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MANAGING HOME BIAS: DEFENDING THE VALUE OF GLOBAL EQUITIES TO US PRIVATE CLIENTS

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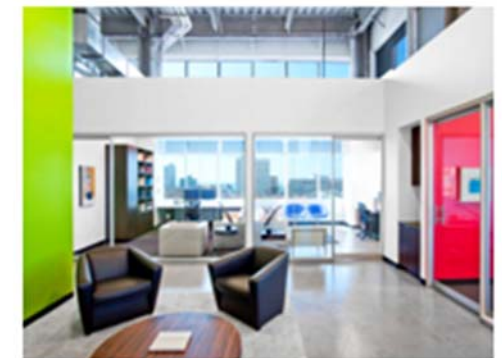
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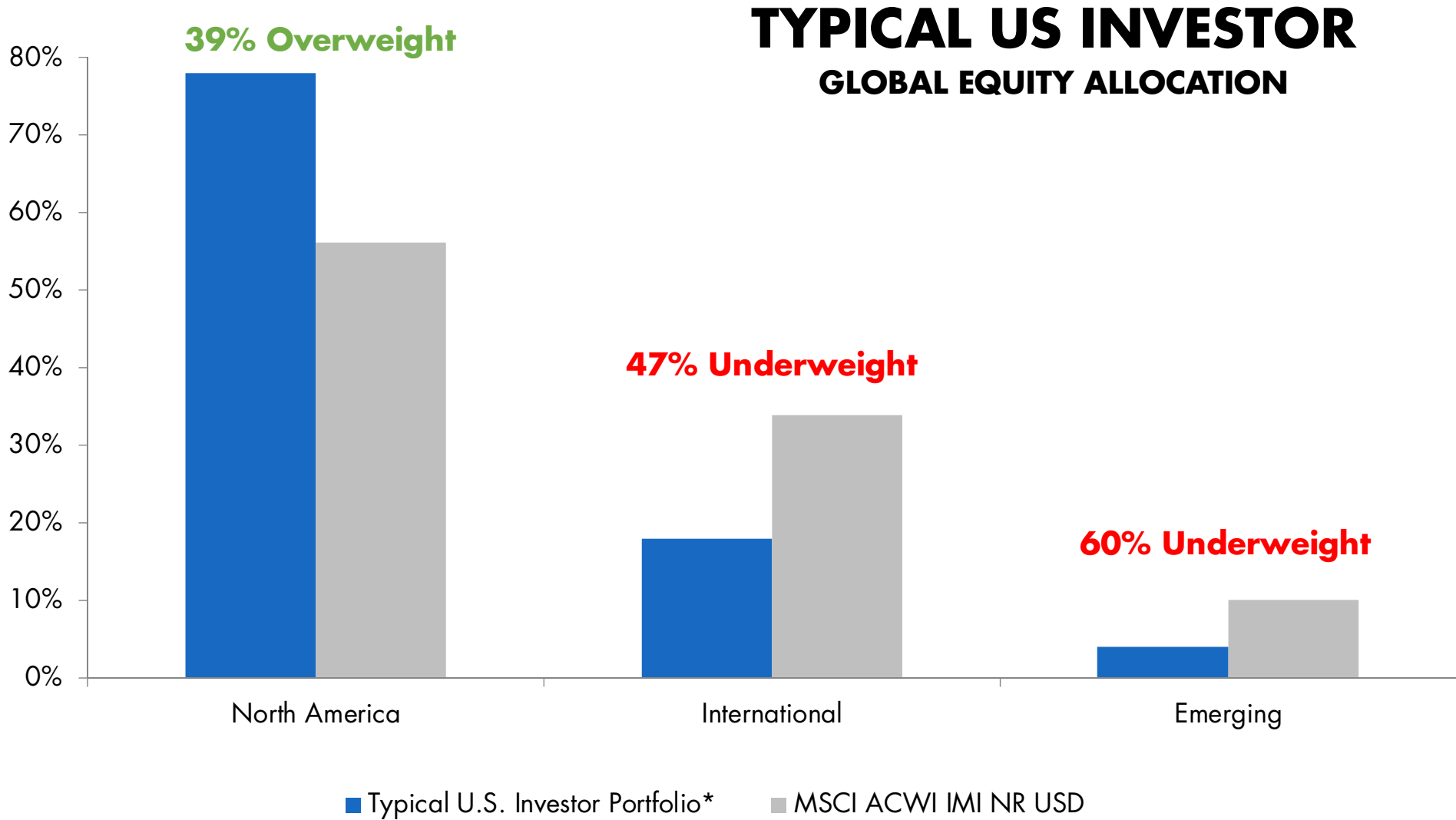
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Introduction

