TIMONIER

Wealth Beyond Financial™

From the Engine Room

1st Quarter 2019

Quarterly Market Review

First Quarter 2019

This report features world capital market performance and a timeline of events for the past quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the impact of globally diversified portfolios and features a quarterly topic.

"The best way to predict the future... is to create it!"

Overview:

Danger: The Flood of Information

"Having access to information doesn't necessarily correlate into the wisdom of knowing what to do with it!"
Tim L. Baker, CIMA

As communication technologies advance, barriers to receive information diminish. Prior to Guttenberg's printing press, books had to be hand-copied by scribes, making their publication extraordinarily expensive and time consuming by modern standards. In the recent past, the expansion of radio and television content consumption have resulted in "twice per hour" news radio broadcasts turning into 24-hour news television programming. And the internet's explosion has disrupted traditional information consumption exponentially. Unfortunately, while technologies advance, human behavior is slow to adapt; leaving normal people subjected to previously unknown dangers and new scams.

Advancements in the mediums of communication can bring about changes to the complimentary sides of the communication process, the speaker and the consumer. On the speaker's side, the advancements tend to increase the number of speakers, in large part due to the decreased costs of messaging. Thinking back to Guttenberg's day, a publisher would have to enlist an army of scribes for a few copies of a manuscript to be available to more than one recipient, whereas following the printing press's introduction, hundreds of copies of that same manuscript could be produced by a single squad of laborers. On the consumer's side, not only is information now available on more mediums, but the time at which that information becomes available has contracted from days or hours to seconds (thanks Twitter!). Where information filters of the past had time as an ally, time (or the lack thereof) is now a foe; in many instances incorrect or misleading information has propagated before our traditional information filters are able to warn us.

The amount and speed at which information is available to us is a new phenomenon. For most of known human history, a grandparent would generally be safe in assuming that their grandchild's lifestyle and information consumption would not be too dissimilar from their traditional modes. Agrarian families and communities would generally pass information down the lines, with the occasional traveler coming by to introduce new concepts or ideas. But in modern times, that grandparent's assumption is not so safe; think about how prevalent the thought was 60 years ago that every single person (essentially) would have a computer in their pocket more powerful than the systems that took Apollo 11 to the moon. And that the miniature computer would enable immediate sharing of information to tens of millions of people with little more than a few finger-taps.

When we think of these advancements, there are two concepts (related to each other) that we find fascinating; information overload and information management. By information overload, we are referring to the way people respond when bombarded

with more information than they are able to process or filter appropriately. By information management, we are referring to the methods and processes in which information is sorted and presented, in a good faith effort to enable the consumer to understand what is being conveyed.

One emerging area of neuroscience and psychology is the effects of information overload, both on a physiological and behavioral level (which we will focus more on in this writing). David Shenk, in *Data Smog*, notes that "the glut of information no longer adds to our quality of life, but instead begins to cultivate stress, confusion, and even ignorance." As many psychologists and behavioral researchers have noted, "ignorance" usually is not displayed as a lack of knowing or having the ability to know. Rather, ignorance generally shows itself as a more passive form, an apathy and desensitization to the world. The result of this is a type of paralysis, an inability (or unwillingness) to make good and rational decisions.

Take a look at some recent financial market headlines: "*Stocks are rallying before fresh trade war talks between the US and China kick off*;" "*Don't believe the bounce, stocks are heading back to December lows, strategist says*;" "*Most stocks are up, and yet some worry*;" and more headlines from strategists, researchers, analysists, fund managers, and the like talking about how stocks and the economy are going up, going down, going sideways, how things are great, things are terrible, things don't matter, etc. The above are taken from a wide array of information sources, such as CNBC, The Wall Street Journal, Bloomberg, and others. One is left wondering if the primary motivation of the various speakers and/or mediums is providing information, selling a financial product, or simply just capturing attention (perhaps to drive unique visitor numbers and be able to capture ad revenue). And these are generally the types of sources who display at least some desire to be an information filter. You could only imagine the types of information one sees from sources with more hidden and nefarious motivations, such as trying to sell its readers on precious metals, alternative currencies, or "safe" investments when the whole world economy collapses.

We are not saying that all of the above are part of some plan or conspiracy to mis-inform people, although there surely are outlets and speakers who clearly view dis-information as a pleasant side effect, if not the main goal. Rather, what we are saying is that the conglomeration of the number of speakers, the frequency of messages, the lack of barriers in nearly-free publications all result in an ocean of information that can only be navigated successfully with a knowledgeable crew working toward a clear purpose.

In <u>The Signal and The Noise</u>, Nate Silver makes a persuasive case that more information hinders good decision-making more than it helps it. Before computers, when financial reports and summaries had to be prepared by scriveners and laborers, it was financially beneficial for those summaries and reports to be short and concise;

to have and use the data in a clear and direct way. In the world of excel and computer-based algorithms, the volume of data has become the goal. Yes, more unique data sets certainly allows for more charts and more analysis of factors and markers and relationships, and clearly at least some of these new possibilities can be helpful and provide insight. But when a financial report or summary goes from 3 pages to 150 pages, is more information really helpful, or does it result in many mixed messages and confusion? Now imagine how helpful the reports would be if you had to read, understand, and act on them not as your primary job, but rather in your extra time when not working, sleeping, spending time with family, enjoying hobbies, etc. The people who purposefully and intentionally engage trustworthy information filters are poised to be able to navigate the onslaught.

Just as information communication has changed over time, information management has had to change as well. Table of contents were never a tool before the printing press; they were developed shortly after the printing press's adoption as a tool to help people (who then had many book choices to choose from) to know what books contained discussions they were interested in and which didn't. Indexes containing page numbers didn't exist until the printing press created exact and constant pagination. Similarly, early web browsers gained the traction they did because of the way they were able to organize a user's requested search to create a list of web pages that may be helpful or relevant. Imagine how helpful the internet would be as a communication medium if web browsers with search functions didn't exist.

How helpful an information management system is depends on its purpose and the user's knowledge. Some system's sole purpose is volume (think Google and other similar web browsers); they are designed to provide as many options as possible, indexing results based on keyword analysis rather than substantive content. Other systems operate as a gatekeeper; designed to filter helpful and relevant information from the universe of relevant possibilities, i.e., separating the signal from the noise.

What does this discussion have to do with wealth management? The answer depends on how important it is to you to make good, rational decisions. Reading every analysis and prediction from every major market-oriented news site (and maybe even a couple of perceived diamond-in-the-rough lesser known sites) certainly provides a great deal of information, perhaps even an overload of it, but do they help navigate the waters of financial well-being? Are they helping separate, as Nate Silver would say, the signal from all the background noise?

We do not believe so. We believe that one of our roles as advisors is acting as a gatekeeper, providing information for each client that satisfies their interests while also helping chart the path from earning to retirement. Through our belief system (i.e., evidence-based investing, long-term allocation strategies, active tax management services), we see the overload, but are able to follow the charted course.

