Invest like Family
Physicians care for their patients

The power of Range

Misbah Keen, MD
Your Beliefs Become Your Thoughts,
Your Thoughts Become Your Words,
Your Words Become Your Actions,
Your Actions Become Your Habits,
Your Habits Become Your Values,
Your Values Become Your Destiny.

~ MAHATMA GANDHI ~

Statustown.com
Beliefs determine Actions

Your Beliefs Become Your Thoughts,
Your Thoughts Become Your Words,
Your Words Become Your Actions,
Your Actions Become Your Habits,
Your Habits Become Your Values,
Your Values Become Your Destiny.

~ MAHATMA GANDHI ~
Assumptions

• Little to no debt except mortgage
• Have been saving at least 10% (15 to 20% optimally)
• Familiarity with basic investment concepts.
• Have a rainy-day fund.
• Know how to invest in human capital.
• Know the hierarchy of saving.
  • Maximize match
  • Health Saving Accounts
  • Take advantage of Tax benefits
It’s Open Enrollment Season. Have You Taken a Good Look at an HSA?

For high-income investors, the high-deductible healthcare plan/HSA combo is close to a no-brainer.

only 50% of those with an HSA contributed to it,

only 14% of HSA owners contributed the maximum statutory amount,

and only 5% of HSA owners hold assets other than cash, suggesting that few people take advantage of the account's long-term investing benefits.
Cost Comparison - 2024 Family Plan

- **Traditional UMP Classic**
  - Premium per month: $341
  - Premium per year: $4092
  - Deductible: $750

- **High Deductible UMP CDHP**
  - Premium per month: $96
  - Premium per year: $1152
  - Premium Difference: - $2940
  - Deductible: $3200/year
  - UW HSA Contribution: $1400/year
  - Effective Deductible: $1800
    - CDHP Deductible - UW HSA Contribution

*After the deductible is met, both plans have similar coverage, but CDHP has a higher out-of-pocket maximum.*

https://hr.uw.edu/benefits/insurance/health/compare-plans/plan-costs-premiums-deductibles/
About me

Dunning–Kruger Effect

Confidence

High

Peak of “Mount Stupid”

Plateau of Sustainability

Slope of Enlightenment

Low

Valley of Despair

Competence

Know nothing

Guru
RANGE
WHY GENERALISTS TRIUMPH IN A SPECIALIZED WORLD

DAVID EPSTEIN
NEW YORK TIMES BESTSELLING AUTHOR OF THE SPORTS GENE
REVITALIZING GENERALIST PRACTICE: THE MONTREAL STATEMENT

Joanne Reeve, Marie-Dominique Beaulieu, Thomas Freeman, Larry A. Green, Peter Lucassen, Carmel Martin, Tadao Okada, Victoria Palmer, Elizabeth Sturgiss, Joachim Sturmborg and Chris van Weel; on behalf of the NAPCRG Advancing Generalist Expertise SIG

The Annals of Family Medicine July 2018, 16 (4) 371-373; DOI: https://doi.org/10.1370/afm.2280
What makes family doctors the leaders we need in health care?

William R. Phillips and Carol P. Herbert

Canadian Family Physician November 2022, 68 (11) 801-802; DOI: https://doi.org/10.46747/cfp.6811801
Family Physician/Generalist attributes

❖ Focus on the big picture

❖ Tools for dealing with uncertainty
  ➢ Control what we can
  ➢ Embrace new information
  ➢ Long term thinking
  ➢ Know when and how to use consultants

❖ Set realistic goals and expectations
Family Physician/Generalist attributes

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  ➢ Long term thinking
  ➢ Know when and how to use consultants

❖ Set realistic goals and expectations
The Case for Whole-Person Integrative Care

by Wayne B. Jonas 1,* and Elena Rosenbaum 2

1 Samueli Foundation, Alexandria, VA 22314, USA
2 Department of Family and Community Medicine, Albany Medical College, Albany, NY 12208, USA
* Author to whom correspondence should be addressed.

Medicina 2021, 57(7), 677; https://doi.org/10.3390/medicina57070677

Received: 18 May 2021 / Revised: 11 June 2021 / Accepted: 28 June 2021 / Published: 30 June 2021
Family Physicians focus on the big picture.

• Macro asset allocation.
• Location Location Location
Family Physicians focus on the big picture.

The majority (approximately 90%) of investment growth relies on macro asset allocation, 5% relies on the investments you choose in your plan, and 5% is luck!
Macro Asset Allocation

15% Fixed income
85% Stocks

Short-term TIPS
International nominal bonds
U.S. nominal bonds
International stocks
U.S. stocks

Investment mix
Source: Vanguard.
Macro Asset Allocation

Target Date Funds
Location Location Location

• Where will the patient get healthy?

