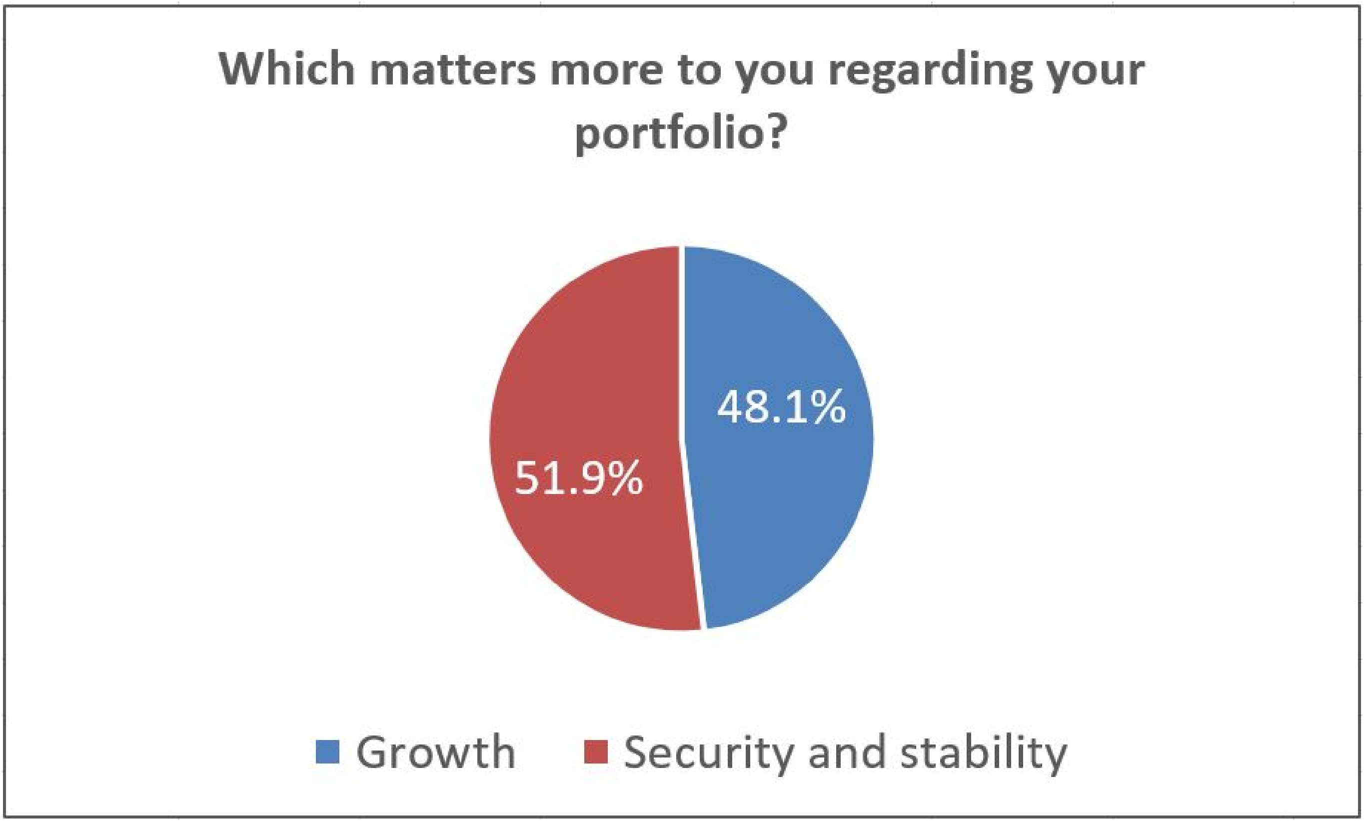


We were not surprised here. We have always known that our subscribers had a fairly diverse (but skewed towards the more wealthy) wealth base with a variety of income and wealth levels.



