

THE SUCCESSFUL INVESTOR

A PUBLICATION OF WAYPOINT WEALTH PARTNERS

SUMMER 2009



Waypoint Wealth Partners understands the wealth management needs of executives, business owners and their families. We simplify our clients' lives, save them time and enable smart decisions.

Time is your most precious resource. Let us spend our time putting the pieces of your financial puzzle together. Our fiduciary advisors are supported by a network of experts. Our mission is to serve your every financial need.

We strive to make wealth management convenient and simple while focusing on the needs of executives, business owners and their families.

Our service includes investment consulting, advanced planning, access to a network of experts, fiduciary care and time efficiency. We act as your advisor-in-chief, providing a single point of trusted contact.

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New name, same priorities

You'll notice some new names and colors in this issue of The Successful Investor, but these are just a few signs that our firm is getting stronger and better for our clients.

Runyon & Bowes Wealth Management and Brinton Financial are joining forces to form Waypoint Wealth Partners. The new firm has three equity partners: Chuck Bowes, Annette Brinton and Ed Runyon. We are thrilled to be coming together to provide our clients with the very best advice and counsel available. You can read more about it in our Publisher's Corner on page 2.

We will be fine-tuning our Web site and making some adjustments in the coming

weeks, but the strong customer service and sound financial advice you've come to rely on will not change.

In other exciting news, our firm just received an Award of Excellence for the publication you are holding in your hands: The Successful Investor. This newsletter was stacked up against others across the country and recognized for excellence in graphic design, editorial content and overall communications effectiveness. See page 6 for more information.

As you enjoy the lazy days of summer, know that Waypoint Wealth Partners is working hard to help you meet your financial goals and attain your dreams. ☺



Chuck Bowes, Principal



Annette Brinton, Principal



Ed Runyon, Principal

"We are made wise not by the recollection of our past, but by the responsibility for our future." — George Bernard Shaw

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Waypoint Wealth Partners helps clients stay on course

Runyon & Bowes, Brinton Financial join forces to create stronger, more dynamic firm

New names and faces abound on the cover of this issue of *The Successful Investor*. What the heck is going on?

The simple answer is Runyon & Bowes Wealth Management and Brinton Financial are joining forces to form Waypoint Wealth Partners. The new firm has three equity partners: Chuck Bowes, Annette Brinton and Ed Runyon. We are thrilled to come together to provide our clients with the very best advice and counsel available.

In this column we will explore these questions: What were the motivating factors of the merger? What does this mean for our clients? What is the story behind the name "Waypoint Wealth Partners"?

Thanks to an amazing group of clients, partners and allied professionals, both Runyon & Bowes and Brinton Financial were experiencing solid growth and increased activity amid the unprecedented financial challenges and market volatility of the past two years.

Ed and Chuck built Runyon & Bowes methodically from the ground up, establishing roots in the Bay Area and Orange County. Based on the past few years of steady growth, they understood the benefits that expansion would provide and sought to add a partner with complementary skills and vision.

Meanwhile after working for two of the Bay Area's premier independent advisory firms, Annette launched Brinton Financial

just over a year ago with the intention of finding an ideal partner or small boutique firm to merge with at some point. (Read more about Annette's background in her profile on page 7.) In Annette's words, "I kissed a lot of frogs looking for a good match."

As the two firms grew, they shared an driving passion for better serving clients, and challenging themselves to increase their depth and breadth.

Each knew that the stakes for any new relationship must be grounded in a commitment to integrated planning and investment management services. It is our shared belief that the best way to help clients achieve more

than they ever thought possible is by (a) providing thoughtful, deep, broad planning services; and (b) using the insight and knowledge gained from the planning process to develop, implement and manage a personalized investment portfolio designed to achieve client specific goals.

Underlying this, we share a common vision and goals around organizational structure, a strong commitment to the fiduciary standard and an disciplined investment philosophy.

A little history: Although Annette and Chuck have known each other for years, it was not until serving together on a committee for the FPA NorCal Conference (a premier annual financial planning and investment management gathering in San Francisco) that they began to see the potential benefits of coming together. Ed joined the due diligence process

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and it became clear that both our clients and respective firms would be well served by merging.