• Exercise: At age 45, you have $1,500,000 in your total retirement savings. You want to retire at 65, and your target asset allocation is 60% equities and 40% fixed income.

• Assumptions: Equities earn 10%, and Fixed Income earns 4%
• The tax rate is 40% for Income and 23% for Capital Gains
## Location Location Location

Total Assets $1.5 million – 20 years to retirement
Moderate Risk 60% Stocks (900K) and 40% Bonds (600K)

### Non-Retirement Savings

<table>
<thead>
<tr>
<th>500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>60% (300K) Stocks, 40% (200K) Bonds</td>
</tr>
</tbody>
</table>

Stocks: 10% = $2,198,422
Bonds: 4% = $444,517

End Value: $2,642,939
After Capital Gains Tax: $1,982,204

### Traditional Retirement

<table>
<thead>
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</tr>
</tbody>
</table>

Stocks: 10% = $2,198,422
Bonds: 4% = $444,517

End Value: $2,642,939
After Ordinary Income Tax: $1,585,763

### Roth Retirement

<table>
<thead>
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<th>500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>60% (300K) Stocks, 40% (200K) Bonds</td>
</tr>
</tbody>
</table>

Stocks: 10% = $2,198,422
Bonds: 4% = $444,517

End Value: $2,642,939
After-Tax - No Tax: $2,642,939

---

**Balanced**
Location + Taxation

Total End Account Value:
Before Tax: $7,928,817
After-Tax: $6,210,906
Non-Retirement Savings

500,000

80% (400K) Stocks, 20% (100K) Bonds

Stocks: 10% = $2,931,230
Bonds: 4% = $222,258

End Value: $3,153,488
After Capital Gains Tax: $2,365,116

Optimized
Location + Taxation

Traditional Retirement

500,000

0% (0-K) Stocks, 100% (500K) Bonds

Stocks: 10% = $0
Bonds: 4% = $1,111,292

End Value: $1,111,292
After Ordinary Income Tax: $666,775

Roth Retirement

500,000

100% (500K) Stocks, 0% (0-K) Bonds

Stocks: 10% = $3,664,037
Bonds: 4% = $0

End Value: $3,664,037
After-Tax - No Tax: $3,664,037

Total End Account Value:
Before Tax: $7,928,817
After-Tax: $6,695,928

Location Location Location

Total Assets $1.5 million – 20 years to retirement
Moderate Risk 60% Stocks (900K) and 40% Bonds (600K)
Summary

Total Assets $1.5 million – 20 years to retirement
Moderate Risk 60% Stocks (900K) and 40% Bonds (600K)

Balanced

Total End Account Value:
Before Tax: $7,928,817
After-Tax:  $6,210,906

Optimized

Total End Account Value:
Before Tax: $7,928,817
After-Tax:  $6,695,928
FIGURE 2
Highest Federal Marginal Individual Income Tax Rate
Tax years 1913 – 2020

Sources: Joseph Pechman, Federal Tax Policy; Joint Committee on Taxation, Summary of Conference Agreement on the Jobs and Growth Tax Relief Reconciliation Act of 2003, JCX-54-03, May 2003; IRS Revenue Procedures, various years.
Notes: This figure contains a number of simplifications and ignores factors such as the amount of income or types of income subject to the top rates, or the value of standard and itemized deductions.
## 2022 IRMAA BRACKETS FOR MEDICARE PART B & PART D

If your filing status and MAGI in the tax year 2020 was:

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$91,000 or less</td>
<td>$182,000 or less</td>
<td>$91,000 or less</td>
<td>$170.10</td>
<td>Your Premium (No Surcharge)</td>
</tr>
<tr>
<td>Above $91,000 – $114,000</td>
<td>Above $182,000 – $228,000</td>
<td>N/A</td>
<td>$238.10</td>
<td>Plan Premium + $12.40</td>
</tr>
<tr>
<td>Above $114,000 – $142,000</td>
<td>Above $228,000 – $284,000</td>
<td>N/A</td>
<td>$340.20</td>
<td>Plan Premium + $32.10</td>
</tr>
<tr>
<td>Above $142,000 – $170,000</td>
<td>Above $284,000 – $340,000</td>
<td>N/A</td>
<td>$442.30</td>
<td>Plan Premium + $51.70</td>
</tr>
<tr>
<td>Above $170,000 – $500,000</td>
<td>Above $340,000 – $750,000</td>
<td>Above $91,000 and less than $409,000</td>
<td>$544.30</td>
<td>Plan Premium + $71.30</td>
</tr>
</tbody>
</table>
Family Physician/Generalist attributes

