



## KEY REASONS WHY WE ARE IDEALLY SUITED TO MANAGE YOUR INVESTMENTS

*You can be confident in the fact that  
as your CPA advisor:*

- We understand your complete financial picture.
- We are qualified to consider tax implications of your investments.
- We are disciplined in our approach. We avoid market timing strategies.
- Our investment advice is directed by our comprehensive financial planning with you.
- As CPAs we are bound by the highest ethical standards of objectivity and confidentiality.
- Our Registered Investment Advisory firm status holds us to fiduciary responsibilities which exceed those of traditional brokers.
- Our compensation for asset management is fee-only. We avoid conflicts of interest to buy or sell on your behalf.
- We comprise a team of investment advisors, collaborating with *CPAlliance*<sup>™</sup> to build a financial portfolio tailored to you.
- We embrace a lifetime relationship with you and your family.



**RFM**

**Robert F. Mahoney, P.A.**  
Certified Public Accountant

7777 Glades Road  
Boca Raton, FL 33434  
(561) 451-9990

*CPAlliance*<sup>™</sup>

*Y*our trust and your family's long term financial prosperity is our driving force. We recognize that you have many choices for obtaining financial advice, and we understand the confusion surrounding the many investment options available in the marketplace.

Our firm is an independent Registered Investment Advisor serving the financial needs of individuals and their families, as well as corporate, trust, and retirement plans.

Combining our knowledge as CPAs, our network of collaborative alliances, and our trusted relationship with our clients' families, we have become the only financial advisor our clients and their families will ever need.

*Professional  
Asset  
Management*

*From the  
Relationship  
You Trust*



## KEY REASONS WHY WE ARE IDEALLY SUITED TO MANAGE YOUR FINANCIAL PORTFOLIO

*You can be confident in the fact that  
as your CPA advisor:*

- WE UNDERSTAND YOUR COMPLETE FINANCIAL PICTURE
- WE ARE QUALIFIED TO CONSIDER TAX IMPLICATIONS OF YOUR INVESTMENTS
- AS CPAS WE ARE BOUND BY THE HIGHEST ETHICAL STANDARDS OF OBJECTIVITY AND CONFIDENTIALITY
- OUR REGISTERED INVESTMENT ADVISORY FIRM STATUS HOLDS US TO FIDUCIARY RESPONSIBILITIES
- OUR COMPENSATION FOR ASSET MANAGEMENT IS FEE-ONLY
- WE EMBRACE A LIFETIME RELATIONSHIP WITH YOU AND YOUR FAMILY
- WE COMPRISE A TEAM OF INVESTMENT ADVISORS, COLLABORATING WITH *CPAlliance*<sup>™</sup> TO BUILD A FINANCIAL PORTFOLIO TAILORED TO YOU

# WHY DO WE COLLABORATE WITH OTHER PROFESSIONALS IN SERVING YOU?

As your CPA and financial advisor, you expect us to make prudent, carefully researched decisions, while preserving your privacy and maintaining objectivity in delivering financial advice. We adhere to the same high standards when aligning ourselves with other professionals.

In order to meet all of your financial needs, we often confer with trusted and experienced legal consultants, pension specialists, and other professionals with your best interests in mind.

We have carefully selected *CPAlliance*<sup>™</sup> — a seasoned professional asset management team comprised of CPAs who are also Personal Financial Specialists, as designated by the American Institute of Certified Public Accountants.

*You profit from a collaborative team of professionals who understand prudent investing and financial planning is the key to building and preserving your family's nest egg.*

# PRIMARY MYTHS & REALITIES OF INVESTING

## BONDS

### THE MYTH:

A portfolio consisting of 100% bonds is always a safe investment.

### REALITY:

\$1 invested in long term government bonds from 1925 to 2005 grew to only \$71, with an average annual return of 5.5%. Whereas \$1 invested in large company stocks grew to \$2,658 with an average annual return of 10.4%.

Inflation over that same period averaged 3% - which reduced the real returns on bonds to only 2.5% before taxes.

*Value of \$1 invested at year end 1925 assumes reinvestment of income and no transactions costs. Source: Ibbotson.*

## ANNUITIES

### THE MYTH:

Annuities are the ideal tax deferral investment, especially for retirees.