- **Home Bias** is the tendency for investors to over-allocate to domestic investments regardless of the benefits of global diversification in terms of both risk and reward.
- Convincing US private clients to think, and invest globally has always been a challenge, made more difficult by the recent substantial outperformance of US Equities over Global Equities since 2009.
- This presentation will give you data to overcome **Objections**, and to make the case for equity investing that's **Global, not Local**.



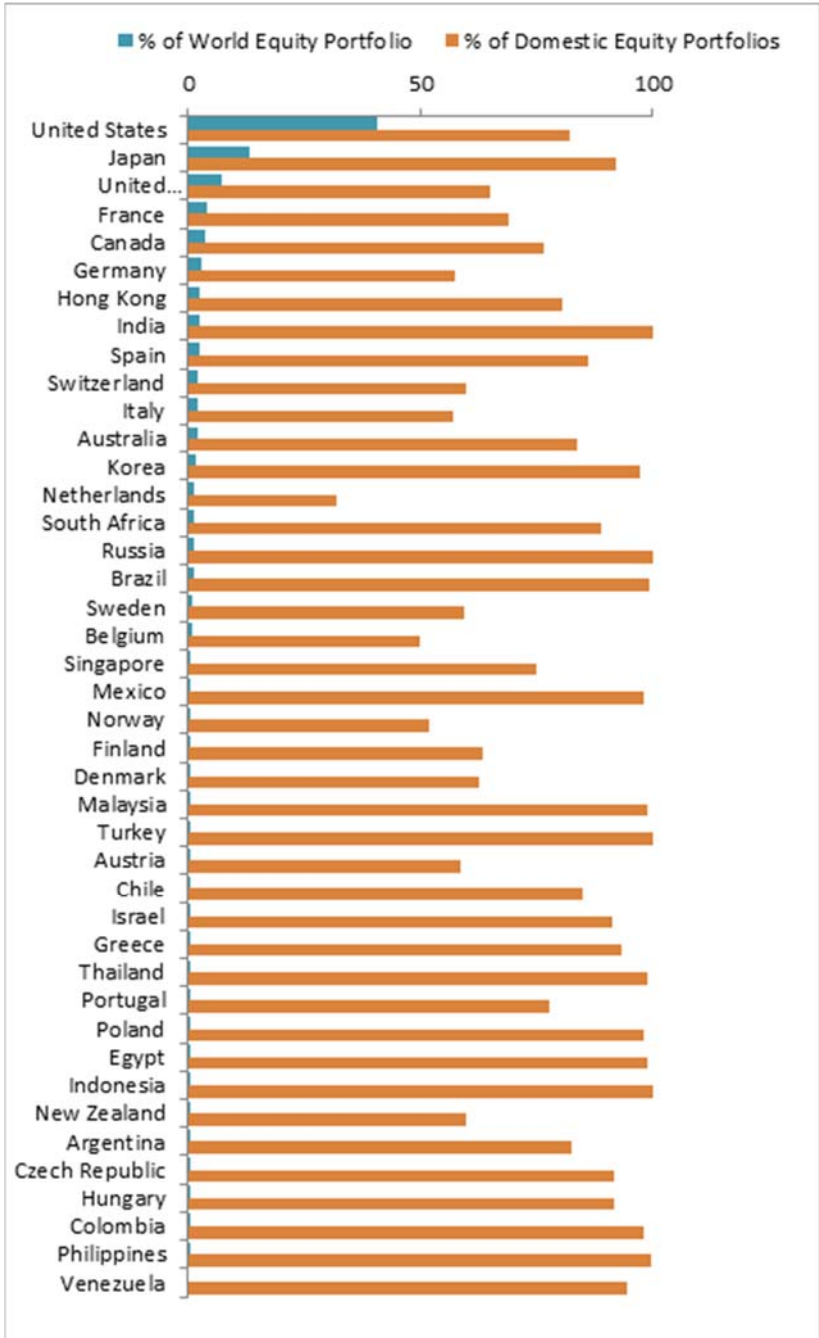
Home Bias



*Morningstar Equity Mutual Fund Assets by Category

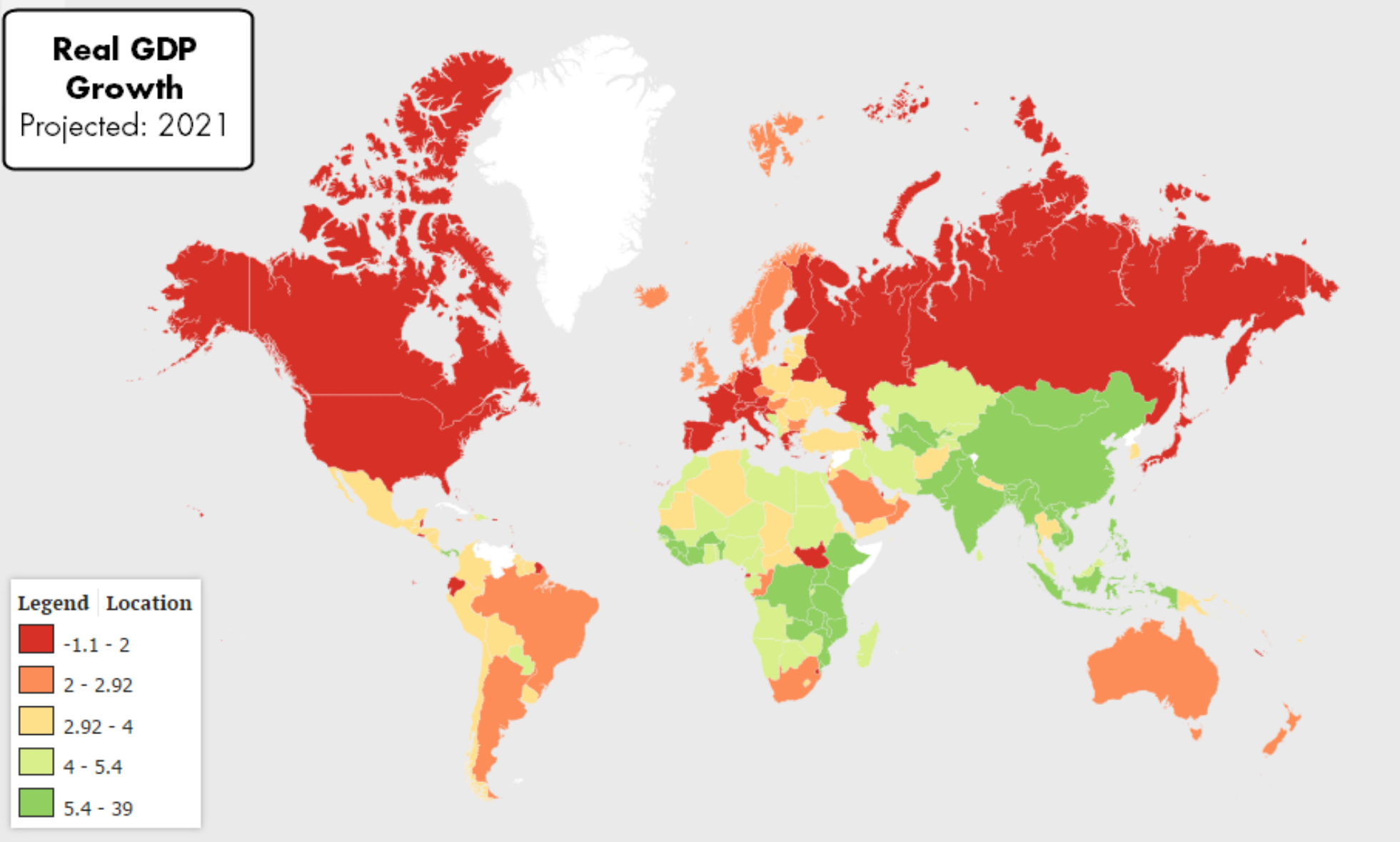
Sources: Oppenheimer Funds: Morningstar, Bloomberg, Typical US Investor portfolio is as of 12/31/15, MSCI ACWI is as of 3/31/16. Does not include target date funds or funds of funds. Global funds are classified as international. Chart is for illustrative purposes only.