So what does this mean to our clients?

First, your relationship with the primary advisor you have always worked with will not change. We will continue to provide the same level of personalized solutions and client service, delivered in the same basic methodology. In fact, on the surface you may not notice much change at all — with the exception of the new name and logo.

However, behind the scenes you will benefit in many ways. There will be more expertise and collaboration on client strategies and investment solutions, and more resources to serve you and your family for many decades to come. The new firm will continue seamlessly on the Runyon & Bowes operational platform.

Gabe Brenner continues to be part of the firm and will be concentrating his efforts on servicing clients who are just beginning their careers. His passion lies in trying to develop a Web-based service offering. Gabe remains a valuable resource for all clients.

Finally, how did we come up with the name Waypoint Wealth Partners?

Well, we wanted to use a real word that expressed our relationship with clients and had not already been used by dozens of firms across the country. This was no easy task! After scouring Latin, Greek and English dictionaries and searching the SEC database for existing firm names, Annette came upon “Waypoint.” We liked the sound of it, but what does it mean?

Those of you who are sailors, pilots or frequent users of GPS systems know that a “waypoint” is a “navigational aid used when charting a course to a distant destination with changing conditions along the way.”


In other words, your waypoints are key intermediate decision points along the path to your ultimate destination. When you reach a waypoint, you reconsider your destination, review the conditions, look at all options, adjust your course and continue on your journey.

This is exactly how we view our relationship with our clients! Your resources and priorities are key variables in developing your financial plan and investment policy statement. Key decisions are made, strategies developed and initial steps taken. And then you invariably reach key milestones, have a change in personal circumstances or modify your goals. In other words, you reach a waypoint.

Then we work together to assess the new situation, review all options and, where appropriate, adjust course. We set off on the next leg of the journey to achieving what is most important to you. Sure enough, we will reach more waypoints along the way. We believe Waypoint Wealth Partners captures the essence of this process and partnership. We hope you agree!

Many of you have already seen various communications and announcements about the new name. More will be coming as we launch our new Web site in the weeks ahead.

Most important, we look forward to working with all of you to fulfill our dream of helping our clients get from where they are to where they want to be in the most comfortable and stress-free manner possible.

As always please feel free to contact us with any questions, comments or ideas. 

A window into Waypoint



Chuck Bowes, CFP®, is responsible for working with clients to fully understand their personal needs and preferences — and developing financial plans to help get them there. Prior to co-founding Runyon & Bowes, Chuck worked with NCR and AT&T, as well as, start-up companies Broadbase Software and KANA. Chuck lives in Oakland with his wife, Susan, and two children, C.J. and Genny.



Annette Brinton, CFP®, is a Certified Public Accountant (CPA) and brings more than 17 years of experience as a finance professional to the clients she serves. She is passionate about helping people gain clarity over their financial situation and managing their wealth to provide for a fulfilling life. Annette worked as a client advisor for Marin Financial Advisors, Mosaic Financial Partners and Ernst & Young. Annette lives in San Francisco with her husband Adrian.



Ed Runyon has been advising Southern California clients for the past 14 years to help protect their assets and reduce risk in today's complicated financial environment. Ed is known for his ability to explain complex concepts in simple easy-to-understand language. He has an extensive background in portfolio management and advance planning strategies. Ed has worked for CPA firm Arthur Andersen, Merrill Lynch and Fidelity Investments. He lives in Orange County with his wife, Lisa, and two children, Rachelle and Blake.

Seeing the world through a unique lens

Scott Crocker calls his latest documentary, "Ghost Bird," a "requiem for certainty." The "Ghost Bird" Web site (<http://ghostbirdmovie.com>), says the cautionary tale about birders, ornithologists and the citizens of Brinkley, Ark. — who are certain they keep seeing a giant woodpecker that's been extinct more than half a century — wades into a murky swamp of belief and obsession.

While true, Scott says the documentary is more about the human relationship with nature and our culpability as a species. He started "Ghost Bird," which took three and half years to complete, just one year after he unexpectedly lost his mother.

