

#1 NEW YORK TIMES BESTSELLER

**TONY ROBBINS**

STEP-BY-STEP  
GUIDE TO MONEY  
MASTERY

**“TONY IS A FORCE  
OF NATURE.”**

—JOHN C. BOGLE,  
FOUNDER OF VANGUARD

# UNSHAKEABLE

**YOUR FINANCIAL FREEDOM PLAYBOOK  
CREATING PEACE OF MIND IN A WORLD OF VOLATILITY**

**WITH PETER MALLOUK**

RANKED THE #1 WEALTH ADVISOR IN THE U.S. FOR 3 CONSECUTIVE YEARS BY BARRON'S

## WHAT THE WORLD'S GREATEST FINANCIAL LEADERS ARE SAYING ABOUT TONY ROBBINS . . .

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“It’s rare that an outsider steals the spotlight and becomes a respected voice of impact in the financial industry. Robbins does it again with a new book to prepare us and help us profit from the inevitable crashes and corrections to come.”

—Anthony Scaramucci, founder, SkyBridge Capital; cohost of *Wall Street Week*

“Remarkably, Robbins has produced a book that will appeal to both the beginner and the most sophisticated money jockey overseeing multibillions of dollars in assets. If there were a Pulitzer Prize for investment books, this one would win, hands down.”

—Steve Forbes, publisher of *Forbes* magazine and CEO of Forbes Inc.

“Robbins is the best economic moderator that I’ve ever worked with. His mission to bring insights from the world’s greatest financial minds to the average investor is truly inspiring.”

—Alan Greenspan, former Federal Reserve chairman under four sitting presidents

“Tony came to my office for a 45-minute interview that ended up lasting four hours. It was one of the most wide-ranging and probing interviews I’ve done in my 65-year career in the mutual fund industry. Tony’s energy and passion are contagious and energizing; I knew right away his book would have a huge impact on investors.”

—John C. Bogle, founder, the Vanguard Group, which has over \$3 trillion in assets under management

“In this book, Tony Robbins brings his unique talent for making the complex simple as he distills the concepts of the best investors in the world into practical lessons that will benefit both naïve investors and skilled professionals.”

—Ray Dalio, founder and co–chief investment officer, Bridgewater Associates, and the #1 hedge fund investor in the world “Tony Robbins needs no introduction. He is committed to helping make life better for every investor. Every investor will find this book extremely interesting and illuminating.”

—Carl Icahn, billionaire activist investor

“You can’t meet Tony Robbins and listen to his words without being inspired to act. This book will give you the strategies to create financial freedom for yourself and your family.”

—T. Boone Pickens, founder, chairman, and CEO of BP Capital Management and TBP Investments Management; predicted oil prices accurately 18 out of 21 times on CNBC

“Tony masterfully weaves anecdote and expertise to simplify the process of investing for readers—priming their financial education and helping them effectively plan for their future.”

—Mary Callahan Erdoes, CEO, JPMorgan Asset Management; \$2.4 trillion in assets under management “Tony Robbins is a human locksmith—he knows how to open your mind to larger possibilities. Using his unique insights into human nature, he’s found a way to simplify the strategies of the world’s greatest investors so that anyone can have the financial freedom they deserve.”

—Paul Tudor Jones II, founder, Tudor Investment Corporation, and one of the top ten traders in history

“Robbins’ unrelenting commitment to finding the real answers to financial security and independence, and his passion for bringing the insights of the

ultrawealthy to the average man, is truly inspiring. This book could truly change your life.”

—David Pottruck, former CEO of Charles Schwab Corporation and bestselling author of *Stacking the Deck: How to Lead Breakthrough Change Against Any Odds* “Tony Robbins has influenced millions of people’s lives, including my own. In this book, he offers you insights and strategies from the world’s greatest investors. Don’t miss the opportunity to experience the life-changing value of this book.”

—Kyle Bass, founder of Hayman Capital Management and investor who turned \$30 million into \$2 billion in the middle of the subprime crisis

## WHAT LEADERS FROM OTHER INDUSTRIES ARE SAYING ABOUT TONY ROBBINS . . .

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“He has a great gift. He has the gift to inspire.”