"The urge to save humanity is almost always a false front for the urge to rule."
H. L. Mencken (1880-1956)

We educate on what information is truly relevant to long-term financial well-being, and explain why we are able to discount much of the information which bombards the general public. Most information has a use for somebody, but that doesn't mean it's all useful for you. Somebody trying to time the market or a particular stock will want different information than an advisor helping a client plan for financial security decades in the future.

Making this entire process even more difficult on the average consumer is how unique this period of time is for wealth management. Prior to the greatest generation, the idea of saving for retirement was not something a sizeable portion of our population thought of. Saving was a habit of some, but not for the purpose of providing an income stream for later years in life. And even during the time which people are starting to finally condition themselves to think of saving for retirement, a whole industry has cropped up to try to take advantage of fears and mis-information, a sort of "financial terrorism," of which Tim Baker will have a lot more to say on later this year 😊.

We are mindful of the incentive many have to confuse and mis-inform. We are also mindful of the incentive others have to bombard and de-sensitize. We take seriously our goal of educating clients; to help them view wealth as a tool that can be used to help enhance happiness and enjoyment, rather than succumbing to the belief that the acquisition of wealth, by itself, is the goal. We recognize the ways in which changes in communication technologies have made it easier for bad actors and financial terrorists to influence people to make bad decisions, and we are constantly discovering effective ways to help our clients not give in to the fear, manipulation, and apathy that those actors prey upon.

There is a way to respond to all these new systems and risks in a healthy manner. And that way is to train your brain and personality to consume information without letting it consume you.

Well, I hope you enJOYed the above writing of our own Robert Lack, JD. Robert brings a unique and valuable perspective to our advisory team. I AM in gratitude each day of you allowing Timonier to be a part of your journey. Know that we are accountable as your fiduciaries. We sell *no products*. And our collaborative team of advisors look forward to assisting you in making conscious choices for this one great life you deserve to live. Contact us any time, if we haven't contacted you first.

Namaste'

Tim L. Baker, CIMA, GFS

PS...drink lots of water, eat clean fresh food, and don't forget to pray and meditate!

Market Summary

Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q1 2019	**STOCKS**				**BONDS**	
	14.04%	**10.45%**	**9.92%**	**14.07%**	**2.94%**	**2.96%**
Since Jan. 2001						
Avg. Quarterly Return	2.0%	1.4%	2.9%	2.6%	1.1%	1.1%
Best Quarter	16.8% **2009 Q2**	25.9% **2009 Q2**	34.7% **2009 Q2**	32.3% **2009 Q3**	4.6% **2001 Q3**	4.6% **2008 Q4**
Worst Quarter	-22.8% **2008 Q4**	-21.2% **2008 Q4**	-27.6% **2008 Q4**	-36.1% **2008 Q4**	-3.0% **2016 Q4**	-2.7% **2015 Q2**

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]).

Long-Term Market Summary

Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
	STOCKS				BONDS	
1 Year	8.77%	-3.14%	-7.41%	13.93%	4.48%	5.23%
5 Years	10.36%	2.20%	3.68%	6.63%	2.74%	4.27%
10 Years	16.00%	8.82%	8.94%	14.84%	3.77%	4.29%

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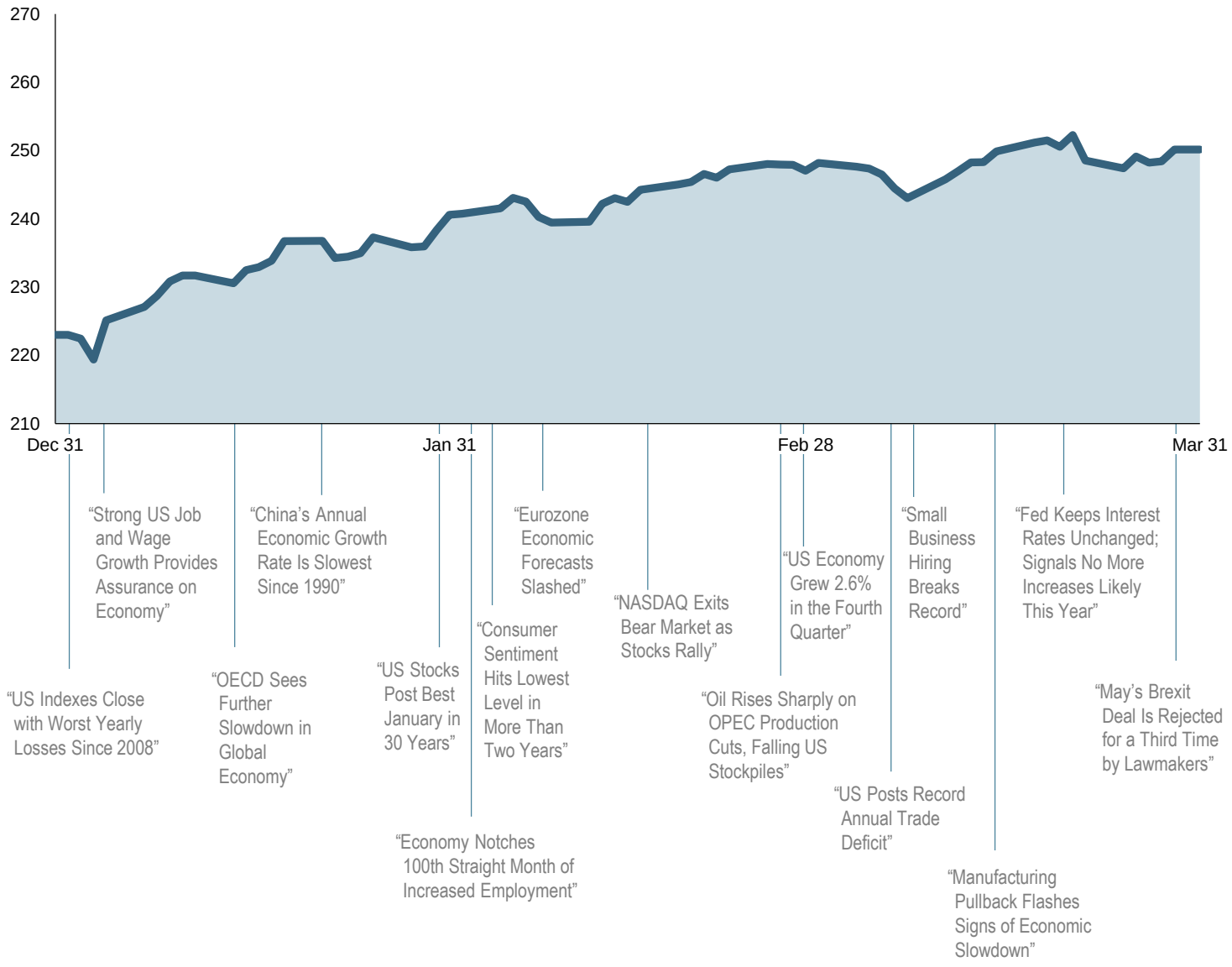
World Stock Market Performance