Home Bias – Not Just a US Phenomenon



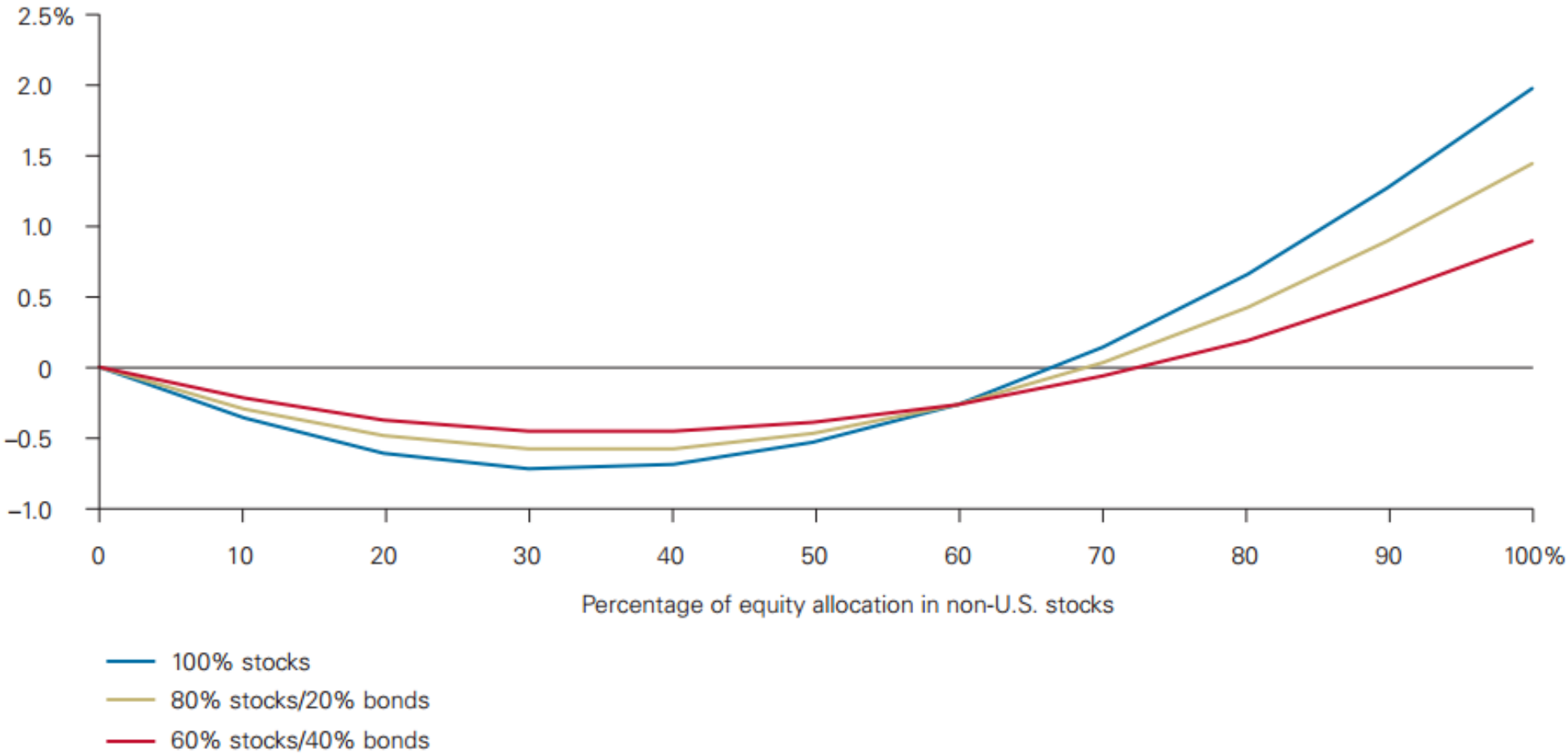
Source: <https://www.betterment.com/resources/investment-strategy/home-bias-sweet-home-bias/>

Objection: “Why Do I Care About Global Markets?”