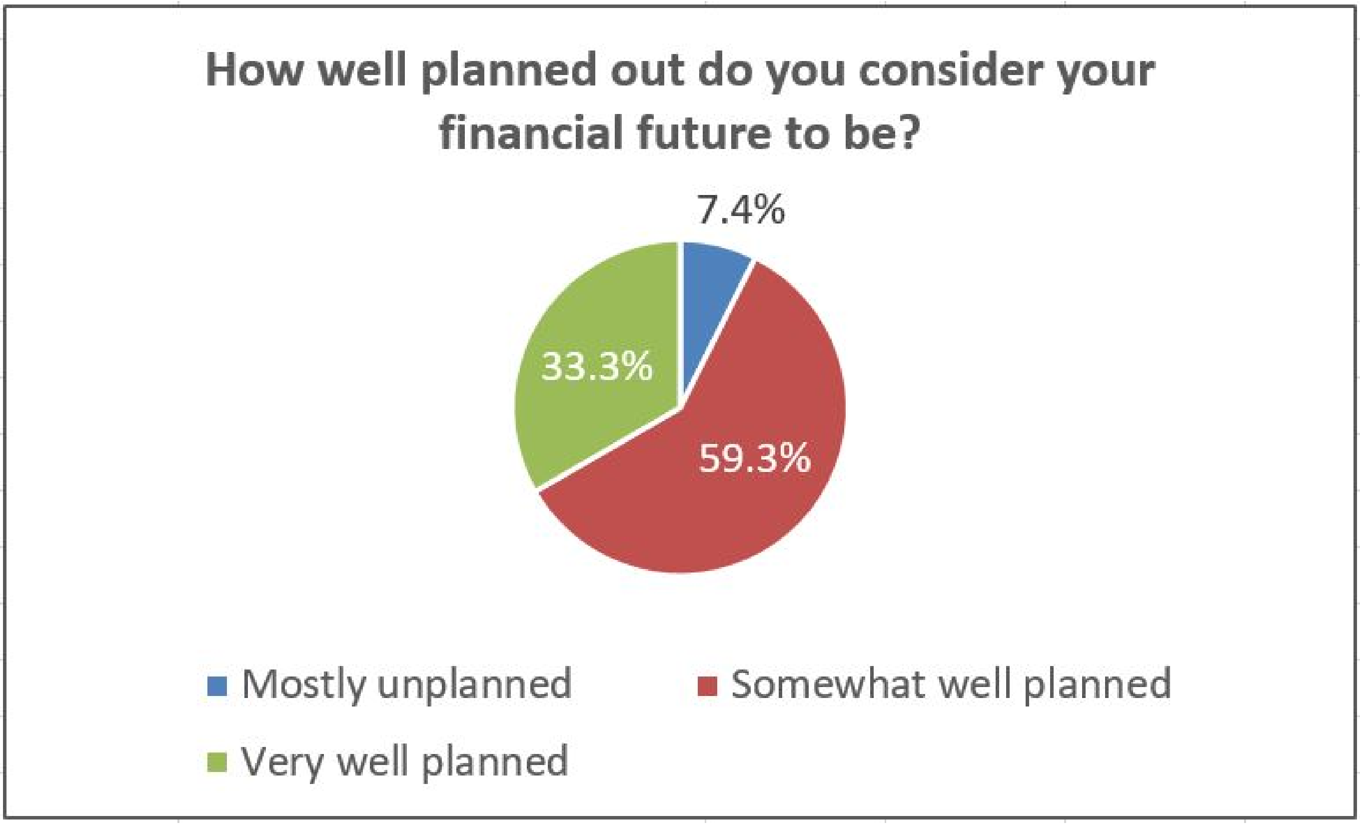
This was exciting to see for a couple of reasons, the first obviously being that there is a general positive outlook for the coming year.

The second reason is that we know our subscribers are more often strong contributors to the market as entrepreneurs, managers, engineers and those who have a strong insight both into how the economy should be doing but also into what it takes to make that happen.



Very interesting to see that not only was there a fairly even split between growth and stability but it was not dramatically different across retirement time frames. There were many who saw that even though they were into retirement it was important to consider that growth was a more important requirement from their portfolio than stability.

We assume that this is because they know their time frame beyond retirement is sufficiently long to justify the volatility that comes with growth.



We were glad to see that not one respondent considered their financial future to be “completely unplanned.” However, we encourage those who are not in the “very well planned” category to take the time to get there. The actual financial benefits for the future plus the psychological benefit of removing some uncertainty are both strong reasons to make planning your future well a priority. (I’m anxiously waiting for a call from those of you looking to make that happen).

There was no big surprise here that there was a very strong correlation between the degree to which respondents thought their financial future was “well planned” and how confident they were in achieving their financial goals. This suggests that you really can see the improvement in the probability of achieving your goals when your plan has sufficient effort behind it.

We were also happy to see that not a single respondent selected that they “would most likely not” achieve their financial goals. Probably has to do with the type of audience that is subscribed to our newsletter but good to see nonetheless.

The response was so strong to this survey that we will very likely carry the tradition forward in either a quarterly survey that gives insight into other areas of investment behavior across our subscribers or at least doing an annual survey to see how the results on this particular survey change over time.

A Final Request

If you’re reading this you certainly have a strong interest in your financial future. You consider it of importance and want to improve it. You might be one of our subscribers who have not yet taken the chance to have a simple and easy Iron Gate portfolio assessment. You’ve heard it before but we strongly believe that you will be enlightened by what it shows you whether you choose to invest with us or not.

Here’s to wise investing,

Brett Pattison

What We’re Reading

Two Simple Ways to Trounce the Market: While we don’t like the title of this article (beating the market is not a simple task), we do like the content. Chris Mayer discusses two simple things Warren Buffett has done over time in the Berkshire portfolio. We try to implement these same things in our portfolios as well.

