

# Same Principles. Different Purpose.

What's the difference between  
Motley Fool Wealth Management  
and The Motley Fool, LLC? •

▶ Motley Fool Wealth Management is an excellent way to put the principles of Foolish investing to work for your retirement savings or other long-term investment accounts.

We are here to do the heavy-lifting of Foolish stock-picking and asset allocation on behalf of people like you.

It can take a little explaining to really understand the difference between Fool Wealth and The Motley Fool, LLC you know and – we hope – love.

So here's a quick overview...



Motley Fool  
Wealth Management



# The Tale of the Tape

Let's talk about how Fool Wealth might complement your current portfolio of Foolish stocks, or how we might be able to take some of the burden of growing your portfolio off your shoulders.

We offer options and flexibility in this regard. We want you to feel confident about the future and empowered to be in control. Keep the funds you want to self-manage and hire our professional portfolio managers to manage the rest.



<input checked="" type="checkbox"/>	Stock Based Investing	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Buy and Hold Approach	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Business-First Mentality	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Growth Focused	<input checked="" type="checkbox"/>
	Self-Directed Investing	<input checked="" type="checkbox"/>
	Subscription Fee	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Active Management	
<input checked="" type="checkbox"/>	AUM Fee**	
<input checked="" type="checkbox"/>	Fiduciary Duty	
<input checked="" type="checkbox"/>	Asset Allocation	
<input checked="" type="checkbox"/>	Income Planning	
<input checked="" type="checkbox"/>	Retirement Planning	

# What is The Motley Fool, LLC?

Founded in 1993, The Motley Fool, LLC central thesis was that everyday people could become successful investors by using common-sense principles.

Brothers David and Tom Gardner brought this vision to life through their free website and subscription-based newsletter services that offer stock picks and financial education readers can apply to their own investment portfolios.



Tom & David Gardner  
Co-Founders, The Motley Fool

# What is Motley Fool Wealth Management?

Over time, we discovered that a significant number of newsletter subscribers loved The Motley Fool, LLC is stock-focused, business-centered, buy-and-hold investment philosophy, but may not have had the time or dedication needed to apply it to their own retirement accounts or other long-term portfolios.

So in 2014, we created Motley Fool Wealth Management to address this need, offering investors a hands-off way to invest Foolishly for the long haul. With Fool Wealth, busy individuals or families can outsource the work of Foolish stock picking and asset allocation to our team of certified professionals who will manage your IRA, brokerage, or other investment account on your behalf.

Our portfolio managers apply the Foolish investment approach, which seeks to discover and invest in potentially great businesses with possible strong growth prospects, then expect to hold those positions for the long haul. In our opinion these businesses should have well-defined revenue models, distinct competitive advantages, great management teams, strong corporate cultures, and long runways for potential growth.



Nick Crow, CFA  
President,  
Motley Fool Wealth Management

# Our Goal:

## Bring Great Stock Picking Together with Active Portfolio Management

While The Motley Fool, LLC helps everyday investors discover new and unique investing ideas, our goal at Fool Wealth is to build a Personal Portfolio FOR YOU, tailored to your needs and goals, and to manage that portfolio on your behalf. We do the stock picking and the asset allocation. All you need to do is sit back and relax.

We create your Personal Portfolio using a combination of our proprietary Fool Wealth Portfolio Strategies, which consist of carefully selected stocks that meet our strict criteria, and that we believe have the best chance of fulfilling our investing charter for each strategy.\*

There are seven Portfolio Strategies that offer the building blocks of a holistic, diversified portfolio...

- Large Cap Core
- Large Cap Aggressive Growth
- Hedged Equity
- Fixed Income
- International
- U.S. Small & Mid Cap
- and U.S. Large Cap Dividend

We use these strategies to assemble a portfolio that aims to achieve your financial goals.

Motley Fool Wealth Management ("MFWM") is a registered investment advisor regulated by the SEC and committed to a fiduciary standard. That means we are legally bound to put our clients' interests first. Always.

This is a commitment we take very seriously, and it's why you won't see many of the more speculative investment ideas from The Motley Fool, LLC included in MFWM's proprietary strategies.

The Motley Fool, LLC newsletter's job, on the other hand, is to present new investment ideas on a regular basis; it's up to individual subscribers to determine whether to act on those ideas and how they might fit into their own portfolio.

In this situation it would be up to YOU, the individual investor, to determine the following...

- What new stocks to add to your portfolio
- Which existing positions should be augmented
- What stocks to sell if they've fallen short of an investing thesis
- What stocks to sell to raise cash with which to add a new company
- When it's to your advantage to rebalance your positions

**When you work with Fool Wealth, we make these decisions for you, so ideally, you have a bit more time to do the things you've always wanted to do.** Whether that's paragliding off the coast of Portugal, focusing on your work, or just enjoying coffee with friends.



