

It's About Trust, Honesty and Experience

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Disciplined Advisors Group

Wealth manager Gregory Allen doesn't think fortune telling should be part of investment advice. Allen says his guiding principle when advising clients is: You can't predict the future.

It's a refreshingly honest approach to the art of wealth management that Allen says many advisors don't always follow.

"After working 35 years with the big brokerage houses, I learned you have to invest like you don't know what is going to happen," says Allen, founder of Disciplined Advisors Group (DAG), an independent wealth management firm whose partners offer over six decades of combined investment experience.

"We never tell a client that we know something about the market others don't know," Allen says. "Honesty builds trust with clients and, as we believe, it's all about trust."

Allen, a Certified Financial Planner CFP®, founded the Scottsdale-based independent investment management boutique four years ago after a distinguished career as a senior executive at such firms as Banc of America Investment Services, Inc. and Morgan Stanley. He was joined by former colleague Steven Stubbs, who brought 28 years' experience as an advisor and branch manager at Morgan Stanley and Banc of America Investment Services, Inc. Joining DAG this year as a third partner is Zachary Allen, who is expanding the firm by opening a Dallas office. Allen is a lawyer by education, who interned for an estate planning firm in Denver and a major bank trust department while completing his degree in law. For the past five years, Zach has been providing investment advice for clients of Banc of America Investment Services, Inc. and JP Morgan Chase.



Left to right – Partners: Steven Stubbs, Gregory Allen, Zachary Allen

of risks based on the money's purpose. There is no cookie-cutter approach."

Allen and Stubbs say a purpose-based system, combined with a candid belief that markets are inherently unpredictable, is an investment philosophy shaped by the lessons they learned—both good and bad—at the big brokerage firms.

As Allen jokes, "Actually, clients may find us boring. That's because we aren't constantly calling them up and saying you should be doing this or that and trying to sell them proprietary products. But that's how money is made on Wall Street and, yes, many also claim they know what's going to happen. It may often leave clients confused and disappointed."

The DAG approach, based on straight-forward academic theory, may also mean large savings in fees for clients. As Stubbs puts it, "We are honest with clients that there really are only three things we can control: asset allocation, the cost and the emotions. Simply put, we take the time to build a portfolio and we stick with it."



Purpose-Based Asset Allocation

The DAG partners take pride in departing from the traditional template when it comes to asset/risk allocation. They call their strategy Purpose-Based Asset Management. They have found it is the natural tendency of investors to have multiple purposes for their assets, which

allows them to withstand different levels of risk tolerance.

"We have a discussion with the client about allocating dollars for specific life goals," says Stubbs. "There should be different investment strategies for different purposes."

For example, Allen says, some of these purposes may be money for today's cash flow, future retirement, kid's education and for charitable giving.

Allen says purposed-based allocation frees a client from the conventional model that often lumps together an entire portfolio without differentiating asset goals. "Most other planners treat the investor as having only one level of risk, when in fact, they have a variety



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