4 Signs of a Bubble: A question we often get from clients is “how do you know when a bear market is coming?” Our answer is very simple, “we don’t know for sure, no one does. What we do know is when we see bubbles forming, it’s time to be cautious.” This article discusses the 4 Signs of a spotting those bubbles wrapped in euphoria.

Stock Picking is Dying Because There are No More Stocks to Pick: This article is pretty fascinating. The number of publicly traded companies in 1997 were 7,355. Today there are fewer than 3,600. Two things come to our mind after reading this. 1) The bulk of companies are privately held, and it’s important to have a strategy in place to invest in those privately held companies, and

2) It’s hard to be a stock picker these days, but well worth picking stocks if you’re good at it!

Investing to Beat a Benchmark: FREE Access to the Online Investors Conference Presentation

As you may have seen in the last few weeks in our newsletter, I was recently invited to be a presenter at the Online Investor Conference. My topic was “Investing to Beat a Benchmark.”

But it really was a fairly good overview of our end-to-end value investing approach at Iron Gate. A look into what has made our past sixteen years of performance stand out.

We are now making it available to IGGA newsletter subscribers to view at your leisure free.

It will be beneficial for both the investor who has a financial advisor and the investor who manages their money for themselves. If you follow the video through, it will be a good way to assess whether you are investing with an eye towards value – i.e. the Buffett approach.

So click below and enjoy a look at our perspective on Investing to Beat a Benchmark.

Disclosures: All investments have inherent risks. There can be no assurance that the investment strategy proposed will obtain its goal. Past performance does not guarantee future results. Options contain risk that may result in the loss exceeding the original investment. Do not trade options until you talk with a financial professional and understand the risk.

Material discussed is meant for general illustration and/or informational purposes only, and it is not to be construed as investment, tax or legal advice. Although the information has been gathered from sources believed to be reliable, Iron Gate Global Advisors does not guarantee its accuracy or completeness. Please note that individual situations can vary, therefore, the information should be considered when coordinated with individual professional advice. Investors should be aware that there are risks inherent in all investments, such as fluctuations in investment principal and the potential loss of principal.

Neither the information in this document nor any option expressed herein constitutes an offer to sell or solicit any person to purchase any security. Investment decisions should not be made based on information in this document. Individuals should rely exclusively on the offering material when considering whether to invest.

Podcast: Only 10% of Investors are Fundamental Investors – What?!

This week I am kicking off my first podcast edition with a discussion of an amazing insight from JP Morgan: only 10% of current market trades are from investors who are fundamental traders.

I’ve discussed in the past why stock picking is so important to our firm. It’s why we have the performance track record we have. This news makes us very excited moving forward, as it should anyone who invests similarly to

Warren Buffett and other fundamental investors.

If you are an index investor (i.e. buy and stick with a basic bundle of ETFs or other vehicles) you may not be thrilled with what we have to say.

Regardless, you should have a listen as we believe the knowledge that only 10% of investors are fundamentally focused is a big deal.

The Political Sell: Bad Choice or Horrible Choice?

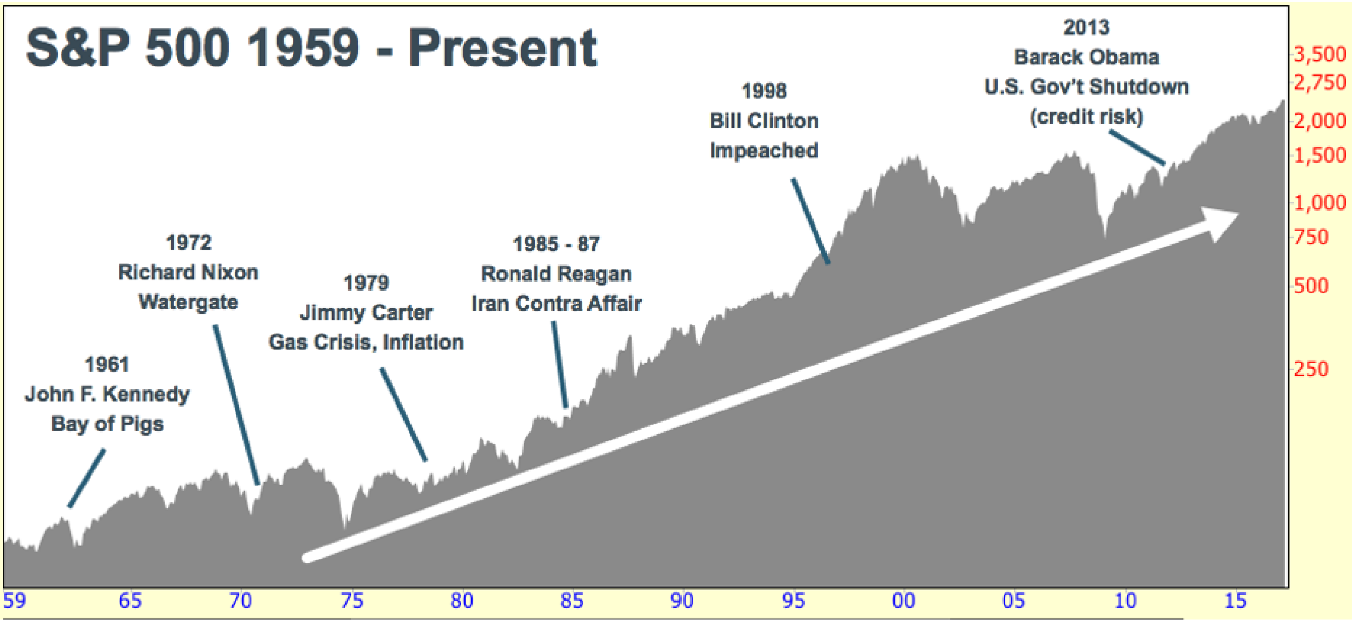
Today, as I was watching CNBC and other news outlets, the coverage was primarily centered around a tweet that President Trump made earlier in the day. No one really knew what the tweet meant, but the fact that everyone was trying to figure it out was interesting to me.