"Working on this movie allowed me to explore and consider loss and grief in a personal way," reflects Scott.

The movie had its world premier at Hot Docs, the Canadian International Documentary Festival in late April.

"[A premier] is a nerve-wracking experience, because you don't know how many people will show up and if they'll stay," Scott says.

Apparently he didn't need to worry, since the documentary had two sold-out screenings and received rave reviews.

Next stop for "Ghost Bird" is its U.S. premier at the 12th Annual Maine International Film Festival in July. It will be the first time his family — wife, Jill, daughter Claire, 11, and son Benjamin, 9 — will see his work on the big screen.

"This will be an opportunity for my kids to actually understand what I do," ponders Scott.

Scott and his family live in Berkeley and his children attend international school Ecole Bilingue de Berkeley. Claire, an avid international dancer, and Benjamin, a soccer player and skateboarder, are both fluent in French.

"My wife and I kept thinking we wanted to live abroad for a



Ghost Bird

<http://ghostbirdmovie.com>

"Comic, mesmerizing and deeply poignant...reminiscent of the work of Errol Morris."

— Brian Johnson, MACLEAN'S

"Smart and insightful, expertly interweaving interviews and archive footage in a way that never stops short of being captivating."

— Robert Bell, exclaim!

Photo: Linda Dawn Hammond

year," Scott says. "But we have less incentive because the kids are getting an international experience every day at school."

Scott, who twice lived overseas, understands the value of a global perspective.

He spent a year in Switzerland when he was in seventh grade. He also spent a year abroad while attending Bowdoin College in Brunswick, Maine. He was studying visual anthropology with the clear vision of getting into film.

"I cobbled together an informal education in film through my anthropology degree," Scott says. "I had a very intense experience living abroad."

He studied film, TV and social change while traveling the globe. From London and Rome to India and China, the experience really opened his eyes to the world and, in particular, to film as a cultural medium.

Once he graduated magna cum laude from Bowdoin, he was ready to get his hands dirty and jumped right into filmmaking.

His first film was "Boneshop of the Heart," an exploration of the creative process. After traveling around the American South in an old VW bus, he chose five contemporary southern folk artists to profile for the film. A few years later, he filmed the screwball comedy "The Understudy."

After "The Understudy," Scott took a break from film. He moved to Idaho and worked with his mom and sister to put together a co-housing project. While the project was never completed, Scott appreciated his time away from film. He learned how to farm, cleared his head and, most important, met his wife, Jill, who is an artist, teacher and baker.

"We like to joke that we have an arranged marriage," laughs Scott, referring to the fact that they met through their mothers at a New Year's Eve party.

Arranged or not, this creative couple will continue to explore film, art and the world through very unique lenses. ☺

Book review: 'The Myth of the Rational Market'

More than six years ago, Fortune writer Justin Fox wrote an article titled, "Is the Market Rational?" Much of the article focused on the intellectual rivalry between two Chicago professors — Eugene Fama and Richard Thaler — and Fox made no secret which of the two he found more persuasive.

The next generation of finance professors, he said, were "ripping Fama's teachings to shreds," and market efficiency as an organizing principle was being shouldered aside by "behavioral finance." In this view, irrational investors make judgment errors that produce predictable patterns in stock prices. Fox noted approvingly that the Nobel Prize in economics had been awarded to a Princeton psychology professor for his work on behavioral biases and suggested it was possible for investors with sufficient "contrarian gumption" to outperform the market by exploiting such biases. But he doubted most readers would be successful, due to their own propensity to make mistakes. His conclusion? "That's easy," he wrote. "Buy and hold. Diversify. Put your money in index funds. Pay attention to the one thing you can control — costs — and keep them as low as possible."

Fox has been hard at work since that time; the article has mushroomed into a 328-page book and the title is no longer a question but an assertion: "The Myth of the Rational Market." The book has a wide-ranging survey of the battle of ideas among financial economists over the last century, with an enormous cast of characters.