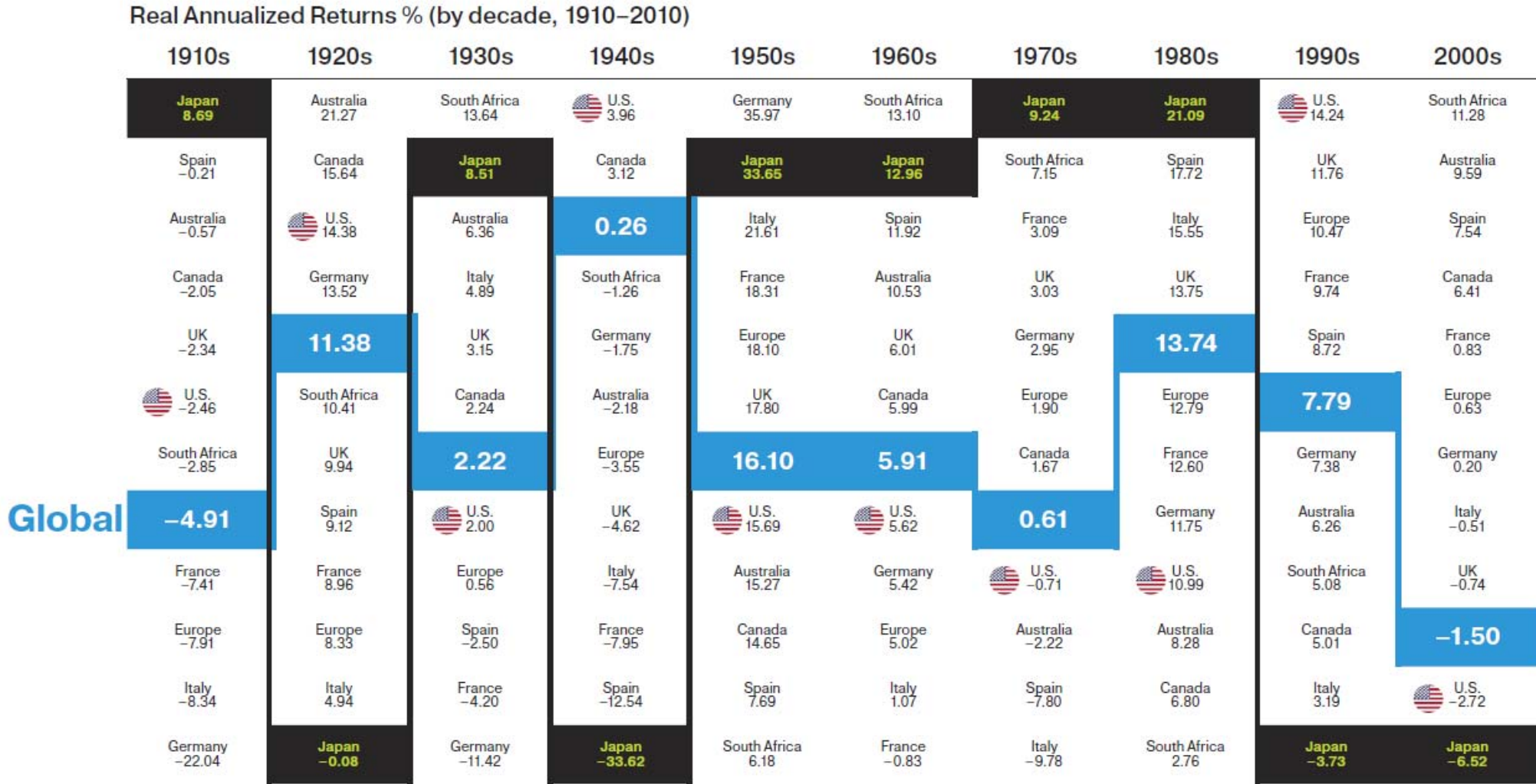
Objection: “Investing in US Stocks is Safer.”

Average annualized change in portfolio volatility when adding non-U.S. stocks to a U.S. portfolio