❖ Focus on the big picture

❖ **Tools for dealing with uncertainty**
  ➢ Control what we can
  ➢ Embrace new information
  ➢ Long term thinking
  ➢ Know when and how to use consultants

❖ Set realistic goals and expectations
Dealing with uncertainty in general practice: an essential skill for the general practitioner

Margaret O'Riordan, André Dahinden, Zekeriya Aktürk, José Miguel Bueno Ortiz, Nezih Dağdeviren, Glyn Elwyn, Adrian Micallef, Mikko Murtonen, Marianne Samuelson, Per Struk, Danny Tayar, Janecke Thesen

PMID: 21781433
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❖ Set realistic goals and expectations
A 1% fee makes a difference of over 1 million and is about the same as your total savings

Success ratio: What percentage of funds survived and outperformed their category group?
How to keep the costs low

1. Simplify
2. Low cost index funds
3. Target date funds
Investing is a Zero-sum game Exercise

• Market is returning 10 percent and a fund A has an expense ratio of 1% how much does the fund need to earn to return market rate

• How does it do so and what are the consequences on an investor (tax).

• What will need to happen to the returns of the other funds for fund A to earn the market rate.
Active Investing is a Negative-sum game
The Paradox of skill

Stage 2: Peter Lynch's Public Record
(Growth of $10,000, Fidelity Magellan vs. Blended Index, June 1981-May 1990)

Source: Morningstar Direct
Active Investing is a Negative-sum game
The Paradox of skill

Stage 3: Joining the Pack
(Growth of $10,000, Fidelity Magellan vs. Ibboston Large Stock Index, June 1990-December 2021)

Source: Morningstar Direct
<table>
<thead>
<tr>
<th></th>
<th>Vanguard 500 Index Fund Adm</th>
<th>Vanguard PRIMECAP Fund Admiral</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD</td>
<td>28.66%</td>
<td>21.90%</td>
</tr>
<tr>
<td>YTD as-of date</td>
<td>12/31/2021</td>
<td>12/31/2021</td>
</tr>
<tr>
<td>1-year</td>
<td>28.66%</td>
<td>21.90%</td>
</tr>
<tr>
<td>3-year</td>
<td>26.03%</td>
<td>22.29%</td>
</tr>
<tr>
<td>5-year</td>
<td>18.43%</td>
<td>18.37%</td>
</tr>
<tr>
<td>10-year</td>
<td>16.51%</td>
<td>17.61%</td>
</tr>
<tr>
<td>1-, 3-, 5-, 10-year as-of date</td>
<td>12/31/2021</td>
<td>12/31/2021</td>
</tr>
</tbody>
</table>
### Average annual performance—quarter end

<table>
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<td>5-year</td>
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<td>10-year</td>
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<td>17.61%</td>
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<td>1-, 3-, 5-, 10-year as-of date</td>
<td>12/31/2021</td>
<td>12/31/2021</td>
</tr>
</tbody>
</table>

### Average annual total return—after taxes on distributions

<table>
<thead>
<tr>
<th></th>
<th>Vanguard 500 Index Fund Adm</th>
<th>Vanguard PRIMECAP Fund Admiral</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-year</td>
<td>28.24%</td>
<td>19.09%</td>
</tr>
<tr>
<td>3-year</td>
<td>25.51%</td>
<td>19.82%</td>
</tr>
<tr>
<td>5-year</td>
<td>17.93%</td>
<td>16.21%</td>
</tr>
<tr>
<td>10-year</td>
<td>16.00%</td>
<td>15.88%</td>
</tr>
</tbody>
</table>
Family Physician/Generalist attributes

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  ➢ Know when and how to use consultants

❖ Set realistic goals and expectations
Precision vs Accuracy
How companies are valued

1. Technical Analysis
2. Fundamental Analysis
Castle in the Air Theory
S&P 500 Index (SPX)

Golden Cross

50-day moving average

200-day moving average

Top Technical Analysis Patterns of 2020
Intrinsic Value

Intrinsic Value (Real Value)

Value

Time

Over-Priced

Under-Priced

Firm Foundation Theory
Fundamental Analysis

Fundamental analysis is the method of determining the intrinsic value of a company's security to benefit from its trading.