MSCI All Country World Index with selected headlines from Q1 2019

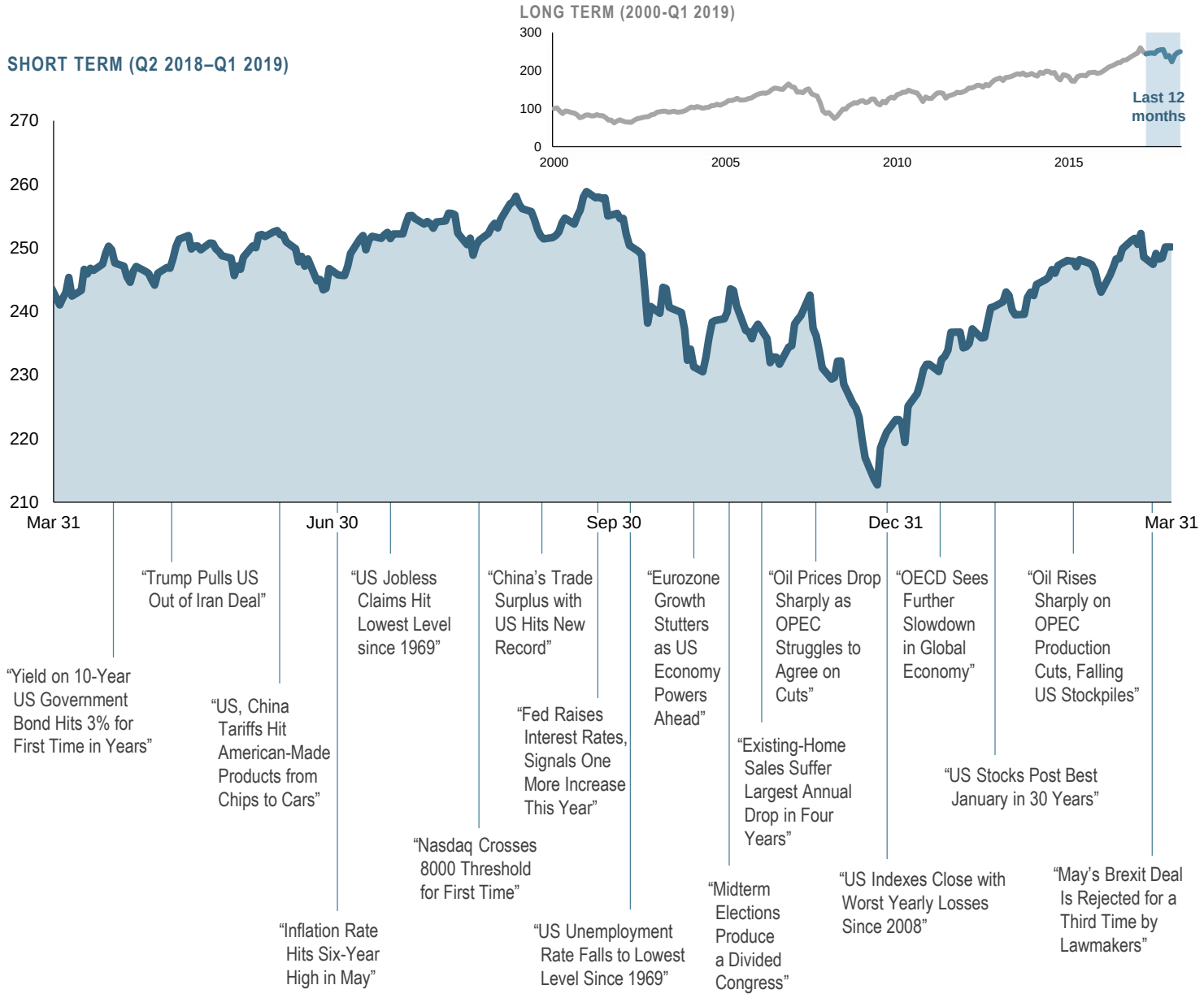


These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.].
It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months



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Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2019, all rights reserved.
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"Bear Market: *An episode during which, common stocks are returned to their rightful owners.*"
Warren Buffett

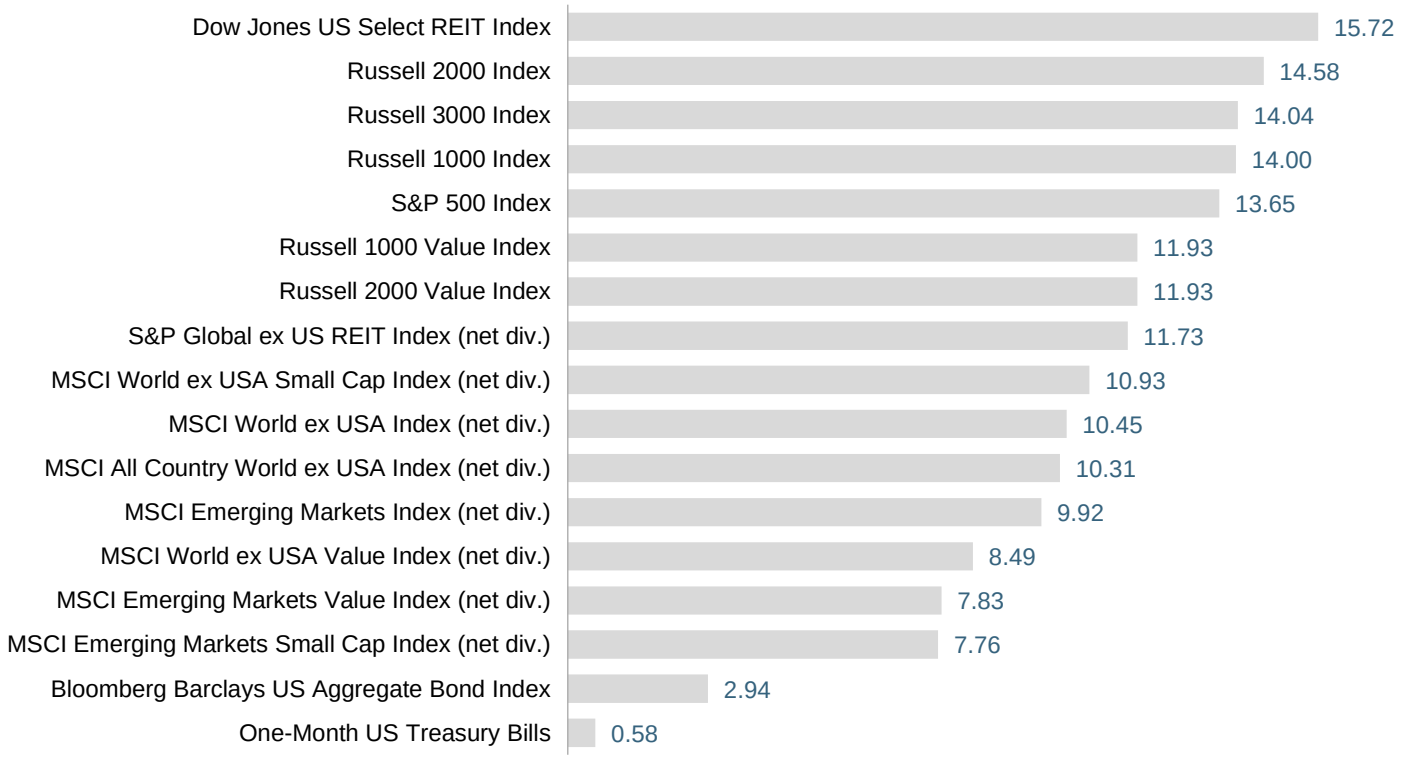
World Asset Classes

First Quarter 2019 Index Returns (%)

Equity markets posted positive returns around the globe in the first quarter. Looking at broad market indices, US equities outperformed non-US developed and emerging markets.

