5 Investing Truths Every Investor Must Know

1. **Very few mutual fund managers can outperform the market over the long run**. Often times, higher expenses and high turnover costs result in reduced performance of funds managed by the "experts".
2. **Global diversification is important.** "Home country bias" often results in portfolios that are too heavily-weighted in the US. Adding international and emerging markets equities and fixed income will enhance diversification and will have the potential to lower risk and lead to better results.
3. **Fees matter**. There is a direct correlation between fund fees and performance. Historically, the low-expense funds have performed better than their more expensive peers.
4. **The "experts" are often wrong.** When reading an article or viewing television, you should always:
    - Consider the speaker's agenda. Are they selling a book? Promoting their firm?
    - Listen for *data* to substantiate their predictions. Anecdotal evidence does not count. For a good read on why many predictions fail and some do not, check out The Signal and the Noise, by Nate Silver.
5. **If you see an ad for an investment on television, think twice!** Often times, television commercials are aimed at uninformed investors and use fear and greed to call investors to action.

You deserve an advisor who makes decisions with you, not for you. To meet us in person, please click here.

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