# Our Responsibility: Construct a Portfolio Designed to Work Toward your Long-term Goals

It's not uncommon for clients to call our team to ask about a specific stock that's been recommended by one of our newsletters. Usually, it's a big winner they believe our team has missed out on. While we're always excited to reference the research included in The Motley Fool, LLC newsletters, we don't take every recommendation. Risk and reward tend to be inversely proportional, after all, and while in hindsight it's easy to feel like we've overlooked a potential market-beater, it's more likely that our team felt the stock was too risky at the time.

As an investing newsletter, The Motley Fool, LLC does not have to be responsible for the level of risk you take on in your portfolio. They provide stock ideas for you to assess, and you determine for yourself whether it's appropriate for your overall portfolio. But at Motley Fool Wealth Management, your risk profile is a major factor.

Our responsibility is to use our experience and best judgment to make great stock picks, yes, but also to layer them into a portfolio that's aimed at generating long-term wealth while striving to minimize against volatility.

Now, if you're someone who likes taking big swings on stocks with lots of potential, there's no reason why you can't continue to manage a portion of your own assets according to those ambitions. In fact, allowing Fool Wealth to manage the portion of your wealth you feel you really need for long term goals like retirement income may free you up to focus on the kind of stock investing you really enjoy.



# What's the Bottom Line?

While many people love the investing advice The Motley Fool, LLC offers, most people may not be comfortable managing the entirety of their wealth using the newsletter's advice. When it comes to saving for retirement or other important long-term goals, having a wealth manager whose strategic planning and decision-making you trust can potentially be great not just for your financial health, but for your mental well-being too!

There is also a contingent of our clients who continue subscribing to certain The Motley Fool, LLC newsletters, managing a select portion of their wealth outside of Fool Wealth's services. This "best of both worlds" approach works well for clients who enjoy investing a portion of their portfolio themselves, but don't want the full workload of managing all of their assets themselves.

Talk to our team, and let's find the approach that works best for you!

[support@foolwealth.com](mailto:support@foolwealth.com)



## Common Questions from Prospective Clients

Do MFWM portfolio strategies include stocks recommended by The Motley Fool, LLC?

● **SOMETIMES.** *(While we're always excited to reference The Motley Fool, LLC newsletters, and our holdings often overlap with their recommendations, our research and analysis is done independently and all buying and selling decision are made by our in-house portfolio managers.)*

Will MFWM go through newsletters with me and invest in the stocks I like?

● **NO.** *(We will only invest in those stocks that we believe may be appropriate to your time horizon and risk profile.)*

Can I continue managing some assets on my own using advice from The Motley Fool, LLC newsletters?

● **ABSOLUTELY.** *(And many of our clients do!)*

\*We tailor our asset allocation recommendations for each client. However, our selection of individual securities is not personally tailored to client accounts. Rather, the individual securities purchased and sold for client accounts are based upon and track the holdings in our Model Portfolios which correspond to each strategy.

\*\*In addition to our AUM fee, clients pay transaction fees (e.g., brokerage commissions and may pay to their custodian account fees and other miscellaneous charges. Client Personal Portfolios may invest in ETFs which are subject to separate fees and expenses that are passed along to clients. Depending on the strategy, these underlying fund fees and expenses may be significant. However, our focus on direct equity investments (whenever possible can significantly reduce the impact of underlying fund fees and expenses.

This message is provided for informational purposes only, reflects our general views on investing and should not be relied upon as recommendations or financial planning advice. We encourage you to seek personalized advice from qualified professionals, including (without limitation tax professionals, regarding all personal finance issues. While we can counsel on tax efficiency and general tax considerations, MFWM does not (and is not permitted to provide tax or legal advice. Clients who need such advice should consult tax and legal professionals. This article may not be relied upon as personalized financial planning or tax advice.

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MFWM, an affiliate of The Motley Fool, LLC ("TMF", is an investment adviser registered with the U.S. Securities and Exchange Commission. MFWM is a separate entity, and all financial planning and investment advisory services are provided independently by the certified financial planners and asset managers at MFWM. No TMF analysts are involved in the investment decision-making or daily operations of MFWM. Neither of TMF co-founders, Tom Gardner and David Gardner, nor any other TMF analyst is involved in the investment decision-making or daily operations of Motley Fool Wealth Management.

During discussions with our Certified Financial Planners, they may provide advice with respect to 401(k) and IRA rollovers into accounts that are managed by MFWM. Such recommendations pose potential conflicts of interest in that rolling retirement savings into a MFWM managed account will generate ongoing asset-based fees for MFWM that it would not otherwise receive.



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