Small caps outperformed large caps in the US and non-US developed markets but underperformed in emerging markets. Value stocks generally underperformed growth stocks in all regions.

REIT indices outperformed equity market indices in both the US and non-US developed markets.



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US Stocks

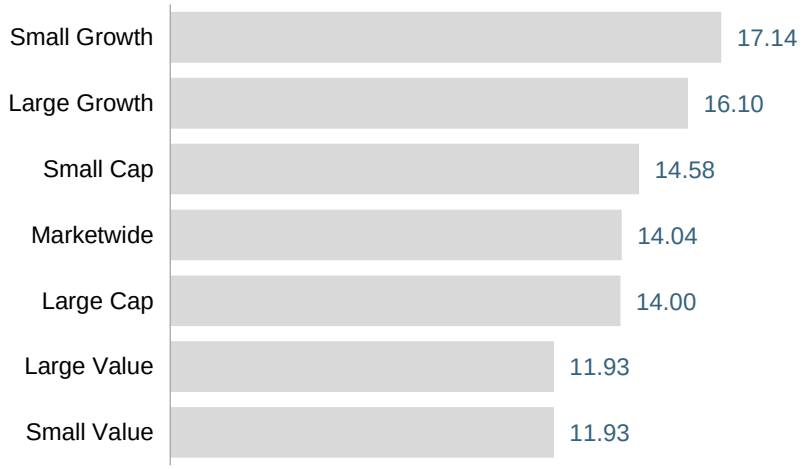
First Quarter 2019 Index Returns

US equities outperformed both non-US developed and emerging markets.

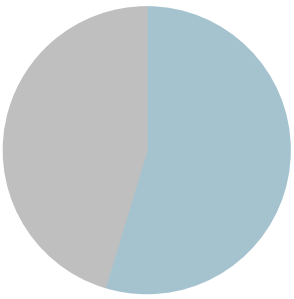
Small caps outperformed large caps in the US.

Value underperformed growth across large and small cap stocks.

Ranked Returns for the Quarter (%)



World Market Capitalization—US



55%

US Market
$28.3 trillion

Period Returns (%)

** Annualized*

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Growth	12.75	16.53	13.50	17.52
Large Cap	9.30	13.52	10.63	16.05
Large Value	5.67	10.45	7.72	14.52
Small Growth	3.85	14.87	8.41	16.52
Small Cap	2.05	12.92	7.05	15.36
Small Value	0.17	10.86	5.59	14.12
Marketwide	8.77	13.48	10.36	16.00

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International Developed Stocks

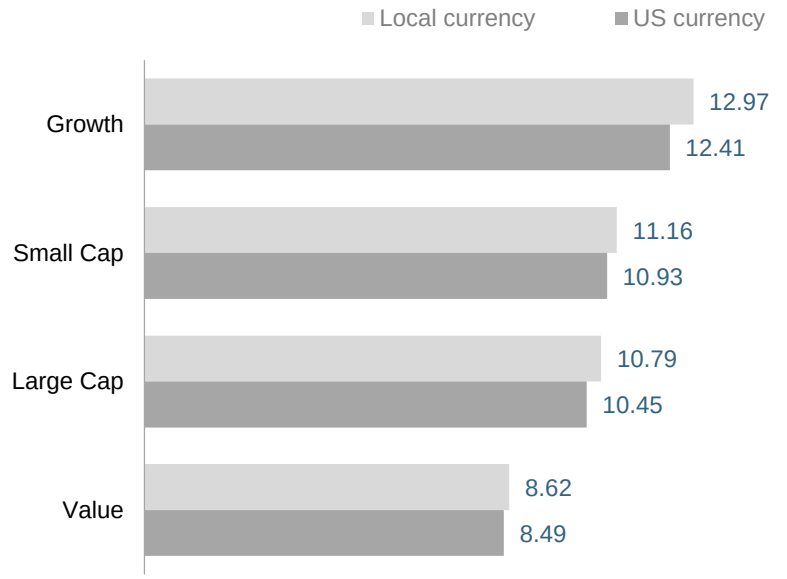
First Quarter 2019 Index Returns

In US dollar terms, developed markets outside the US outperformed emerging markets but underperformed the US equity market during the quarter.

Small caps outperformed large caps in non-US developed markets.

Value underperformed growth across large and small cap stocks.

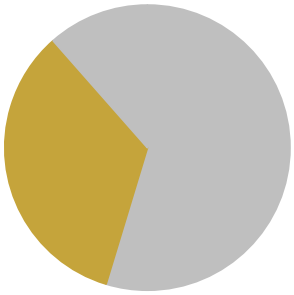
Ranked Returns for the Quarter (%)



World Market Capitalization—International Developed

34%

International Developed Market
$17.5 trillion



Period Returns (%)

** Annualized*

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Growth	-0.82	7.42	3.67	9.35
Large Cap	-3.14	7.29	2.20	8.82
Value	-5.46	7.13	0.68	8.25
Small Cap	-8.66	7.28	3.69	12.25

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Emerging Markets Stocks

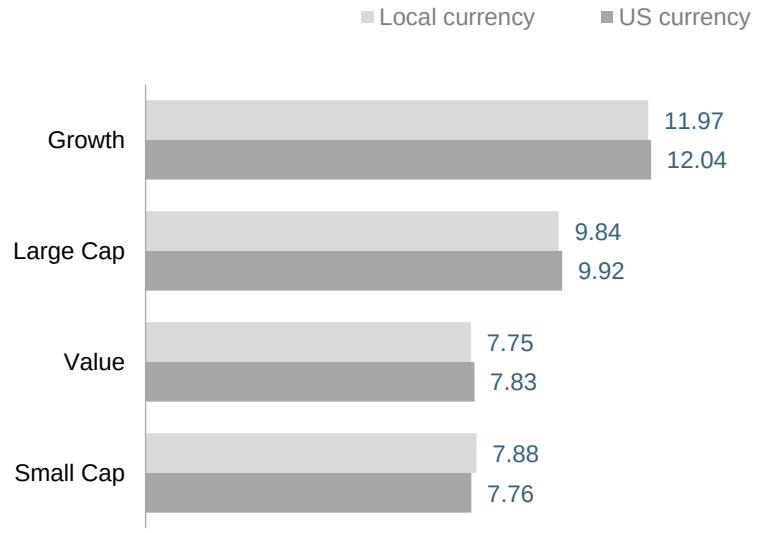
First Quarter 2019 Index Returns

In US dollar terms, emerging markets underperformed developed markets, including the US.

