



## client credo

Being a client of Brinton Eaton entails more than trust in the skills of your advisor. It includes a sharing of fundamental beliefs concerning your investments and their purpose.

We have codified these beliefs in the following “client credo”.

- ▶ **i believe** — and demand — that my investment advisor should unquestionably place my interests above all others in all situations. Furthermore, my investment advisor and my asset custodian should be entirely separate legal entities, and should provide ongoing checks and balances of each other’s activities.
- ▶ **i believe** that my investment strategy should be based on my specific set of circumstances, reflecting my individual long-term financial objectives, lifestyle requirements, cash flow needs, risk tolerance, etc. I am, therefore, more interested in securing my long-term financial future than in beating any short-term investment “benchmarks”.
- ▶ **i believe** that proper asset allocation, incorporating broad asset-class diversification and rebalancing, is much more important to my long-term financial success than individual security selection (e.g., “stock picking”). It is the performance of the overall portfolio that matters, not the performance of any subset or individual holding. I do expect my advisor to be keenly aware of both cost-efficiency and tax-efficiency in selecting individual securities and managing my portfolio.
- ▶ **i believe** that the key to building wealth over time is to avoid, to the extent possible, exposure to severe market declines while still participating, to the extent possible, in market advances. However, given that every 1% decline in my portfolio requires a greater-than-1% advance to fully recover, it is more important to avoid severe declines than to pursue above-average advances.
- ▶ **i believe** in a well-designed, scientifically-based long-term investment approach, which allows me to ride out short-term market fluctuations. I understand that a bear market in stocks can occur on a fairly frequent basis (having occurred in one out of every five years, on average), and that the peak-to-trough decline during those equity bear markets can be substantial (having been -30%, on average).
- ▶ **i believe** in delegating the day-to-day management of my investments to a skilled professional, and in giving that advisor discretionary authority to manage my investments consistent with the overall strategy that we have jointly decided upon, knowing that my advisor and I will periodically review my portfolio and my investment strategy.