

# KAM COMMENTS

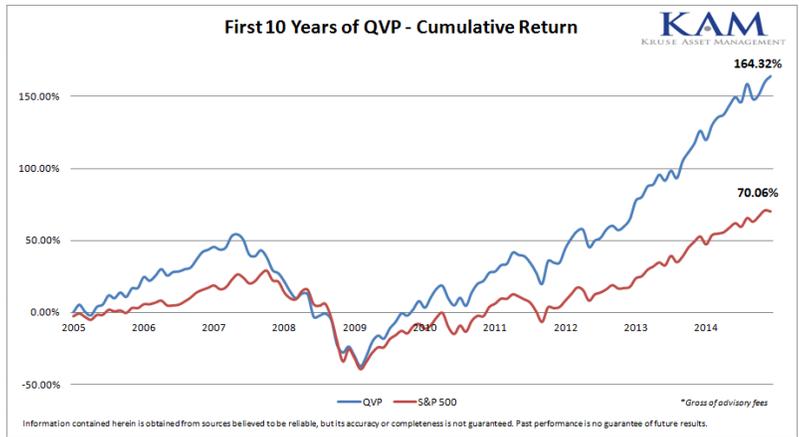
KRUSE ASSET MANAGEMENT, LLC

## WANT TO BE PART OF THE 1 PERCENT?

How does being in the top one percent sound? How about the top half of that group? Even better, right?

Well, good news. With KAM, you are!

Research carried out by Zero Hedge shows that index funds beat 99.6% of money managers over a ten-year period.



With Kruse Asset Management having outperformed the S&P 500 for eight of the past ten years (as of Q3 2015, from Jan 2015 QVP is up 134.84 percent compared to 58.59 percent by the S&P 500), we are in the elite of money managers.

Our active, systematic approach to investing, with an emphasis on removing any possible biases, is unique within the world of finance. The results for our clients vindicate that year after year.

We pride ourselves on standing apart from the rest of the pack: rising above mediocrity. Our philosophy is different at KAM, and that is why we are one of the few who outperform!

### Volume 7, Issue 2

**In this issue:**

- Want to be Part of the 1 Percent? **1**
- Client Event **1**
- Q3, 2015 How Much Did You Say? **2**

### October 20th, 2015

**Did you know?**

- \* The labor force participation rate, 62.4 percent, is at its lowest rate since 1977.
- \* Exports make up just 9.3 percent of US GDP, compared to exports making up 40.4 percent of South Korea's GDP.
- \* There have been three 5% pullbacks in the S&P 500 this year. This is the most since 2011, when there were ten.

Data from JP Morgan Asset Management

## CLIENT EVENT

Next week, on the 27th October, we will be holding a client event focusing on healthy living and nutrition at HiFi Personal Fitness, located at Chicago and Orleans downtown.

The event will be lead by Megan Flatau from Arbonne International, a friend of KAM's, who will be treating us to a Lunch & Learn featuring her *30 Days To Healthy Living* program.

Sip and sample products. Ask questions. Learn about eating clean, increasing your nutrient

intake, balancing blood sugar and supporting your elimination organs.

Keeping in the spirit of the event, a nutritious and wholesome lunch from Snap Kitchen will be provided for attendees.

If you are interested, get in touch with us by phone or email and let us know that you would like to be in attendance.

*Wealth without healthy is poverty!*

## KRUSE ASSET MANAGEMENT, LLC

216 S Jefferson St., Suite 302  
Chicago, IL 60661

Phone: 312-775-6000  
Fax: 312-264-4557  
www.KruseAssetManagement.com

### Principles that Outperform!

J. Stuart Kruse, CFA  
Alvin Medina  
Greg Benham



Just what can you afford when it comes to your retirement?

We can make it easy to understand with our new software: [RetireUp](#)

## Q3, 2015 HOW MUCH DID YOU SAY?

How big of an impact do fees (advisory and asset) have on your portfolio? Have you given it much thought before?

Does an annual fee of 1 percent on your assets sound like a reasonable amount? How about 1.98 percent? That is the annual fee that clients are charged by brokerage giant, Merrill Lynch, as reported by WealthManagement.com.

That would cost the average \$500,000 account \$936,390 in fees over 30 years of investing (assuming annual returns of 7 percent and fees that remained consistent).

No small potatoes!

We strive to offer unparalleled support and advice to our clients, and in a cost-effective manner as well.

As such, we were delighted to see that compared to the eleven other firms in the survey, we charged smaller fees than all, with the exception of USAA (who are able to offer incentivized rates to those with military service).

A considerable portion of the 1.15 percent figure is asset fees: expenses incurred by certain funds and ETFs in your portfolio.

A well-diversified portfolio may cost a little more to put together, but the superior risk-adjusted returns provided make it a well-justified cost for long-term outperformance.

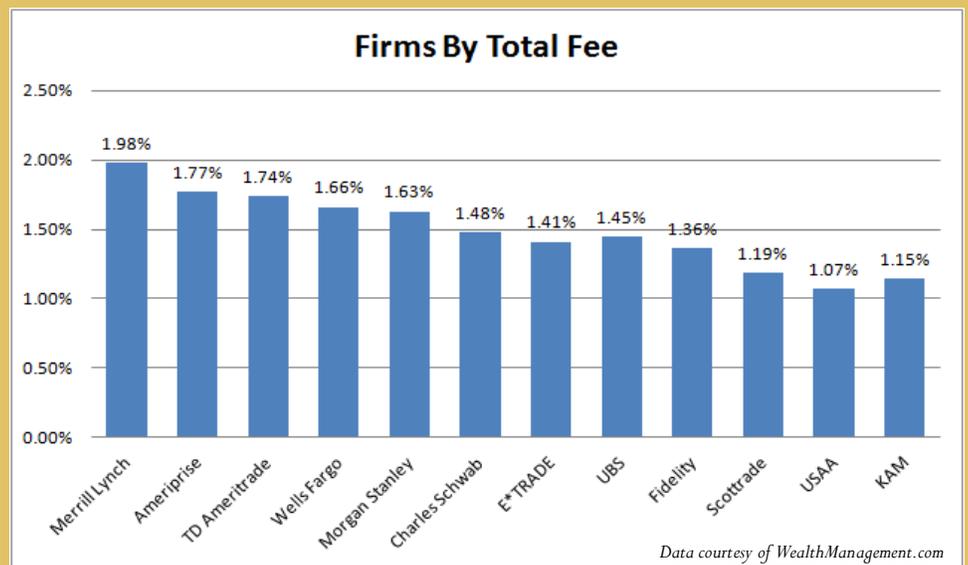
We were surprised by some of the exorbitant rates charged by other firms, particularly when year-after-year they underperform the market.

Rather than pay a brokerage firm upwards of 195 basis points on your assets, wouldn't it just be cheaper to simply cut out your money in the iShares Core S&P 500 ETF (an expense ratio of just 0.07%) but your portfolio would be doing better to boot!

What can be taken away from all of this though?

### Brokers are making you broker!

However, Kruse Asset Management costs less and gives you more: more value and less risk, such that we pay for ourselves!



The information contain herein is obtained from sources believed to be reliable, but its accuracy or completeness is not guaranteed. This report is for informational purposes only and is not a solicitation or a recommendation that any particular investor should purchase or sell any particular security. All expressions of opinions are subject to change without notice.

Before making any investment decisions, consult with an investment professional about your particular situation.

Past performance is no guarantee of future results.