



MANIFESTO

This Shrewd Investor Manifesto exists to express our guiding principles for investing that we believe are timeless and will help investors become better investors and live a greater life.

Never Fall In Love With An Investment Strategy

1. There are no good or bad investments or investment strategies
2. there are only useful ones in a specific scenario for a specific investor
3. The three legged stool of investing is to find the right asset with the right strategy for the right investor
4. Investing is primarily a psychological activity. The optimal strategy is to work 24/7/365 while living in a one-room studio without a bed eating only bread and water to maximize your financial outcomes. But that's a terrible life. Your investment strategy should support the life you want to live while giving you confidence in your ability to continue living it as long as possible and hopefully to leave some to your family once you no longer need it.

Understand What You Own

- bond index funds example

Never Assume The Future Will Be Like The Past

- there's a reason the SEC makes us put it on every notice

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Never pay for market performance

1. What the Bogleheads get right is that no one should overpay for market performance. That is so available via index funds like VOO and VTSAX for 0.03% that anyone paying a financial advisor 1% to get market performance is overpaying by 33x! Plus, they're getting rebates on the trading and hidden fees from investment sponsors that can double the cost of the investment.
2. If you have a stock portfolio with an investment advisor and they're bleeding 2% off between their fees and the fund-level fees and you compound that over 30 years, you lose 45% of your total return. Nearly half your investment returns are siphoned off without you knowing.
3. Add in inflation at 4% per year that siphons off 70% of your returns over 30 years and taxes that take another 20% when you finally try to retire and you see why so many people are working longer
4. Instead, use index funds for market performance and use financial advisors for more complex strategies: real estate investments, structured notes, alternatives or other proprietary deal flow ... things that have more upside and complexity that justify the expense
5. Make sure to benchmark them to make sure they're performing better than the 60/40 portfolio
6. Or, use financial advisors for their services: creating a financial plan, calculating RMDs in retirement, helping structure for tax efficiency
7. But the reality is that 99% of investment advisors are simply salesmen dropping you into a canned portfolio. If you want that, a simple target date fund can replace it for you for a small fraction of the cost
<https://investor.vanguard.com/investment-products/mutual-funds/target-retirement-funds>

See the whole field

1. Financial services is a complex industry

2. Returns can come from many places: reduced risk, tax efficiency, total return, income, dividends, capital gains
3. Investing involves: structure, fees, taxes, different investments oppos, not just whatever stock is hot at the moment

You are responsible for your financial life

1. Your advisors can advise you, but they can only advise on products they're selling
2. You must speak with multiple advisors to get different perspectives
3. Then make a decision

Taxes, Inflation, and Fees kill

1. Over the course of your life, taxes and fees on your investments will be your biggest cost
- 2.

Understand risk-adjusted return

1. There are a lot of interesting investments out there, so how do you compare them? To do this, you have to compare the return you get for a given level of risk

There is more than the stock market

High income is the best investment

Structure trumps stock picking

A budget is a spending target, not just a limit

Increasing your knowledge decreases your risk and increases your returns

You only need to make a few good decisions per year

Being Right about the direction, but wrong about the timing is the same as being wrong