

Investment Philosophy

Implement strategies that give you the best chance of maximizing your wealth over time

"The probable is what usually happens" – Aristotle

Typical Approach	Impact*	LJCooper's Approach	Impact	Quotes
Excessive focus on short-term volatility	↓	Focus on long-term purchasing power	↑	"The safest long-term investment for the preservation of purchasing power has clearly been stocks, not bonds" – Jeremy Siegel (Wharton)
Emotional investing	↓	Disciplined/structured investment policy guides decisions	↑	"The investor's chief problem - and even his worst enemy - is likely to be himself" – Benjamin Graham
Market timing	↓	Long-term buy and hold strategy	↑	"There are two kinds of investors: those who don't know where the market is headed, and those who don't know that they don't know. Then again, there is a third type of investor - the investment professional, who indeed knows that he or she doesn't know, but whose livelihood depends upon appearing to know." – William Bernstein
Highly concentrated investments	↓	Diversification across distinct asset classes	↑	"Ninety-seven percent of performance variation is due to asset class structure -- Study of 31 institutional pension funds during a range of six- to 12-year periods." – Eugene F. Fama Jr.
Actively managed mutual funds	↓	Passively managed mutual funds	↑	"...the best way to own common stocks is through index funds..." – Warren Buffett "Most individual investors would be better off in an index mutual fund." – Peter Lynch
High-cost mutual funds	↓	Low-cost mutual funds	↑	"Why is it so difficult to capture the market's returns? Because the market returns we read about ignore the costs of investing. After the deduction of costs, beating the market, like beating the casino, is a loser's game." – John C. Bogle
High turnover mutual funds	↓	Low turnover mutual funds	↑	"Managed mutual funds on average turn over approximately 85% of their holdings every year. This behavior not only has the effect of reducing returns by about 0.7% per year through transaction costs, it also has the unfortunate result of creating taxable gains on those sales." – Bill Barker (The Motley Fool)
Inefficient asset location	↓	Tax-efficient asset location	↑	"Placing investments in the wrong type of accounts can easily rob young investors with moderate retirement savings of 20% of their after tax nest egg over their lifetimes." – Sue Stevens (Morningstar)
Ignoring portfolio once constructed	↓	Systematic portfolio rebalancing	↑	"Rebalancing is possibly the most overlooked risk-reduction strategy. Because stock-market sectors tend to cycle into and out of favor, there's the potential to boost returns if you take money away from areas that have recently done well – and could be due for a correction – and add it to those that have lagged and could be ripe for a rebound." – Jonathan Clements, Wall Street Journal

*Impact is defined as the probability that this approach will enhance or detract from overall portfolio performance over the long term based on historical research and analysis. No investment approach can guarantee gains, especially in the short term.



Securities offered through Triad Advisors, Member FINRA/SIPC. Investment Advisory Services offered through LJCooper Capital Management, LLC, a Registered Investment Advisor. Triad Advisors and LJCooper are not affiliated.