Fox's breezy style is effective in distilling complicated ideas into digestible portions, and his colorful sketches help maintain our interest in a dry, statistics-laden topic. Social critic Thorstein Veblen, for example, is a "crotchety philanderer." Yale economist Irving Fisher is a prohibitionist and health-food advocate.


Financial economics as a distinct field of inquiry has grown from humble beginnings in the 1950s to a major field of study, and Fox takes the reader on a long journey to find a comprehensive explanation for the mystery of markets and rational behavior. Perhaps too long. One knotty problem leads to another; and even with greatly condensed versions of all the various issues, the progress is slow. Only those with considerable intellectual curiosity are likely to make it

all the way through the discussions of random walks, asset pricing puzzles, expected utility theory, fractals, futures contracts, game theory, organizational behavior, corporate governance, and on and on.

There is so much ground to cover that some intriguing questions are left barely explored. After pointing out the flaws of the efficient market hypothesis using the CAPM model of expected returns, Fox quickly dismisses the alternative Fama/French multifactor approach as "clunky" and moves on. The value premium, in his view, is attributable primarily to investor irrationality. This is certainly one interpretation, but a more nuanced view deserves attention as well. Chicago Ph.D. and hedge fund manager Cliff Asness has pointed out that despite the extensive literature on the issue, an explanation for the value premium remains a "gigantic, subtle, and still unsettled academic debate."

For those hoping to find some concrete suggestions for improving their investment results, the book is apt to be disappointing. Fox finds little evidence of success among professional money managers in exploiting the inefficiencies he believes are so clearly evident. He has some kind words for academics who have set up money management firms to apply research on behavioral biases to generate superior returns, but he cites no evidence of their success, perhaps because their results are generally well explained by the standard asset pricing models he is so quick to condemn.

Fox appears frustrated that the evidence of market irrationality appears so clear but the evidence of investor success in exploiting these mistakes is so thin. His brief message to investors toward the end of the book carries an air of resignation — all the effort devoted to identifying flaws in the rational market model doesn't appear to offer hope of a superior approach.

Bottom line: Ideal way to bone up on financial economics if you want to sound like a know-it-all. But it's unlikely to change anyone's mind with regard to the optimal investment strategy. 

Weston Wellington is a vice president with Dimensional Fund Advisors.

Weston Wellington

Waypoint partners are involved, inspired, on the go

Ed, Chuck and Annette all attended the FPA NorCal Conference at the Palace Hotel in San Francisco May 26-27. They heard from leading experts in the financial industry, discussed topics of current interest and came away with new ideas to incorporate into their growing financial practice.



Annette was program chair for the FPA conference and Chuck served on the speaker committee. The Financial Planning Association® is the leadership and advocacy organization connecting

those who provide, support and benefit from professional financial planning. This committee is tasked with putting together the conference, which hosts more than 600 financial planners at this nationally recognized conference.

Annette was also on the leadership council for the Women's Initiative annual Gala on May 13, where Janet Lamkin of Bank of America was honored for her leadership and commitment to women's issues. Women's Initiative provides an amazing program for high-potential, low-income women to learn how to start a business and break the intergenerational cycle of poverty.

Ed participated in the World Famous Mud Run held at the Camp Pendleton Marine Base in San Diego. The Mud Run is a challenging military-style obstacle course. It includes six mile trail run with hills, tire obstacles, river crossings, sand pits, two five-foot walls with mud on both sides, tunnel crawl, slippery hill climb and a

final 30-foot mud pit. He improved his time from last year and placed 4th out of 86 in his age category.

Chuck and his family participated in the American Cancer Society's Relay for Life in Willow Glen. From his 2-year-old niece to his 60-something-year-old mom, the family gathered from all over California to walk in the sweltering heat for 24 hours in honor of Chuck's dad — Chuck II — and others who have fought against cancer.



Annette has attended several exciting events with exceptional speakers including Bill Gates Sr.; Sonal Shah, White House director of social innovation; Fareed Zakaria, author, journalist and host of CNN GPS; and Daniel Gilbert, Harvard professor and author of "Stumbling on Happiness."