### REALITY:

Put annuities under a microscope and what you'll find are some of the most oversold, overpriced and misused financial products on the market. Annuities are typically high-expense products that carry hefty surrender charges making it prohibitively expensive for you to pull your money out early.

It may take decades for you to break even from the surrender penalties and tax *disadvantages* spewed by annuities.

When you begin to withdraw payments from your annuity, the gains are taxed at higher ordinary income tax rates, rather than lower capital gains rates enjoyed by long term stock and mutual funds investments.

Also, if your assets are large enough to create a taxable estate at your death, your annuities are double-taxed by estate and income taxes, without the benefit of stepped-up basis for your heirs. You can lose over 80% of your annuity value to taxes upon your death! This is the reason many annuities offer life insurance benefits to provide some relief from the onerous commissions, fees, and penalties imposed during your life.

Life insurance benefits may be obtained at much lower cost without the annuity wrapper.

The touted tax-deferral of annuities has no place in your already tax-deferred IRA, 401(k), or 403(b) retirement account.

## **MARKET TIMING**

### **THE MYTH:**

The key to successful investing is getting in and out of the market at the right time – known as market timing.

### **REALITY:**

According to Lipper Analytical Services, covering the period 1985 through 2005 (240 months), the S&P 500 gained 11.9%, compounded annually. If you missed the best 17 months, your investment return dropped to 4.3%. This means that \$10,000 invested in 1985 would have grown to \$23,400 rather than \$95,200 – a difference of \$71,800.

AND:

According to Lipper Analytical Services, covering the period 1925 through 2005 (960 months), the S&P 500 gained 10.4%, compounded annually. If you relied on market timing and missed the best 39 months, your investment return would have dropped to 3.6%. This means that \$10,000 invested in 1925 would have grown to \$171,200 rather than \$26,580,000 – a whopping difference of \$26,408,800!

*Value of \$1 invested at year end 1925 assumes reinvestment of income and no transaction costs. Source: Ibbotson.*

## **STOCK BROKERAGES**

### **THE MYTH:**

My money is safer handled by a national brokerage firm.

### **REALITY:**

Multi-million dollar marketing campaigns do not necessarily translate into qualified advisors for handling your money. In fact, brokers may not have the requisite investment and financial background or personal knowledge of your particular situation to understand how your tax, estate, business or family dynamics correlate with your investment values.

Brokers are often trained in sales, making them commission-driven when handling your portfolio. They are not independent from the brokerage firm that employs them, and may be pressured into selling the proprietary products issued or inventoried by that firm. They often must meet sales quotas in order to maintain their position with their employer.

## **RETIREMENT PLANNING**

### **THE MYTH:**

If I make more money, I can retire early.

### **REALITY:**

It does not matter how much money you make; it matters only how much you *save* – and how well you *manage* your savings. In order to achieve financial independence, you must build a sufficiently large portfolio of financial assets that will generate enough cash flow to support you for your lifetime. Further, you must manage your portfolio to:

- Be liquid
- Be dependable
- Be diversified
- Minimize taxes
- Keep up with or beat inflation

## FREQUENTLY ASKED QUESTIONS

**Q:** *Isn't a national brokerage firm more qualified to handle my investments?*

**A:** Rather than emphasizing sales and marketing, as your CPA, we have built our career and our Registered Investment Advisory firm upon our extensive education and experience in areas of tax, finance, business, retirement, estate planning, and risk assessment.

As your CPA, we possess the expertise required to analyze the financial markets to make prudent investment decisions. Based upon first hand knowledge of your financial situation, we understand your complete financial picture.

*(Do you gain better physical fitness joining a nationally recognized gym, sporting expensive equipment and high marketing costs – or from a personal trainer attentive to your unique needs?)*

**Q:** *What if my trust document requires a national trust company or other financial institution to manage my portfolio?*

**A:** Through our association with *CPAlliance™* we have access to *National Advisors Trust Company, FSB*. NATC is an independent federally-chartered trust company formed by a network of independent financial advisory firms across the country exclusively to serve their clients.

It is licensed in all 50 states, manages over \$50 billion in assets, and provides reporting, record keeping, safeguarding of assets, and trade execution under our direction. Your direct personal relationship always remains with us.

