

# Our Investment Philosophy

## *Our investment philosophy, captured in the following statements, underlies all we do:*

- Virtually all long-term performance is explained by a strategic asset allocation.
- Few investment professionals "beat the market" over the long term either by selecting undervalued assets within market sectors or by altering allocations among these market sectors.
- Security selection is a matter of constructing portfolios that provide the most diversification within a particular asset class at the lowest cost.
- Superior performance is the result of a dynamic process that includes periodically measuring results in a straightforward and understandable way.

## Thoughts on Investing

*There is no evidence managers beat the market; if there was, someone would find it.*

Rex Sinquefeld, Chief Investment Officer, Dimensional Fund Advisors,  
creator of the first Index Fund in 1973

*Reams of statistics prove that most of the fund industry's stock pickers fail to beat the market.*

Jonathan Clements, *Wall Street Journal*

*Wall Street's favorite scam is pretending luck is skill.*

Ron Ross, Ph.D., Economist, *The Unbeatable Market*

*...the best way to own common stocks is through an index fund.*

Warren Buffett, CEO, Berkshire Hathaway

*99% of fund managers demonstrate no skill whatsoever.*

William Bernstein, *The Intelligent Asset Allocation*

*Market Timing is a wicked idea. Don't try it – ever.*

Charles D. Ellis, *The Loser's Game*



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