

## Jenny's Favorite Scripts And Quotes

### Market Timing:

"It's not about timing the market, it's about time *in the market*"

"Volatility is the price we pay for the returns we need."

"With the decision to sell your stock portfolio in a bad market - the problem is you will need to be right twice" (will need to be correct about when to get out and when to get back in)

### General Human Investment Behavior:

"Human nature is a failed investor." – Nick Murray  
(then unpack this for a client by discussing the many ways our emotions get in the way of success. We are wired to pay attention to fear in a big way, and this is how our ancestors protected themselves - but it makes us lousy investors by nature. Makes us want to sell at the wrong time or buy at the wrong time.)

"There is not, and never will be a greater destroyer of invested wealth than mindless panic; performance chasing runs a close second." – Nick Murray

"The stock market is a device for transferring money from the impatient to the patient." – Warren Buffet

"As shoppers, we normally like to buy what's on sale and at the lowest price possible. But as investors, we tend to do the opposite."

### Value Of Plan:

"If you don't have a plan for increasing your income at least same rate as cost of living going up, then you may – without realizing it – have a plan for running out of money." – Nick Murray



"The Intelligent Investor" : "the best way to measure success is not about whether you are beating the market, but whether you've put in place a financial plan and a behavioral discipline that are likely to get you where you want to go." – Benjamin Graham

### **Diversification And Rebalancing**

"Diversification is our only free lunch as investors". ... "and we need to eat as much of it as we can" (Harry Markowitz quote was "diversification is only free lunch", remainder of this quote may have come from DFA, not sure)

"With single stock investing or without diversification, we could make a killing OR we could get *killed*."

"Rebalancing goes against what the human wants to do. We will need to essentially sell the winner and buy the loser. At the same time, we will be selling high and buying low."

### **Value Of An Advisor**

"Only one economic reason to hire an advisor. You believe that the value of his/her advice will be of greater benefit to you than the cost." – Nick Murray Scripts

Quantifying value of advice: "You consider the probability to you that my advice will either (1) deliver 1% greater return than you would have otherwise done on your own and/or (2) save you 1% in time/effort/worry/record keeping and/or (3) save you 1% per year in the cost of mistakes you may have avoided with my advice" – Nick Murray Scripts