**Q:** *What if my retirement plan is administered by my employer?*

**A:** We have a *401(k) Pilot* program made just for you. If you participate in your employer's self-directed 401(k) or 403(b) plan, but feel uncomfortable choosing among investment selections or other plan options, we will manage your retirement account online from your individual secure website provided by your employer's financial custodian.

**Q:** *What is your investment style?*

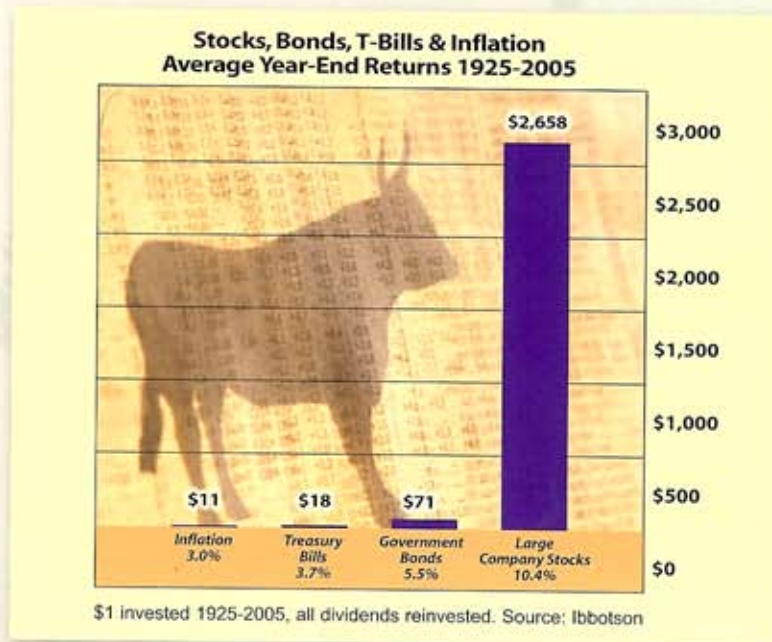
**A:** We tailor every portfolio to each client's unique needs, based upon his or her risk tolerance, financial goals, and investing time horizon.

We accommodate both *active management* (using carefully selected stocks, bonds, Treasuries, exchange-traded funds, and no-load, low-cost mutual funds that carry no 12b-1 fees) and *passive management* (consisting solely of index funds and exchange-traded funds). By definition, a passive investment style mirrors the market or segment of its industry, rather than attempting to outperform an index.

As CPAs, we naturally consider tax implications in building a portfolio suited to you.

**Q:** *Will you call me with “hot” stock tips?*

**A:** *Never!* We espouse a long term investment philosophy, and recommend a *minimum* three-to-five year investment time horizon.



Over the past 33 years, we know that 73% of the time the market is up; 24% of the time the market is down; and 3% of the time it produces flat results. However, over the past 80 years, large company stocks have averaged 10.4% investment returns; bonds have averaged 5.5% investment returns; and inflation has eroded your investment returns by an average of 3%.

Despite the temporary ups and downs known as “market volatility,” the chart at left illustrates the superior returns achieved by stocks over other asset classes with \$1 invested from 1925 to 2005.

**Q:** *How are you compensated?*

**A:** Our asset management services are fee-only. We receive *no* commissions and receive *no* 12b-1 fees typically offered by loaded mutual funds. We do *not* share in any transaction costs charged by any custodian.

We remain on the same side of the table with you, working toward our mutual goal of building and preserving your long term wealth.