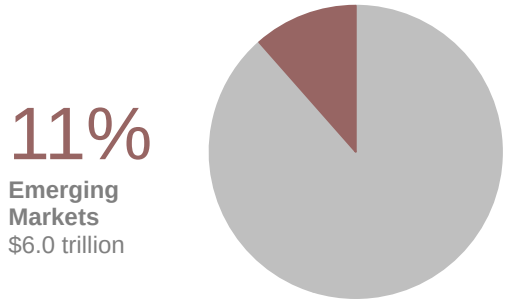
Value outperformed growth across small cap stocks but underperformed in large caps.

Small caps underperformed large caps.

Ranked Returns for the Quarter (%)



World Market Capitalization—Emerging Markets



Period Returns (%)

** Annualized*

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Value	-5.27	9.54	2.21	7.83
Large Cap	-7.41	10.68	3.68	8.94
Growth	-9.52	11.75	5.04	9.98
Small Cap	-12.42	5.95	1.76	10.37

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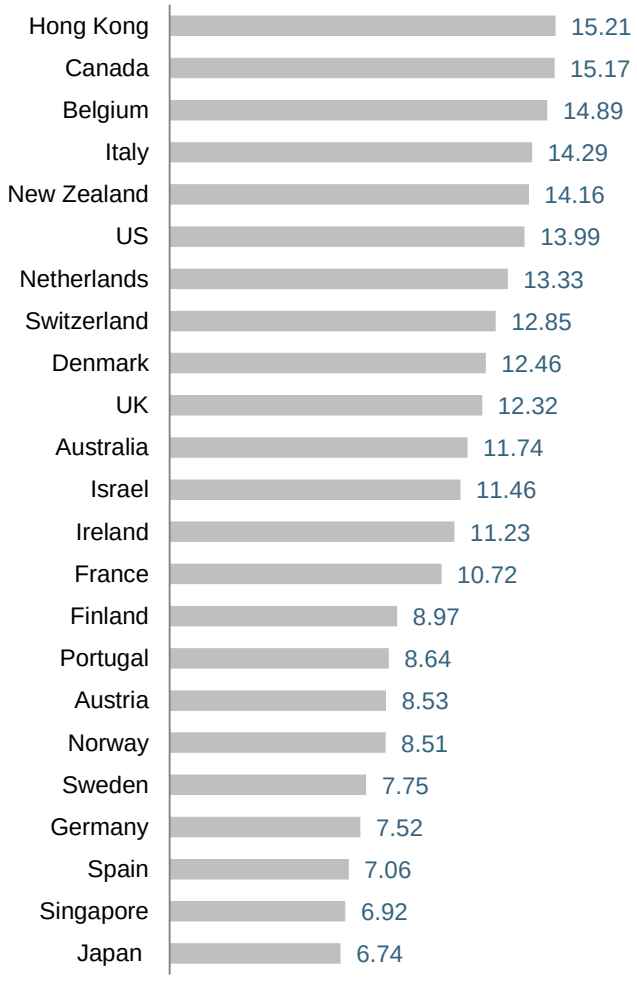
Select Country Performance

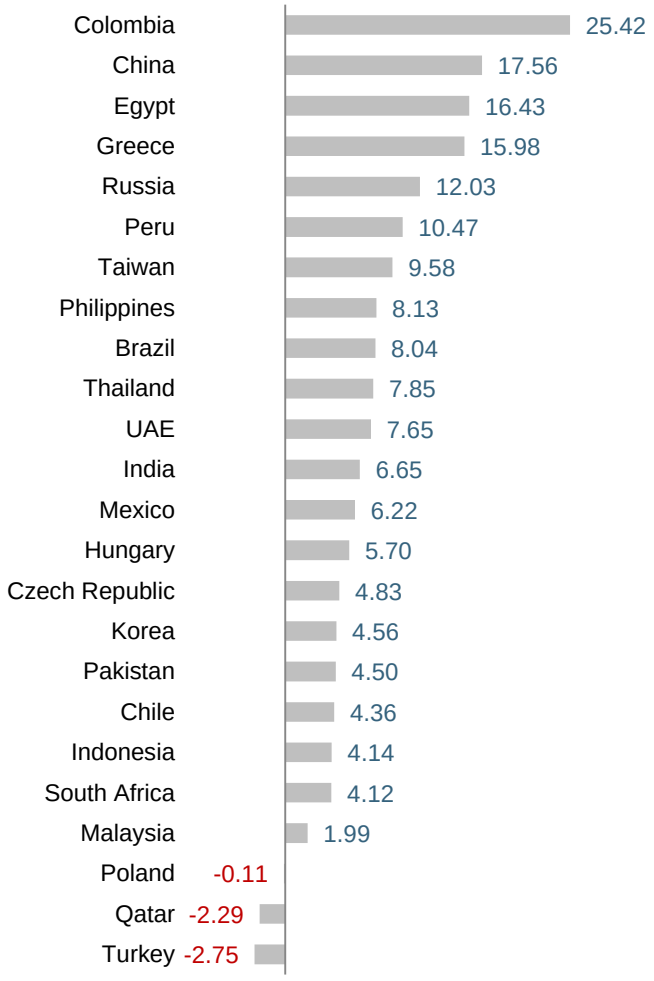
First Quarter 2019 Index Returns

In US dollar terms, Hong Kong and Canada recorded the highest country performance in developed markets, while Japan and Singapore posted the lowest returns for the quarter. In emerging markets, Columbia and China recorded the highest country performance, while Turkey and Qatar posted the lowest performance.