Macro-Economic factors
- Economy
- Industry
- Market Share

Micro-Economic factors
- Management
- Business Policies
- Earnings

Intrinsic Value of a company's stock

Stock Selection

Undervalued
(Intrinsic Value > Market price)
Buy

Overvalued
(Intrinsic Value < Market price)
Sell or Refrain from buying

https://www.wallstreetmojo.com/fundamental-analysis/
Fundamental Analysis vs. Technical Analysis

- Fundamental Analysis:
  - Company Analysis
  - Industry Analysis
  - Economic Conditions
  - Future Profit Outlook

- Technical Analysis:
  - Moving Averages
  - Indicators and Oscillators
  - Charts
## Ten Largest Market-Capitalization Stocks in the World at the Beginning of Each Year

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple</td>
<td></td>
<td></td>
<td>Microsoft</td>
<td>Nippon T&amp;T</td>
<td>IBM</td>
</tr>
<tr>
<td>Microsoft</td>
<td></td>
<td>Exxon Mobil</td>
<td>General Electric</td>
<td>Bank of Tokyo-Mitsubishi</td>
<td>AT&amp;T</td>
</tr>
<tr>
<td>Amazon</td>
<td></td>
<td>Microsoft</td>
<td>NTT DoCoMo</td>
<td>Industrial Bank of Japan</td>
<td>Exxon</td>
</tr>
<tr>
<td>Alphabet</td>
<td></td>
<td>ICBC</td>
<td>Cisco</td>
<td>Sumitomo Mitsui Banking</td>
<td>Standard Oil</td>
</tr>
<tr>
<td>Facebook</td>
<td></td>
<td>Wal-Mart</td>
<td>Wal-Mart</td>
<td>Toyota</td>
<td>Schlumberger</td>
</tr>
<tr>
<td>Tencent</td>
<td></td>
<td>China Constr Bank</td>
<td>AT&amp;T</td>
<td>Fuji Bank</td>
<td>Shell</td>
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<tr>
<td>Tesla</td>
<td></td>
<td>BHP Billiton</td>
<td>Intel</td>
<td>Dai-ichi Kangyo Bank</td>
<td>Mobil</td>
</tr>
<tr>
<td>Alibaba Group</td>
<td></td>
<td>HSBC</td>
<td>Nippon T&amp;T</td>
<td>IBM</td>
<td>Atlantic Richfield</td>
</tr>
<tr>
<td>TSMC</td>
<td></td>
<td>Petrobras</td>
<td>Lucent Technologies</td>
<td>UFJ Bank</td>
<td>General Electric</td>
</tr>
<tr>
<td>Berkshire Hathaway</td>
<td></td>
<td>Apple</td>
<td>Deutsche Telekom</td>
<td>Exxon</td>
<td>Eastman Kodak</td>
</tr>
</tbody>
</table>

### New Addition to List
- Sony
- SoftBank

### Drops Off List Next Period
- HP
- Johnson & Johnson

### Flip-Flop: New, Then Drops
- Microsoft

*Year 2000 represents holdings as of March, three months late.


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The World in 2020

Trump

Brexit

Kyiv, Mars

Climate

Regression

Modie

XposdgBondB

Beethoven's Visions

Biodiversity

Raphael and Nightingale

Russia
Family Physician/Generalist attributes

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  ➢ Know when and how to use consultants

❖ Set realistic goals and expectations
# Mind the Gap

## The Gap by U.S. Category Group (10-Year Returns)

<table>
<thead>
<tr>
<th>U.S. Category Group</th>
<th>Investor Return %</th>
<th>Total Return %</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation</td>
<td>7.35</td>
<td>8.04</td>
<td>-0.69</td>
</tr>
<tr>
<td>Alternative</td>
<td>-0.25</td>
<td>4.08</td>
<td>-4.33</td>
</tr>
<tr>
<td>International Equity</td>
<td>5.05</td>
<td>6.44</td>
<td>-1.39</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>2.96</td>
<td>4.21</td>
<td>-1.25</td>
</tr>
<tr>
<td>Sector Equity</td>
<td>7.38</td>
<td>11.33</td>
<td>-3.95</td>
</tr>
<tr>
<td>Taxable Bond</td>
<td>2.99</td>
<td>4.11</td>
<td>-1.12</td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>12.03</td>
<td>13.20</td>
<td>-1.17</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td><strong>7.72</strong></td>
<td><strong>9.40</strong></td>
<td><strong>-1.68</strong></td>
</tr>
</tbody>
</table>

THE REAL STORY BEHIND WARREN BUFFETT'S WEALTH

$85 BILLION NET WORTH

Warren Buffett's Age

6K 10K 20K 1M 3.4M 10M 34M 67M 620M 1.4B 2.3B 3.8B 17B 36B 58B 83B 88B

15 19 21 30 34 37 43 47 53 56 58 59 66 72 83 88
Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it.