Back on May 17, the market fell 1.8% on the news that there could possibly be an impeachment. President Trump and his dealings with Russia would come back to bite him, and take him out of office. The news outlets, again, were going crazy with the news.

All this recent fascination with President Trump had me thinking: What if someone sold their stocks every time the President did something stupid? How would that strategy work out?

Below is a chart of the S&P 500 along with some stupid things that Presidents have done in recent memory.

As you look at it, ask yourself the following question: *"Would I have been better off selling my stock when this event occurred or holding onto it?"*



Judging from the table above, this would certainly have been a losing strategy—possibly as dumb as the political misstep that made you want to sell to begin with.

I am fortunate to talk with dozens of people every day about their finances, and one of the recurring worries I hear is that there will be a market collapse because of a president. To all those worrying, my advice is this: **Relax. The efficiency-tending and self-correcting nature of our capitalistic system is that this country will outlast any imperfect political action.**

In fact, the nature of our capitalist system will make it so that economic conditions will consistently prove over the long-run (just look at the table above if you have any doubts). With over 25 years of investment management experience, and after coaching thousands of investors, the best strategy my partner and I have seen is staying true to your investing process and your investment goals.

It is true that there will be temporary pullbacks in the market following dumb political decisions—of course. However, our goal for our clients—and all people in general—is that they not follow these poor political moves with even poorer financial moves. One of the greatest parts of my job, as a personal investor and advisor, is capitalizing on poor political moves and helping others benefit from the market's ability to self-correct.

Special Offer for Newsletter Subscribers:

On Saturday, June 17, I (Brett Pattison) have been invited to speak at an online investor conference at 2:00pm Eastern. My topic is "An Investors Guide to Beating a Benchmark."

The Online Investor Conference will go from 9:00 – 5:00pm Eastern. Other topics will include Leveraging Options in an Investment Account, technical analysis (including ATR & an Intro to Ichimoku), and other options topics.

To attend for free or to receive further information, please email iiug_group@outlook.com and mention that you are an Iron Gate guest.

Mistakes: Everyone Makes Them, The Average Repeat Them, The Greats Learn From Them

Mistakes. Everyone makes them. The greats learn from them while the average joe repeats them.

In this week's Market Commentary we are talking about how some of the best money managers ever have made mistakes and how learning from them is what made them great.

And let's just say this – in the midst of a bull market, like we're in, mistakes become more common place and euphoria can take over. Doesn't mean don't ride the bull. Just means that we should be applying the rational, thoughtful, time-tested lessons of managing money described in the video.

So watch the video and assess yourself on how well you learn from investing mistakes.

What We're Reading

5 things I've learned from Charlie Munger – David Clark shares the 5 things that he's learned from Buffett's right hand man, Charlie Munger. We can't focus on just one because all five are just fantastic! We agree with all of them.

The SEC Introduces 4x Leveraged ETFs. For those that like to dabble in the markets, you can now buy ETFs that are 4x leveraged vs. the market. Meaning the market goes 1% and you make 4%. Our advice – these are nothing more than chocolate covered hand grenades. Please don't trade products that you don't understand and that can explode on you overnight. That's all we have to say about those types of products.

Tweet of the Week. This information is INSANE! Ben Johnson shares the average holding period for the 10 largest ETFs. These ETFs are supposed to "passive" investments and the average holding time is a little over four months. No wonder investors underperform the market! Remember folks, the more active you are, most likely, the more you will underperform the market.