Source: Vanguard <https://www.vanguard.com/pdf/ISGGEB.pdf>

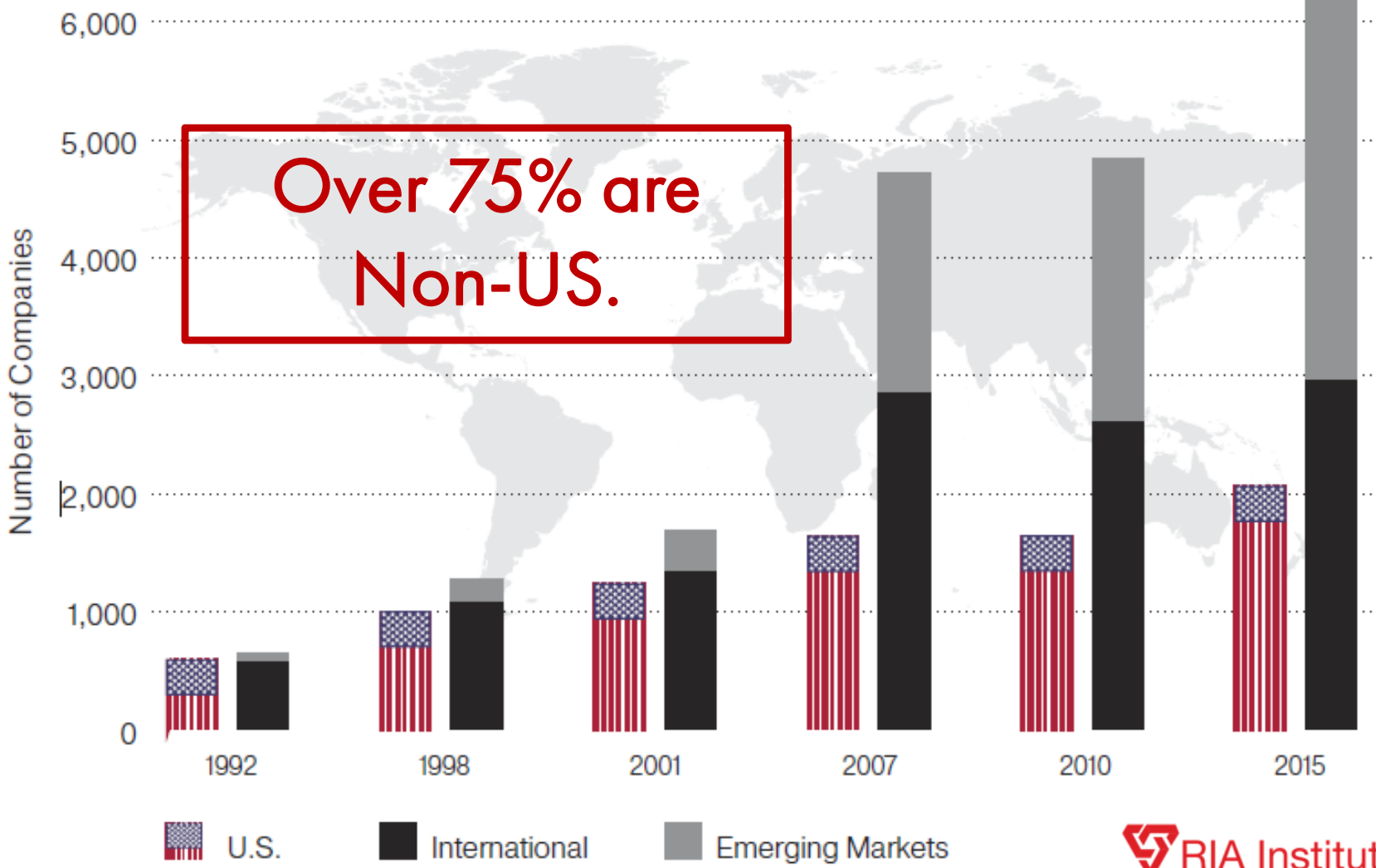
Objection: “US Stocks do Better.”



Sources: Oppenheimer Funds; Sources: Morningstar, Dimon-Marsh-Staunton Global Indices. Study goes through 2010. The DMS Global and Country-Specific Indices measure the long-run performance of stocks in 20 countries and three global regions around the world. Past performance does not guarantee future results.

Objection: "All the Biggest and Best Companies are US."

