Scott Brooks Video Transcripts

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SCOTT: So, let's take a look at how your investments performed compared to what we're recommending to you. Take a look at this chart. Here's how you read this chart. See this red line right here? This red line represents the Columbia Select Large Cap. This is one of your investments. The black line is the S&P 500 just to give us some context, and the blue line is what I'm recommending for you guys. These are your new investments, okay? Now, notice when the dot com bubble burst, notice how the red line tanks. See that right there? And it struggles and struggles and struggles and drops again in the housing bubble. You see that right there? And finally, all way over here in 2013, finally, it breaks even again. You see that? And then over here, now we're in 2017, 17 years later this account is worth what, approximately 125,000 or so? But look at this. Had you been invested with that Prime Dividend, as demonstrated here, notice when the dot com bubble burst, what did the blue line do? It at least stayed even, right? It doesn't always have to make money. Sometimes it's okay just not to lose money, right? All right. So, while this is tanking, this is holding its own. It starts to go up. Notice it's got a little dip right there. See that dip? It'll happen. But then off we go to the races. And then see the housing bubble here where the market crashed? Notice it took a dip right there, but it recovers quickly, and it's back off the races again. See it? And off it goes, and here we are 17 years later, we're at about 475,000. Patty, I have a question for you. Given the choice between having 125,000 or 475,000, which would you pick?

PATTY: I think the 447,000.

SCOTT: You think 475,000?

PATTY: Or, the 475,000; sorry.

SCOTT: You'd take 475?

PATTY. 475, yeah.

SCOTT: You would, right? So, you would take the blue line over the red line.

PATTY: Of course.

SCOTT: How about you, Roy?

ROY: Same way, yeah.

SCOTT: You'd take the blue? Let's take look here. Let's keep looking the next thing we want to take look at here, here's Pfizer. And I'm going to run that against the same Prime Dividend. Notice, Pfizer, which is the red, black is the S&P, blue is the Prime Dividend. Pfizer actually beats the blue line for a little while, and then it doesn't. And then it keeps going down, and down, and there's the housing bubble, and down and finally, 11 years later, you're back to even. And it starts making a profit, and here we are 17 years later and you have about 175,000 versus about 475, or, I'm sorry, that's about 575. Given the choice between having 575 or 175 which one would you pick?

ROY:  We'll take the 575.

SCOTT:  You're going to take the blue line?

PATTY:  Me too, blue line; yeah.

SCOTT:  Okay. Let's keep looking. All right. Now here's your Lord Abbett Bond Debenture Fund.  This is one of your conservative funds. So, the red line is the Lord Abbett, the black line is the Barclay Aggregate Bond Index to give us some context, and the blue line is what we're recommending. Notice something here. Both of these accounts had losses here. See that? But the blue line, although it had a loss, didn't have nearly the loss you see here, right? And, here we go, we're taking off. Nine years later, your original 100,000 is worth, what do we want to call that? 180? No, no, no. You're probably right, about 170 versus 240. You see? See the difference?

PATTY:  Oh, yeah.

SCOTT:  Red line, blue line. Patty?

PATTY:  Blue.

SCOTT:  Starting to see a pattern below here, guys?

PATTY:  Uh-huh.

ROY:  Yup.

SCOTT:  Here's the next one. You know, let's make this quick. Red line is Fidelity Advisor Fund, blue line is what we're recommending, black line, S&P 500, okay? Notice, the red line actually beats the blue line for a little while, until it doesn't, and then back off to the races again, and here we are 14 years later your 100,000 is worth, in this one, about 425 versus 675. Red line, blue line, Roy?

ROY:  Blue.

SCOTT:  Let's move through these quickly.  Patty, red line, blue line?

PATTY:  Blue.

SCOTT: Roy, red line, blue line?

ROY: Blue.

SCOTT: Red line, blue line?

ROY: Blue.

PATTY: Patty, red line, blue line?

PATTY: Blue.

SCOTT: Red line, blue line? You see a pattern? There's a red line underneath that black one. It's hard to see there.

PATTY: Oh, wow. Blue.

SCOTT: Blue. Red line, blue line?

ROY & PATTY: Blue.

SCOTT: Do you see the difference here? This is not a little difference. This red line grew to what do you call it, 375, versus a million two?

ROY: Uh-huh.

SCOTT: This isn't a little difference, is it? This is why the rich keep getting richer. Do you see the difference?

PATTY: Uh-huh.

SCOTT: It's not because they have such great returns, it's they don't take the big . . look, there's losses, but see how, that loss, see how quick that is there? See how it goes down and up really quickly? If they're going take a loss, make it a quick loss. Make it a quick loss. Make it a quick loss. Make it a quick loss. This is how you get ahead. So, questions for me?

PATTY: I like the blue line.

ROY: Yes. We need to get going.

SCOTT: All right. So, no questions then?

ROY & PATTY: No.

SCOTT: All right. Well, here we are. We find ourselves at the end of our second meeting. As we a agreed, you need to come to one of three possible conclusions. What conclusion would you guys like to come to?

PATTY: Engage.

ROY: Engage.

SCOTT: Engage?

ROY & PATTY: Uh-huh.

SCOTT:  You like what you see?

PATTY:  Yes, I do.

SCOTT:  Very good. Thank you.