Ranked Developed Markets Returns (%)



Ranked Emerging Markets Returns (%)



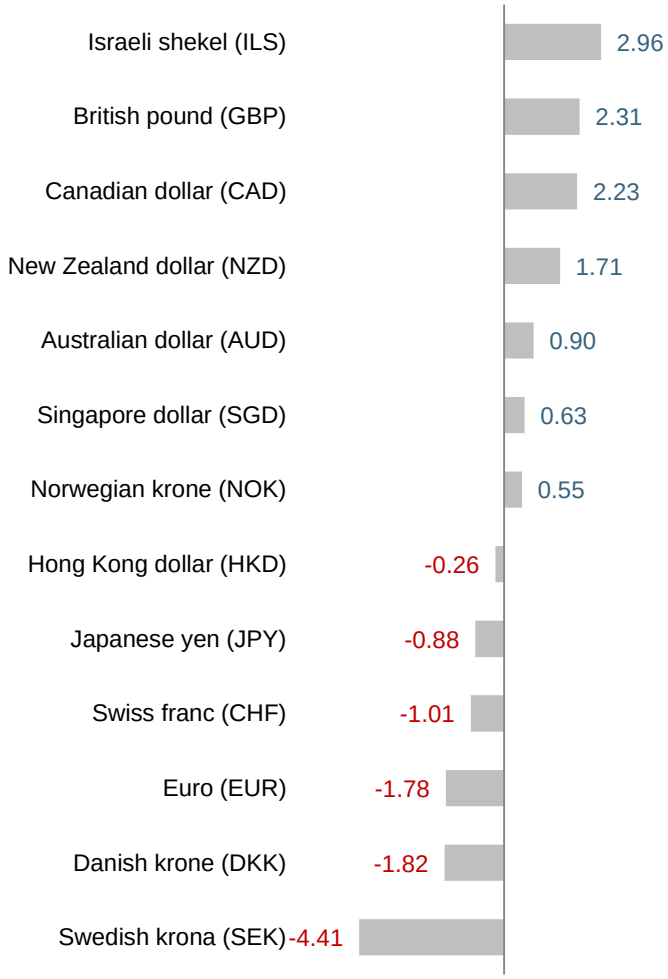
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Country performance based on respective indices in the MSCI World ex US IMI Index (for developed markets), MSCI USA IMI Index (for US), and MSCI Emerging Markets IMI Index. All returns in USD and net of withholding tax on dividends. UAE and Qatar have been reclassified as emerging markets by MSCI, effective May 2014.

Select Currency Performance vs. US Dollar

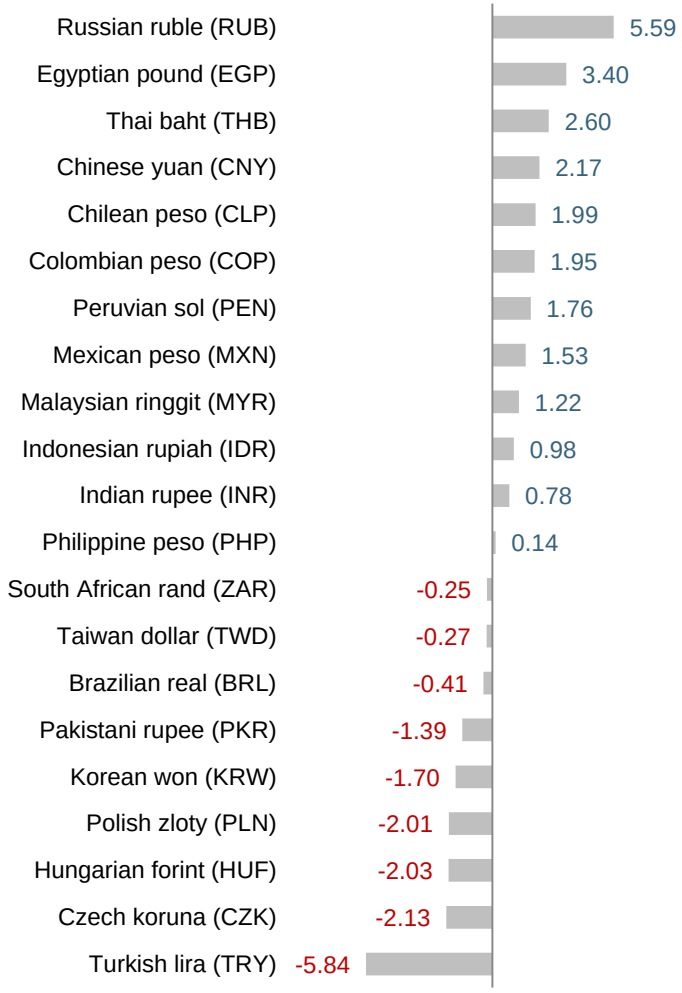
First Quarter 2019

Currencies were mixed against the US dollar in both developed and emerging markets.

Ranked Developed Markets Returns (%)



Ranked Emerging Markets Returns (%)



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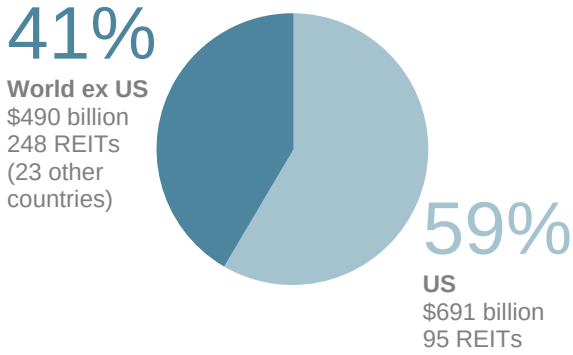
Real Estate Investment Trusts (REITs)

First Quarter 2019 Index Returns

US real estate investment trusts outperformed non-US REITs in US dollar terms.

Ranked Returns (%)

Total Value of REIT Stocks



Period Returns (%)

** Annualized*

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
US REITS	19.73	5.29	8.93	18.50
Global ex US REITS	4.75	4.34	5.03	12.18

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market.

Fixed Income

First Quarter 2019 Index Returns

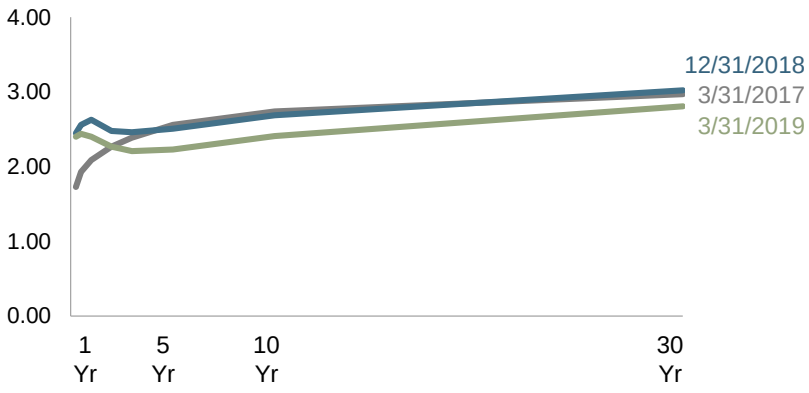
Interest rates decreased in the US Treasury fixed income market during the first quarter. The yield on the 5-year Treasury note declined 28 basis points (bps), ending at 2.23%. The yield on the 10-year Treasury note decreased 28 bps to 2.41%. The 30-year Treasury bond yield fell 21 bps to finish at 2.81%.

On the short end of the curve, the 1-month T-bill bill yield was relatively unchanged at 2.43%, while the 1-year T-bill yield dipped 23 bps to 2.40%. The 2-year Treasury note finished at 2.27% after a 21 bps decrease.