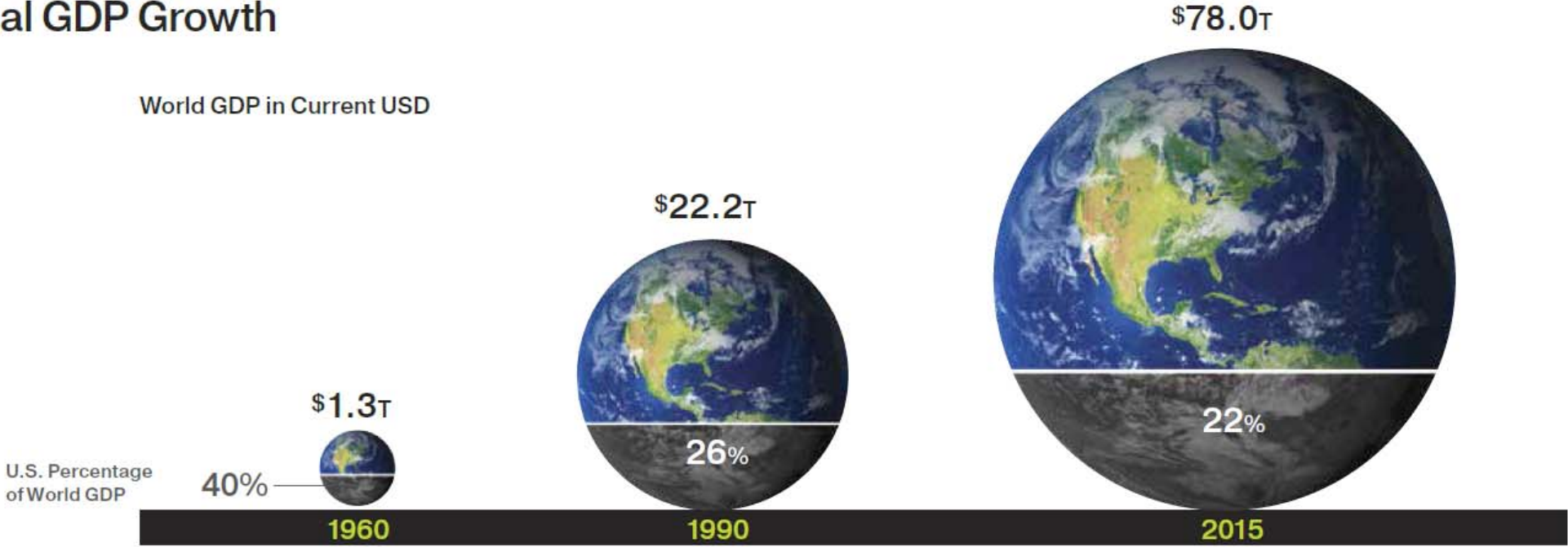
Stocks with a Market Cap Over \$1 Billion



Sources: Oppenheimer Funds; Morningstar, Bloomberg, 12/31/15. Chart is for illustrative purposes only.

Objections: “The US Economy Is What Matters”