-Albert Einstein
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  ➢ Know when and how to use consultants

❖ Set realistic goals and expectations
What to look for in an investment professional.

• **When do you need one**
  • Come prepared with specific question/s
  • Return the patient vs take over care

• **Take advantage of what your employer has to offer**

• **Fiduciary**

• **Fee-only – Not assets under management**
  https://www.napfa.org/financial-planning/what-is-fee-only-advising
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Goal-Oriented Medical Care

Helping Patients Achieve Their Personal Health Goals

James W. Mold, MD, MPH
Can goal-setting for patients with multimorbidity improve outcomes in primary care? Cluster randomised feasibility trial

John A Ford,¹ Elizabeth Lenaghan,¹ Charlotte Salter,¹ David Turner,¹ Alice Shiner,¹ Allan B Clark,¹ Jamie Murdoch,¹ Carole Green,² Sarah James,¹ Imogen Koopmans,¹ Alistair Lipp,³ Annie Moseley,² Tom Wade,¹ Sandra Winterburn,¹ Nicholas Steel¹

Have Realistic Goals and Expectations
Crossover Point. Don’t move the goalpost
### Characteristics of top-earning U.S. doctors, ages 40-55

**Annual wage, business and other income, 2017**

<table>
<thead>
<tr>
<th>TOP</th>
<th>AVERAGE TOTAL INCOME</th>
<th>SHARE OF INCOME FROM WAGES (MEDIAN)</th>
<th>AVERAGE WORKWEEK (HOURS)</th>
<th>FEMALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 1%</td>
<td>$4.1M</td>
<td>15%</td>
<td>48</td>
<td>24%</td>
</tr>
<tr>
<td>Top 5%</td>
<td>$1.8M</td>
<td>49%</td>
<td>54</td>
<td>18%</td>
</tr>
<tr>
<td>Top 10%</td>
<td>$1.3M</td>
<td>69%</td>
<td>54</td>
<td>18%</td>
</tr>
<tr>
<td>Top 25%</td>
<td>$871K</td>
<td>86%</td>
<td>54</td>
<td>20%</td>
</tr>
<tr>
<td>Top 50%</td>
<td>$626K</td>
<td>92%</td>
<td>53</td>
<td>27%</td>
</tr>
<tr>
<td>All</td>
<td>$405K</td>
<td>94%</td>
<td>50</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: Analysis of IRS and Census Bureau data by Joshua Gottlieb, Maria Polyakova, Kevin Rinz, Hugh Shiplett and Victoria Udalova
THE HIGH ACHIEVERS GUIDE TO HAPPIESS, CONFIDENCE, AND SUCCESS

THE GAP
AND THE GAIN

THE BEST-SELLING AUTHORS OF WHO NOT HOW

DAN SULLIVAN
FOUNDER OF STRATEGIC COACH

WITH DR. BENJAMIN HARDY
DIE WITH ZERO
GETTING ALL YOU CAN FROM YOUR MONEY AND YOUR LIFE
BILL PERKINS
Investment Mission Statement

My Goal of Investing is to move from trading my time for money to being able to do what I want, when I want and with who I want.
U.S. Sustainable Funds Face Growing Pains in 2022

Sustainable investing has gained considerable traction and attention over the last five years. While other funds suffered outflows in 2022, investors continued to pour new money into U.S. sustainable funds.

But this expansion has brought growing pains.

Morningstar’s annual report examines U.S. sustainable fund inflows and performance. With specific fund flows data, asset managers can assess the competition and find pockets of opportunity.
Fear & Greed Index

What emotion is driving the market now?
Learn more about the index

Know the impact of Volatility on your behavior

https://www.cnn.com/markets/fear-and-greed
Family Physician/Generalist attributes

❖ Focus on the big picture

❖ Tools for dealing with uncertainty
  ➢ Control what we can
  ➢ Embrace new information
  ➢ Long term thinking
  ➢ Know when and how to use consultants

❖ Set realistic goals and expectations
Successful investor attributes

❖ Focus on Asset allocation and location
  ❖ Consider Target date funds

❖ Befriend uncertainty
  ➢ Keep costs low
  ➢ Embrace new information
  ➢ Be there in thick and thin
  ➢ Know when and how to use advisors

❖ Set realistic goals and expectations.
“Spend extravagantly on the things you love, and cut costs mercilessly on the things you don’t.”
"Controlling your time is the highest dividend that money pays. The ability to do what you want, when you want, with whom you want is priceless."
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The central premise of Malkiel's book is that low-cost index funds will serve the individual investor better than any other strategy for choosing stocks.
The Long View
Investment Portfolio is like a bar of soap. The more you touch it the smaller it gets

Questions/Comments