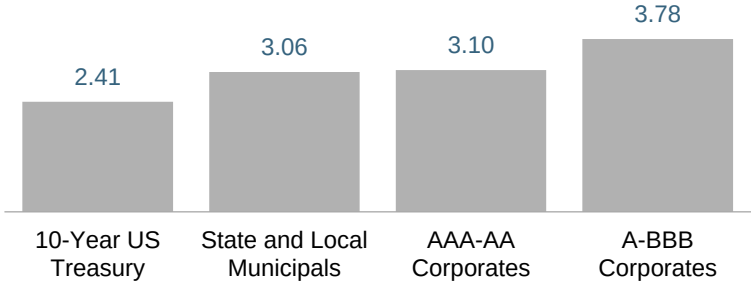
In terms of total returns, short-term corporate bonds gained 1.83%. Intermediate-term corporate bonds had a total return of 3.82%.

Total returns for short-term municipal bonds were 1.33%, while intermediate munis gained 2.78%. Revenue bonds outperformed general obligation bonds.

US Treasury Yield Curve (%)



Bond Yields across Issuers (%)



Period Returns (%)

* Annualized

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*
Bloomberg Barclays Municipal Bond Index	2.90	5.38	2.71	3.73	4.72
Bloomberg Barclays US Aggregate Bond Index	2.94	4.48	2.03	2.74	3.77
Bloomberg Barclays US Government Bond Index Long	4.64	6.20	1.54	5.43	5.19
Bloomberg Barclays US TIPS Index	3.19	2.70	1.70	1.94	3.41
FTSE World Government Bond Index 1-5 Years	0.34	-2.04	0.40	-0.95	0.71
FTSE World Government Bond Index 1-5 Years (hedged to USD)	1.16	3.13	1.59	1.65	1.73
ICE BofAML 1-Year US Treasury Note Index	0.82	2.44	1.21	0.85	0.70
ICE BofAML US 3-Month Treasury Bill Index	0.60	2.12	1.19	0.74	0.43

One basis point equals 0.01%. **Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio.** Yield curve data from Federal Reserve. State and local bonds are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the ICE BofAML US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofAML US Corporates, BBB-A rated. Bloomberg Barclays data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefield). FTSE fixed income indices © 2019 FTSE Fixed Income LLC, all rights reserved. ICE BofAML index data © 2019 ICE Data Indices, LLC. S&P data © 2019 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Global Fixed Income

First Quarter 2019 Yield Curves

Interest rates in the global developed markets generally decreased during the quarter.

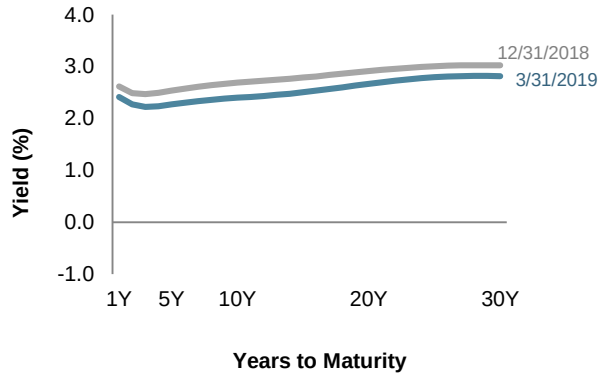
Longer-term bonds generally outperformed shorter-term bonds.

Nominal rates in Germany and Japan are negative out to approximately 10 years.

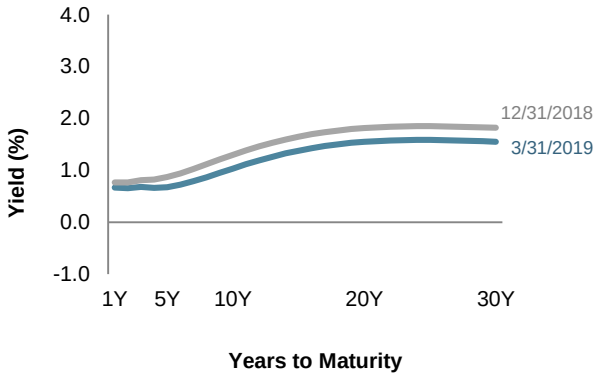
Changes in Yields (bps) since 9/30/2018

	1Y	5Y	10Y	20Y	30Y
US	-20.7	-26.5	-29.1	-24.5	-20.4
UK	-10.2	-19.5	-26.4	-26.4	-27.0
Germany	17.9	-17.9	-33.6	-31.0	-29.0
Japan	-3.4	-5.6	-9.5	-16.8	-21.5

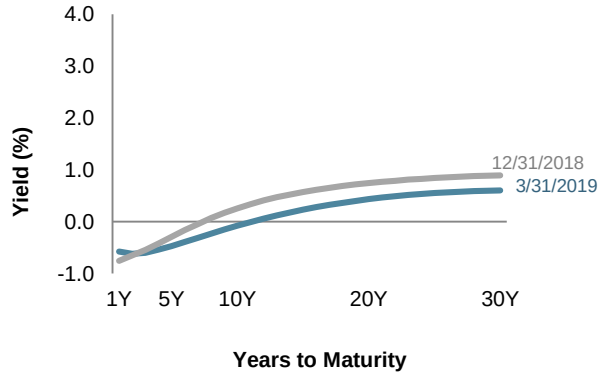
US



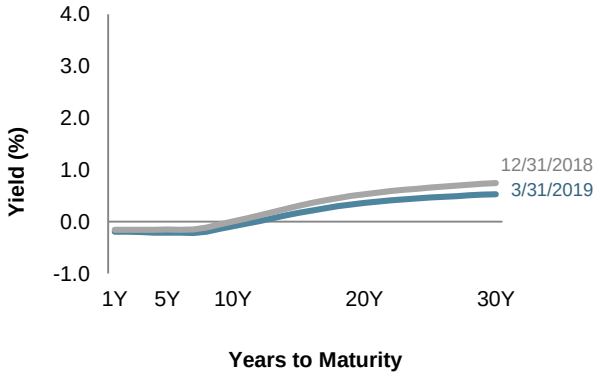
UK



Germany



Japan



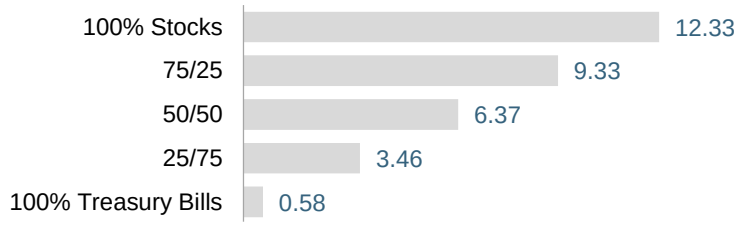
One basis point equals 0.01%. Source: ICE BofAML government yield. ICE BofAML index data © 2019 ICE Data Indices, LLC.