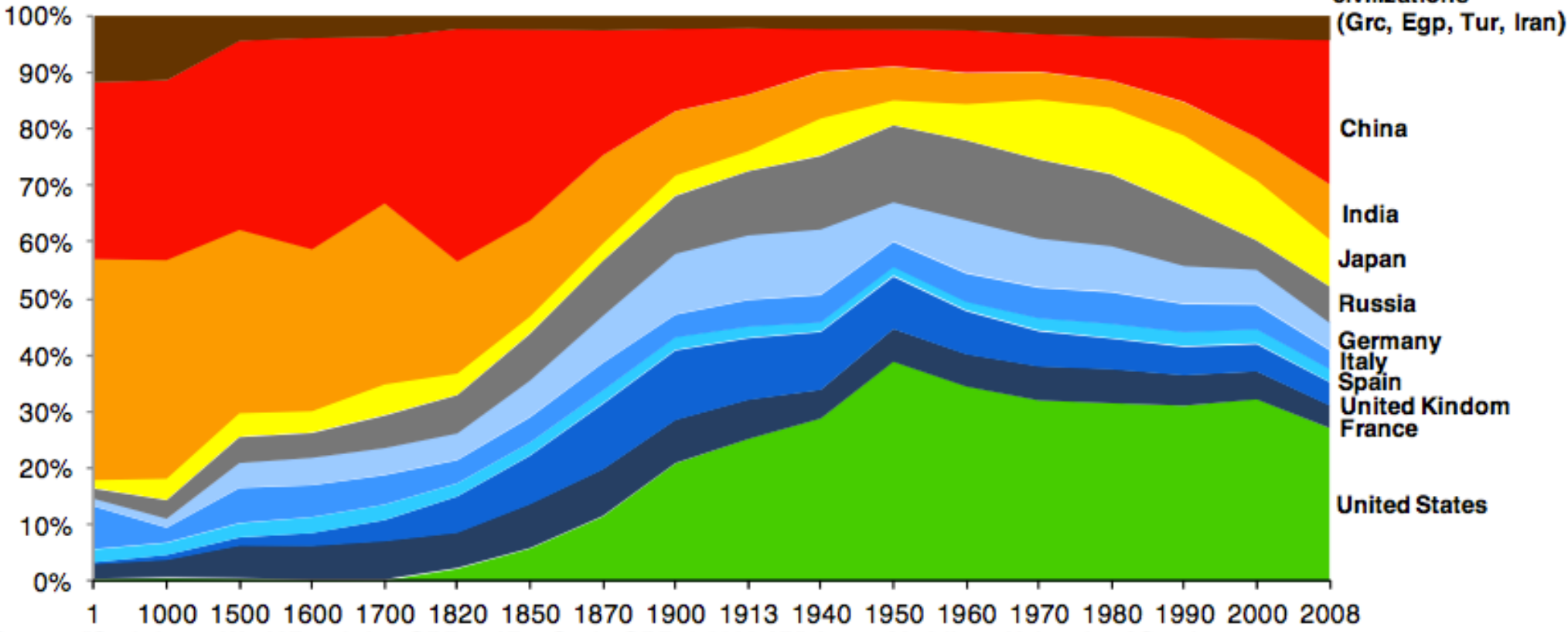
Global GDP Growth



Objections: “The US Economy Is What Matters” - Continued

Economic history of China and other major powers

Share of world GDP



Source: "Statistics on World Population, GDP and Per Capita GDP, 1-2008 AD", Angus Maddison, University of Groningen.



Made In The USA – Really?

Ford F150 Truck – the #1 Vehicle in the USA in 2015.



**Percentage made in the USA?
Only 60%**



Made In The USA – Really?

Toyota Prius- the #1 selling Hybrid in the USA.



Percentage made in the USA?

0%

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Made In The USA – Really?

Rawlings Baseballs



**Percentage made in the USA?
100% US materials, but handmade
in Costa Rica.**



Made In The USA – Really?

Radio Flyer Red Wagon



Percentage made in the USA?

0%: made in China



Made In The USA – Really?

Donald Trump’s “Make America Great Again” Hats



Percentage made in the USA?

Trick Question!: 100%



About Angeles Wealth Management

Angeles Wealth Management, LLC was founded to provide wealthy individuals and families with investment advice generally available to large institutional investors.

Angeles Wealth provides personalized discretionary portfolio and wealth management services. Our clients are primarily high net worth individuals, families, trusts, estates, and their related business and philanthropic entities. Angeles Wealth is an SEC-registered investment advisor located in Santa Monica, California.

The Company was founded by Jonathan Foster and Angeles Investment Advisors, LLC (AIA), an SEC-registered investment advisor focused primarily on serving institutional investors. AIA is an experienced institutional investment advisor and consultant, representing a variety of corporations, pension funds, endowments, foundations, and operating charities with approximately \$27 billion in total assets. Total includes approximately \$2 billion in discretionary assets and the remainder in non-discretionary advisory assets.



JONATHAN R. FOSTER, President & CEO

Jonathan is responsible for all aspects of the operations of Angeles Wealth. Jonathan has over 25 years of experience in wealth management as an investment manager, client advisor, and in senior management positions.

From 2009 to 2011, prior to co-founding Angeles Wealth, Jonathan was President of two related companies, Carson Wealth Management Group, one of the nation's premier full-service wealth management firms, and Peak Advisor Alliance, the largest independent coaching and consulting service focused on financial advisors. From 2007 to 2009, Jonathan spearheaded a wealth management acquisition and management strategy in partnership with ACI Capital, a NYC private equity company. From 1995 to 2007, Jonathan was the CEO of Howard Capital Management, and upon its acquisition by ETrade Financial in 2005, Jonathan also assumed the role of Head of Wealth Management, and later VP – Head of Advisor M&A and Strategy for ETrade Financial. Jonathan received an MBA in Finance from Northeastern University, and is a member of the Beta Gamma Sigma International Honor Society. He received his BA in Political Science from the University of Pennsylvania, where he was captain of the varsity squash team and an All-American.

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