Wisdom Versus Information: There is a Difference!

1. The wisdom of time.
2. The wisdom of understanding volatility.
3. The wisdom of protecting yourself from yourself.
4. The wisdom of diversification:

Asset Class	Sector	Region	Time Horizon	Tax Treatment
• Stock, bond, cash • Large, mid, small cap • Growth and value	• Basic materials • Financial services • Real estate • Communication services • Energy • Industrials • Technology • Healthcare • Utilities	• United States • International • Emerging Markets	• Emergency reserves • Non-retirement • Retirement	• Pre-tax • Post-tax • Capital Gains

5. The wisdom of selecting money managers.
6. The wisdom of dollar cost averaging
7. The wisdom of rebalancing.
8. The wisdom of periodic reviews.

The 8 Great Mistakes

(Used with permission from Nick Murray's Simple Wealth, Inevitable Wealth)

1. Over diversification
2. Under diversification
3. Euphoria (overconfidence / greed)
4. Panic (follows euphoria)
5. Speculating (when you think you are investing)
6. Investing for yield instead of total return
7. Leverage (used wrong)
8. Letting cost basis dictate decisions (or taxes in general)