

How to Invest Like a Professional

By John DiCiaccio

The first step in making investments like a professional is hiring one. We are not in a do-it-yourself financial environment, and with no margin for error your investing must be done based on solid experience and broad knowledge.

With the Fed alone releasing 45,000 documents *each month*, attempting to stay on top of financial markets while monitoring developments affecting your own business will add enormous stress. Studies¹ show a loss of 13 IQ Points when working under stress, so clearly your work and finances will likely suffer together.

Furthermore, a 40-year study² released in 2011 found that do-it-yourselfers earn roughly 3% less **after fees** than those with advisors due to understandably less focus and discipline.

What to invest

What is the best investment you have ever made? If you're like most, you'll say it's your house, which accounts for 65% of the average American's assets. Traditionally, average homeowners expect annual appreciation around 13%. Data compiled by Robert Schiller³ however, shows that, adjusting for inflation and taxes over the past century, the total gain from owning a house has been around 6%. That's not 6% per year but over the entire 100 years!

On the other hand, most will say their worst investment was in the stock market. Here the data shows that the stock market has gone up about **9.4% per year** over the past several decades⁴. Unfortunately, without the necessary focus and discipline, average investors failed to realize these gains.

Where to turn

Hiring the right professional also requires discipline and focus. Should you choose a large, bank-owned brokerage firm that may create its own products, or an independent, boutique firm with open architecture? A decade ago, statistics favored the large firms, which controlled more than two-thirds of all investment assets. Today their share has dropped below 42% and is projected be around 20% in five years⁵.

It is more likely that fiduciaries are the right choice for you. The DiCiaccio Team is a founding team of Snowden Lane Partners, launched in 2011 by veterans whose deep roots in American finance let them design a great alternative in this shifting market.

Because we do not have an embedded legacy system we can provide you with online state-of-the art technology such as eMoney and portfolio performance tools to keep you constantly informed. We can adopt improved system platforms as soon as they emerge and benchmark your portfolio to your plan and goals rather than some arbitrary index.

In its January 2015 issue, *Los Angeles Magazine* listed us for the fourth time among the top 2% of wealth managers. We were also among Barron's Top 100 advisors.

We are getting it right. It pays for you to look into having our team work for you.

¹ Kelly, Morgan. <http://www.princeton.edu/main/news/archive/S37/75/69M50/index.xml?section=topstories> August 29, 2013

² Borland, Alison. Evens, Winfield. Steinhart, Bridget. http://www.aon.com/attachments/human-capital-consulting/The-Empowered-Fiduciary-Defined-Contribution-Plans_June26_Webinar.pdf June 26, 2013

³ <http://observationsandnotes.blogspot.com/2011/07/housing-prices-inflation-since-1900.html> July 23, 2011

⁴ <http://Observationsandnotes.blogspot.com/2009/03/average-annual-stock-market-return.html> March 17, 2009

⁵ Thorton, Nick. <http://www.benefitspro.com/2014/07/23/independent-ribs-continue-to-threaten-wirehouses> July 23, 2014

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