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Money Matter$

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My Introduction to the term "Fee-Only Fiduciary"

by **Misty Chatterley, SFM Client Accounting & Records**

When I began working with Adam and Joyce, I was excited to learn exactly what an "Independent, Fee-Only Registered Investment Advisor" was. According to Investopedia, a "registered investment advisor (RIA) manages the assets of high net-worth individuals and institutional investors, and sits on the buy side of the investment field." Needless to say, this definition didn't quite help me to understand what Sommers Financial Management does for our clients.

In my past experience, I had only invested money with large firms such as Edward Jones and Charles Schwab. I gave them some of my money each month, and every few months, I would receive a statement in the mail. I assumed that this is how investment advisors worked: from behind closed doors, never reaching out to you or checking in on you. And what if you had a question? Well, you had to call the toll-free number on the statement and sit on hold for unknown amounts of time. By the time someone finally picked up the phone, I felt like I was just another number.

I have since learned that an Investment Advisor should actually know and care about their clients. They want people to succeed so that they can also succeed. Adam is a true fiduciary: he listens to what you want and does his best to build your wealth using investment strategies that are always in your best interest. Joyce is always here with a warm smile and a kind word, demonstrating her expertise and helping you to always act in your financial best interest. They both care about their clients, and it shows in the conversations they have with people. This is how it should be.

What makes the biggest difference for me is that Adam is willing to teach people how to invest their money, whether it's through a newsletter, over the phone, through social media, or in person. He always does his best to make time for you. He wants you to know exactly where your money is invested, and how your investments are doing. Other large firms don't seem to offer that personal touch.

In my first six months with SFM, I've learned the definition of fiduciary, and we aim to live it every day through our work.

> "Adam is willing to teach people how to invest their money."

3-Year Returns

Dow Jones Industrial 30 Average: 11.0 %

S&P 500 Large Company Stock Index: 14.8 %

Russell 2000 Small Company Stock Index: 16.2 %

SPDR Gold Index (GLD): - 27.7 %

iShares Aggregate Bond Index (AGG): 4.7 %

SFM's "NAKED ALPHA FUND": 9.4 %

ETF Extra — db X-trackers MSCI EAFE Hedged Equity ETF—(DBEF)

db X-trackers MSCI EAFE Hedged Equity ETF is a long-only equity fund managed by Deutsche Asset & Wealth Management that tracks the MSCI EAFE 100% Hedged NR USD index. This fund provides exposure to stocks outside the U.S. and Canada, as its holdings are focused in developed markets in Europe, Australasia and the Far East. The fund hedges the currency risk of investing internationally, translating returns into U.S. dollars. The fund only turns over its positions 10% per year, and is traded on the New York Stock Exchange Arca.

DBEF's Notable Statistics

Dividend Yield:	4.55 %
Total Assets in the Fund:	$ 12.3 Bil.
Expense Ratio:	0.35 %
Three-Year Return:	43.6 %
Max Drawn Down (last 3 yrs):	21.6 %

Model STOCK Portfolios

GROWTH-oriented portfolio

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
21%	VYM	Vanguard High Dividend Stock ETF	3.42%	7.1%	19.4%	0.10%
18%	VEU	Vanguard International Stock ETF	3.06%	-3.6%	12.0%	0.14%
20%	VT	Vanguard Total World Stock ETF	2.51%	3.1%	17.0%	0.17%
22%	VIG	Vanguard Dividend Appreciation ETF	2.26%	6.0%	17.1%	0.10%
19%	IVV	iShares S&P 500 ETF	2.20%	10.1%	22.0%	0.07%

INCOME-oriented portfolio **Average dividend yield: 3.1%**

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
20%	SCHD	Schwab U.S. Dividend Stock ETF	3.17%	5.3%	18.3%	0.07%
22%	VYM	Vanguard High Dividend Stock ETF	3.42%	7.1%	19.4%	0.10%
19%	DBEF	db-Trackers U.S. Dollar Hedged Int'l Stock ETF	3.11%	10.7%	16.1%	0.35%
19%	VEU	Vanguard International Stock ETF	3.06%	-3.6%	12.0%	0.14%
20%	SDY	SPDRS Dividend Aristocrats ETF	2.87%	7.6%	19.0%	0.35%

Model BOND Portfolios

GROWTH-oriented portfolio

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
19%	JNK	SPDR High Yield Bond ETF	4.83%	-1.4%	6.5%	0.40%
21%	PRVBX	Permanent Portfolio Versatile Bond Fund	4.35%	-0.5%	4.3%	0.82%
21%	BSV	Vanguard Short-Term Bond ETF	1.20%	1.1%	1.0%	0.10%
20%	NFRAX	Nuveen Senior Secured Floating Rate Note Fund	3.76%	1.3%	6.4%	0.98%
19%	BASIX	BlackRock Strategic Income Fund	2.34%	1.4%	4.6%	0.92%

INCOME-oriented portfolio **Average dividend yield: 4.2%**

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
18%	SJNK	SPDR Short-Term High Yield ETF	4.29%	-1.2%	4.9%	0.40%
20%	NFRAX	Nuveen Senior Secured Floating Rate Note Fund	3.76%	1.3%	6.4%	0.98%
20%	JNK	SPDR High Yield Bond ETF	4.83%	-1.4%	6.5%	0.40%
21%	OOSYX	Oppenheimer Senior Floating Rate Note Fund	3.92%	1.1%	5.2%	0.83%
21%	PRVBX	Permanent Portfolio Versatile Bond Fund	4.35%	-0.5%	4.3%	0.82%

Model ALTERNATIVE Portfolios

GROWTH-oriented portfolio

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
23%	MLPFX	SteelPath Energy Infrastructure Fund	5.85%	-6.2%	12.4%	1.10%
18%	RWO	SPDR Global Real Estate ETF	3.66%	3.8%	12.3%	0.50%
20%	RWX	SPDR International Real Estate ETF	3.23%	0.1%	13.0%	0.59%
23%	PFF	iShares Preferred Stock ETF	5.15%	5.2%	7.5%	0.47%
17%	VNQ	Vanguard U.S. Real Estate ETF	4.47%	6.2%	12.2%	0.12%

INCOME-oriented portfolio **Average dividend yield: 4.5%**

% Wt.	Symbol	Description	Div. Yield	1-year Return	3-year Return	Expense
19%	PFF	iShares Preferred Stock ETF	5.15%	5.2%	7.5%	0.47%
22%	MLPFX	SteelPath Energy Infrastructure Fund	5.85%	-6.2%	12.4%	1.10%
21%	RWX	SPDR International Real Estate ETF	3.23%	0.1%	13.0%	0.59%
20%	RWO	SPDR Global Real Estate ETF	3.66%	3.8%	12.3%	0.50%
18%	VNQ	Vanguard U.S. Real Estate ETF	4.47%	6.2%	12.2%	0.12%