Impact of Diversification

First Quarter 2019 Index Returns

These portfolios illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

Ranked Returns (%)

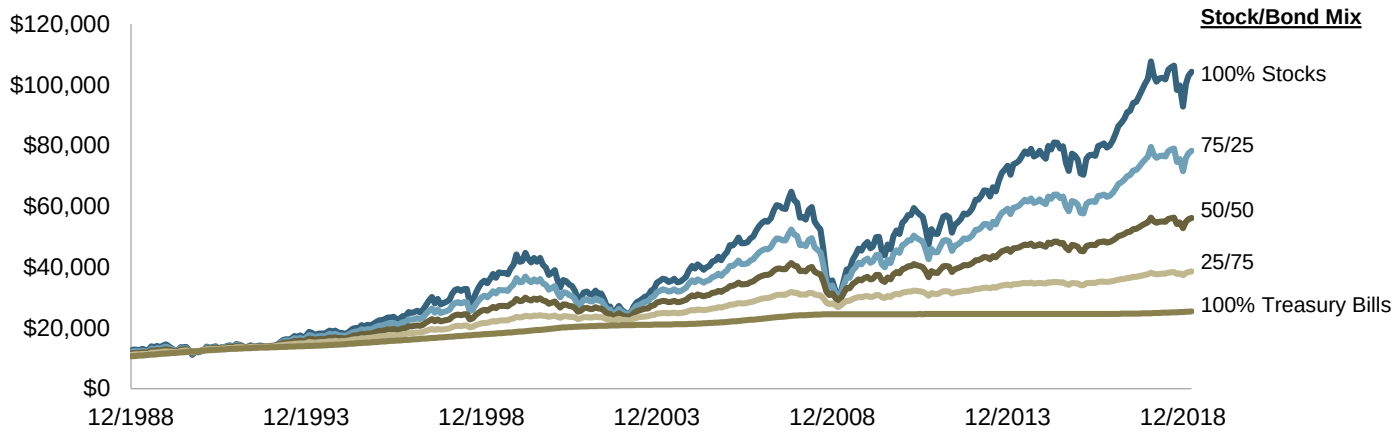


Period Returns (%)

** Annualized*

Asset Class	1 Year	3 Years*	5 Years*	10 Years*	10-Year STDEV[1]
100% Stocks	3.16	11.27	7.03	12.58	13.92
75/25	3.07	8.75	5.53	9.60	10.44
50/50	2.85	6.21	3.97	6.57	6.95
25/75	2.51	3.67	2.35	3.49	3.48
100% Treasury Bills	2.05	1.11	0.68	0.37	0.18

Growth of Wealth: The Relationship between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio.

Diversification does not eliminate the risk of market loss. **Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.** Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2019, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefield).

Déjà Vu All Over Again

First Quarter 2019

Investment fads are nothing new. When selecting strategies for their portfolios, investors are often tempted to seek out the latest and greatest investment opportunities.

Over the years, these approaches have sought to capitalize on developments such as the perceived relative strength of particular geographic regions, technological changes in the economy, or the popularity of different natural resources. But long-term investors should be aware that letting short-term trends influence their investment approach may be counterproductive. As Nobel laureate Eugene Fama said, “There’s one robust new idea in finance that has investment implications maybe every 10 or 15 years, but there’s a marketing idea every week.”

WHAT’S HOT BECOMES WHAT’S NOT

Looking back at some investment fads over recent decades can illustrate how often trendy investment themes come and go. In the early 1990s, attention turned to the rising “Asian Tigers” of Hong Kong, Singapore, South Korea, and Taiwan. A decade later, much was written about the emergence of the “BRIC” countries of Brazil, Russia, India, and China and their new place in global markets. Similarly, funds targeting hot industries or trends have come into and fallen out of vogue. In the 1950s, the “Nifty Fifty” were all the rage. In the 1960s, “go-go” stocks and funds piqued investor interest. Later in the 20th century, growing belief in the emergence of a “new economy” led to the creation of funds poised to make the most of the rising importance of information technology and telecommunication services. During the 2000s, 130/30 funds, which used leverage to sell short certain stocks while going long others, became increasingly popular. In the wake of the 2008 financial crisis, “Black Swan” funds, “tail-risk-hedging” strategies, and “liquid alternatives” abounded. As investors reached for yield in a low interest-rate environment in the following years, other funds sprang up that claimed to offer increased income generation, and new strategies like unconstrained bond funds proliferated. More recently, strategies focused on peer-to-peer lending, cryptocurrencies, and even cannabis cultivation and private space exploration have become more fashionable. In this environment, so-called “FAANG” stocks and concentrated exchange-traded funds with catchy ticker symbols have also garnered attention among investors.

THE FUND GRAVEYARD

Unsurprisingly, however, numerous funds across the investment landscape were launched over the years only to subsequently close and fade from investor memory. While economic, demographic, technological, and environmental trends shape the world we live in, public markets aggregate a vast amount of dispersed information and drive it into security prices. Any individual trying to outguess the market by constantly trading in and out of what’s hot is competing against the extraordinary collective wisdom of millions of buyers and sellers around the world.

With the benefit of hindsight, it is easy to point out the fortune one could have amassed by making the right call on a specific industry, region, or individual security over a specific period. While these anecdotes can be entertaining, there is a wealth of compelling evidence that highlights the futility of attempting to identify mispricing in advance and profit from it.

It is important to remember that many investing fads, and indeed, most mutual funds, do not stand the test of time. A large proportion of funds fail to survive over the longer term. Of the 1,622 fixed income mutual funds in existence at the beginning of 2004, only 55% still existed at the end of 2018. Similarly, among equity mutual funds, only 51% of the 2,786 funds available to US-based investors at the beginning of 2004 endured.

Déjà Vu All Over Again

(continued from page 21)

WHAT AM I REALLY GETTING?

When confronted with choices about whether to add additional types of assets or strategies to a portfolio, it may be helpful to ask the following questions:

1. What is this strategy claiming to provide that is not already in my portfolio?

2. If it is not in my portfolio, can I reasonably expect that including it or focusing on it will increase expected returns, reduce expected volatility, or help me achieve my investment goal?

3. Am I comfortable with the range of potential outcomes?

If investors are left with doubts after asking any of these questions, it may be wise to use caution before proceeding. Within equities, for example, a market portfolio offers the benefit of exposure to thousands of companies doing business around the world and broad diversification across industries, sectors, and countries. While there can be good reasons to deviate from a market portfolio, investors should understand the potential benefits and risks of doing so.

In addition, there is no shortage of things investors can do to help contribute to a better investment experience. Working closely with a financial advisor can help individual investors create a plan that fits their needs and risk tolerance. Pursuing a globally diversified approach; managing expenses, turnover, and taxes; and staying disciplined through market volatility can help improve investors' chances of achieving their long-term financial goals.

CONCLUSION

Fashionable investment approaches will come and go, but investors should remember that a long-term, disciplined investment approach based on robust research and implementation may be the most reliable path to success in the global capital markets.

Source: Dimensional Fund Advisors LP.