—Bill Clinton, former president of the United States

“Tony’s power is superhuman. . . . He is a catalyst for getting people to change.”

—Oprah Winfrey, Emmy Award–winning media magnate

“We’ve been selected by *Forbes* as the most innovative company in the world for four consecutive years. Our revenues are now over \$7 billion annually. Without access to Tony and his teachings, [Salesforce.com](https://www.salesforce.com) wouldn’t exist today.”

—Marc Benioff, founder, chairman, and CEO of [Salesforce.com](https://www.salesforce.com)

“Tony Robbins’ coaching has made a remarkable difference in my life both on and off the court. He’s helped me discover what I’m really made of, and I’ve taken my tennis game—and my life—to a whole new level!”

—Serena Williams, 22-time Grand Slam tennis champion and Olympic gold medalist

“I was afraid that my success would take something away from my family. Tony was able to turn it around and show me that I’ve helped millions of people. Probably the most intense feelings I’ve ever had.”

—Melissa Etheridge, two-time Grammy Award–winning singer and songwriter

“No matter who you are, no matter how successful, no matter how happy, Tony has something to offer you.”

—Hugh Jackman, Emmy– and Tony Award–winning actor and producer

“If you want to change your state, if you want to change your results, this is where you do it: Tony is the man.”

—Usher, Grammy Award–winning singer, songwriter, entrepreneur

“Tony Robbins is a genius . . . His ability to strategically guide people through any challenge is unparalleled.”

—Steve Wynn, CEO and founder of Wynn Resorts

“What Tony really gave me, a kid sitting on Venice Beach selling T-shirts, was to take risks, take action, and really become something. I’m telling you as someone who has lived with these strategies for 25 years: I’ll come back for more again and again and again.”

—Mark Burnett, five-time Emmy Award–winning television producer

“What does this man have that everyone wants? He is a six-foot-seven phenomenon!”

—Diane Sawyer, former *ABC World News* and *Good Morning America*  
anchor

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# **UNSHAKEABLE**

## **YOUR FINANCIAL FREEDOM PLAYBOOK**

**TONY ROBBINS**  
with **PETER MALLOUK**

**SIMON & SCHUSTER**  
NEW YORK LONDON TORONTO SYDNEY NEW DELHI



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*To those souls who will never settle for less than they can be,  
do, share, and give*

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Waste no more time arguing about what a good man should  
be. Be one.

—MARCUS AURELIUS

Money is only a tool. It will take you wherever you wish,  
but it will not replace you as the driver.

—AYN RAND

# INTRODUCTION

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*Steve Forbes, publisher of Forbes magazine and CEO of Forbes Inc.*

This short, wisdom-rich, and crisply written book couldn't be more timely. Even better, its insights and recommendations are timeless. Investors and, more important, those who currently are not investing should read it and take what it says to heart.

Never have we had such a long bull market that has been accompanied from the beginning by such caution and outright pessimism about the durability of the rise. The stock market never goes in a straight line, up or down, and every dip it has taken since 2009 has been met with wails of woe that we are in for another horrific slide. A result of this aversion to investing is that tens of millions of people who should be in the market, particularly millennials, are not. Tony Robbins aptly points out that regarding the accumulation of assets, especially for retirement, they are making a very costly long-term mistake by staying on the sidelines.

What helps make this volume so credible is that the author is up front in dealing with the pervasive anxieties about our economic future, worries that made the 2016 election cycle so stunning. He acknowledges that, yes, eventually we will experience a real bear market. But the possibility of such an event is no reason for individuals to stay away and simply sit on their hands. Big downturns in the market happen periodically, but the long-term trend of stocks has *always* been upward. By taking to heart the truth that emotions are enemy number one when it comes to investing, individuals can devise strategies that will enable them to outperform the market *and* most professional managers.

Robbins carefully and thoughtfully shows how you can be the master of your investment fate instead of sitting fearfully on the sidelines or getting whipsawed by reacting to market volatility in panicky, damaging ways.