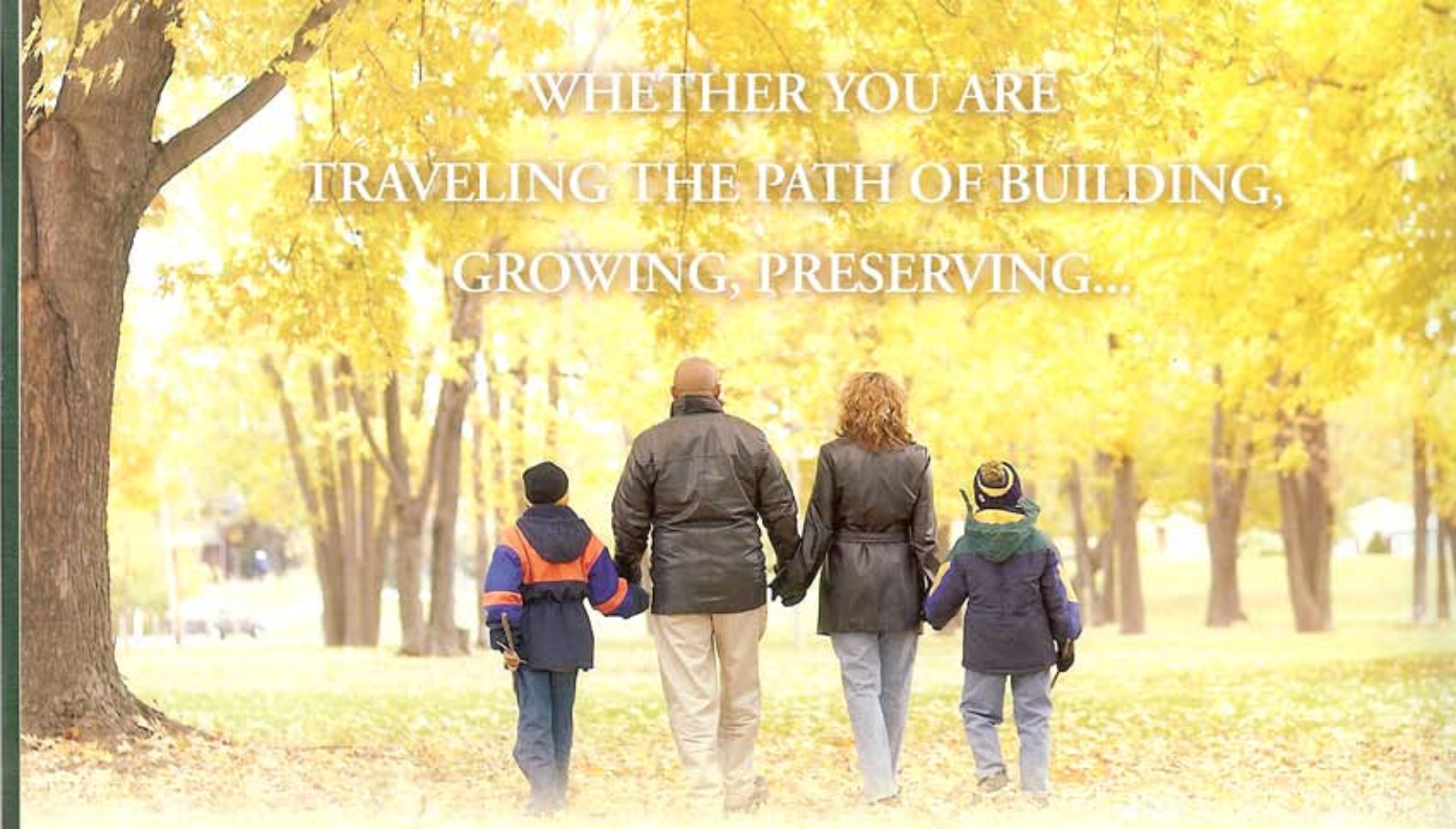
**Q:** *Where are my assets held?*

**A:** You have the ability to choose your custodian. Our association with *CPAlliance*™ grants us institutional investor status providing exclusive representation within the various stock exchanges.

Since our firm is an independent Registered Investment Advisor, we are not limited to any financial institution’s proprietary products; we have access to the entire universe of publicly traded stocks, mutual funds, ETF’s, U.S. Treasuries, corporate debt instruments, and CDs.

For clients requiring an institutional trust company for custody, we offer *National Advisor’s Trust Company, FSB* for safeguarding of assets.

We can also assist in placing real estate and other non-traditional assets held in self-directed IRA accounts.



WHETHER YOU ARE  
TRAVELING THE PATH OF BUILDING,  
GROWING, PRESERVING...

... OR DISTRIBUTING YOUR  
FAMILY'S FINANCIAL WEALTH,  
YOU DEPEND ON A LONG TERM  
RELATIONSHIP WITH  
AN ADVISOR YOU TRUST.

*Entrust your family's nest egg to the careful,  
caring hands of your CPA Advisor, an  
independent Registered Investment Advisory Firm...*

*Espousing a lifelong commitment to your  
family's financial prosperity.*