The newsletter you are holding in your hands (or reading online) just received an "Award of Excellence" from APEX: Awards for Publication Excellence. Our newsletter was stacked up against others across the country and chosen as a winner. APEX 2009 awards were based on excellence in graphic design, editorial content and overall communications effectiveness. 3,785 entries were evaluated and 1,158 APEX Awards of Excellence were given in 122 individual categories. —

Fascinating Financial Facts: Economic Cup is Half Full

3/4

A survey of 45 professional forecasters released by the National Association of Business Economists (NABE) on May 27 found almost three-quarters expected the economic downturn to end by the third quarter of this year.

'We averted a very, very serious calamity'

"We now are on a process of slow and gradual repair, both in the financial system and the economy. We averted, I think, a very, very serious calamity."

— Federal Reserve Chairman Ben Bernanke in testimony to Congress on June 10, 2009

0.75%

The International Monetary Fund (IMF) said the U.S. economy will recover more strongly and more quickly, than it previously thought. It now believes that the world's largest economy will grow by 0.75% next year, rather than the 0% it forecast earlier this year.

— BBC, June 15

22,000

Discounter Wal-Mart Stores Inc. says it will add more than 22,000 jobs in its U.S. namesake stores in 2009.

Data from Reuters.com, BBC

S U M M E R 2 0 0 9

World explorer calls San Francisco home

Annette Brinton, principal for Waypoint Wealth Partners, calls San Francisco home.

This certainly says a lot, since she has worked extensively in 22 countries around the globe, lived in Hong Kong and London, and has her roots in Southern California.

Annette was born and raised in Redondo Beach by parents who had recently immigrated to the United States from Denmark.

After a sun-soaked adolescence, she attended UC Santa Barbara where she studied business economics. The spring quarter of her senior year, she landed a job with Ernst & Young.

"The practical side of me went through on-campus interviews," remembers Annette, who is extremely organized. "I decided to take this job and then figure out what I wanted to do when I grew up."

And she did. After four years with Ernst & Young working as a CPA and more than 10 years in corporate finance and operations, she followed her heart into wealth planning.

Annette, a Certified Financial Planner® and Certified Public Accountant, had her own firm, Brinton Financial, prior to forming Waypoint Wealth Partners with Runyon & Bowes. Prior to that, she worked as a client advisor for two Bay Area firms and got her start in wealth management at Mosaic Financial Partners.

"I love what I do now," she says passionately. Annette has been known to pick what she wants to do and go deep. "It's



Coffee or tea: Coffee, Peet's in particular

Morning or night: Night

Favorite vacation spot: Locally, Lake Tahoe. Globally, Capetown, South Africa, and London

Radio stations programmed in car: 88.5 NPR, Live 105, KROQ (in Southern California)

Last book read: "The Ascent of Money: A Financial History of the World" by Niall Ferguson

Annette, her husband Adrian and a group of friends recently trekked 18 miles to Half Dome in Yosemite.

a tremendously rewarding profession and so satisfying to feel that you're really making a difference in people's lives."

She's not just passionate about her professional life but also about giving back to the community.

She is an active member of the Financial Planning Association and strong supporter of Women's Initiative and Junior Achievement.

"It's so incredible to see what people in challenging situations can achieve," says Annette about her work with Women's Initiative.

"Seventy percent of women who start a business with Women's Initiative are still in business after five years and going strong — that's really incredible."

Her latest philanthropic love is Full Circle Fund, which is an engaged philanthropy organization cultivating the next generation of community leaders and driving lasting social change in the Bay Area and beyond.

At a recent retreat for Full Circle, she sat back and realized that she was "surrounded by people who are going to change the world."

Annette's world also includes her husband of eight years, Adrian. Together these two love international travel, cycling, hiking and snowboarding.

"We have really compatible interests," says Annette. They also enjoy entertaining and cooking, a love Annette inherited from her mother, who started a catering business when Annette was 5 years old.

Many a foggy Saturday evenings are spent with friends chopping, chatting and creating a gourmet meal in their large, comfortable kitchen.

And that's just one of the myriad of reasons that she proudly calls San Francisco home. 🍷

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