**What should you do when stocks plummet? How can you find opportunity when everyone else sees disaster?** He provides sensible rules that will keep you from making costly mistakes and, even better, explains what actions to take—such as recalibrating your allocation of assets—that can lay the foundation for fulsome future returns.

Enemy number two is fees. Expenses come not only from advertised costs but also from a variety of hidden charges. Thanks to compounding, these outlays over time can literally reduce your nest egg by hundreds of thousands of dollars. Remember that each dollar in expenses means one less dollar that can grow in coming years. This is why you should take a careful look at your 401(k) to discover what exactions might be eating away at it, like termites do with a house. Even index funds can hit you with unnecessary charges. As for a popular investment instrument, annuities, their charges can do to your money what Godzilla did to cities. An informed investor will be a far richer investor.

A lot of regulatory changes are taking place in the world of managing money, most notably from the US Department of Labor (DOL). This book helpfully walks you through these.

Finally, Robbins makes the point that wealth creation is not an end in and of itself but is a crucial aspect of achieving a purposeful life, a truth too often ignored. My grandfather B. C. Forbes, who founded our company just about a century ago, observed in the first issue of the magazine that bears his name that “the purpose of business is to produce happiness, not to pile up money.”

We can hope only that more people, especially the younger ones just starting their working careers, will take Robbins’s investment message to heart: get in!

He’s right. Millennials are making the same mistake a previous generation made decades ago—a generation that was scarred by the catastrophe of the Great Depression. Those folks’ fear of stocks was all too understandable. From 1929 to 1932, the Dow Jones Industrial Average went down what today would be the equivalent of 17,000 points! That’s a plunge of almost 90%. The 1930s was plagued by high unemployment. Then came World War II. No wonder most Americans vowed never to go near a stock.

Yet after WWII, the United States entered a great period of prosperity. Stock prices went up manyfold. Sadly, all too many people stayed out or overinvested in seemingly safe bonds; they could hardly know that the debt



market was starting what turned out to be a 35-year bear market. Investors lost staggering sums to the inflation that pummeled the bonds' principle. These people missed out on a fantastic opportunity to enrich their lives.

So never forget about these two ferocious foes of stock market success: fear and fees.

Will this sage book make Tony Robbins rich? No. All the proceeds are going to Feeding America, which provides free meals to those who need them. In this, Robbins exemplifies a basic truth that is often ignored: commerce and philanthropy are not polar opposites; they are two sides of the same coin. In free markets, you succeed only by providing a product or service that others want—that is, you prosper by meeting the needs and wants of others. Philanthropy is about meeting the needs of others. The skill sets required in each of these spheres may differ, but the fundamental objective is the same. In fact, successful businesspeople often become successful philanthropists. Bill Gates is only one example of many.

Tony Robbins demonstrates that by creating resources, by producing something, you gain the means to help others. His book will be your invaluable guide to enabling you to do the same—and on a scale you may never have thought possible.

## FOREWORD

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*John C. Bogle, founder of Vanguard, which has more than \$3 trillion in assets under management*

As 2016 began, I started my Saturday morning reading the *New York Times* while eating breakfast. After scanning the front page (and pulling out the crossword puzzle for later), I turned my attention to the business section. Displayed prominently at the top of section B1 was Ron Lieber's Your Money column, which featured essential money management strategies written on index cards by six personal finance experts.

Ron's point was to show that effective money management does not need to be complicated, with the key points of managing your money fitting on a single index card. Five out of the six index cards addressed the topic of how to invest your savings, and each gave the same simple advice: invest in index funds.

That message is getting through to investors. In 1975 I created the world's first index mutual fund, and I've been singing its praises ever since. In those early days, I was a lone voice without much of an audience. Today an enormous choir has developed to help me spread the word. Investors are hearing our voices loud and clear, and are voting with their feet—in other words, their dollars.

Since the end of 2007, mutual fund investors have added almost \$1.65 trillion to their holdings of equity index funds while reducing their holdings of actively managed mutual funds by \$750 billion. That swing of \$2.4 trillion in investor preferences over the last nine years is, I believe, unprecedented in the history of the mutual fund industry.

Over the past seven years, Tony Robbins has been on a mission to help the average investor win the game, preach the message of index funds, and tell investors to stop overpaying for underperformance. In his journey, he has spoken to some of the greatest minds in finance. Although I'm not sure

I belong in that category, Tony came to my office at Vanguard to get my thoughts on investing. Let me tell you, Tony is a force of nature! After spending just a few minutes with Tony, I completely understand how he's been able to inspire millions of people all over the world.

We had such a great time speaking with each other that our scheduled 45-minute interview ended up lasting four hours. It was one of the most wide-ranging and probing interviews I've done in my 65-year career in the mutual fund industry. Tony's energy and passion are contagious and energizing; I knew right away his book would have a huge impact on investors.

But even I underestimated just how big an impact Tony would have. His first book on investing, *Money: Master the Game*, has sold over one million copies and spent seven months at the top of the *New York Times* Business Best Sellers list. Now he returns with *Unshakeable*, which is sure to add even more value to readers. *Unshakeable* presents insights from some of the most important figures in the investing world, such as Warren Buffett and Yale endowment fund manager David Swensen. Both Warren and David have said time and again that index funds are the best way for investors to maximize their chances of investment success. This book will help that message reach even more investors.

Index funds are simple. Rather than try to time the market or outguess other professional money managers about the prospects of individual stocks, index funds simply buy and hold all of the stocks in a broad market index such as the S&P 500. Index funds work by paring the costs of investing to the bare-bones minimum. They pay no fees to expensive money managers and have minimal trading costs, as they follow the ultimate buy-and-hold strategy. We can't control what the markets will do, but we can control how much we pay for our investments. Index funds allow you to invest, at minimal cost, in a portfolio diversified to the  $n$ th degree.

Think about it this way: all investors as a group own the market and therefore share the market's gross return (before costs). By simply owning the entire market, index funds also earn the market's return at minimal annual cost: as low as 0.05% of the amount you invest. The rest of the market is active, with investors and money managers furiously trading back and forth with one another, trying to outperform the market. Yet they too, as a group, own the entire market and earn the market's gross return. All of that trading is enormously expensive. The fund managers demand (and

receive) huge fees, while Wall Street takes a cut from all that frenzied trading. These and other hidden fees can easily add up to over 2% each year.

So index fund investors receive the gross market return minus fees as low as 0.05% or less, while active investors as a group will receive the same gross return minus 2% or more. *The gross return of the market minus the cost of investing equals the net return to investors.* This “cost matters hypothesis” is all you need to know to understand the benefits of index investing. Over an investment lifetime, this annual difference really adds up. Most young people just starting their careers will be investing for 60 years or more. **Compounded over that time frame, the high costs of investing can confiscate an astounding 70% of your lifetime returns!**

This cost differential substantially *understates* the costs incurred by so many investors—especially investors in 403(b) and 401(k) retirement plans. As Tony points out in chapter 3, this extra layer of fees (often largely hidden) confiscates an additional staggering proportion of the returns delivered by your funds.

I’m excited to add my small contribution to this book and support Tony in being a voice for good. I’m thrilled to have spent a wonderful afternoon conversing with him. I’m humbled to have the opportunity to spread the gospel of indexing, to help the honest-to-God, down-to-earth human beings who are saving for a secure retirement or for their children’s education.

With flair and depth, Tony covers the history of investment risks and returns, and successful investors should understand this history. That said, history, as the British poet Samuel Taylor Coleridge wrote, is but “a lantern on the stern, which shines only on the waves behind us,” and not on where we are headed. The past is not necessarily prologue to the future.

We live in an uncertain world, and face not only the risks of the known unknowns but also the unknown unknowns: the ones that “we don’t know we don’t know.” Despite these risks, if we are to have any chance for meeting our long-term financial goals, invest we must. Otherwise we’re certain to fall short. But we don’t have to put up 100% of the capital and take 100% of the risk only to receive 30% of the reward (often far less). By buying low-cost, broad-market index funds (and holding them “forever”), you can guarantee that you will receive your fair share of whatever returns the financial markets provide over the long term.