

(Free read ebook) The Successful Investor Today: 14 Simple Truths You Must Know When You Invest

# The Successful Investor Today: 14 Simple Truths You Must Know When You Invest

Larry E. Swedroe

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# THE SUCCESSFUL INVESTOR TODAY



**LARRY E. SWEDROE**  
*Author of Rational Investing in Irrational Times*



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**Larry E. Swedroe : The Successful Investor Today: 14 Simple Truths You Must Know When You Invest** before purchasing it in order to gage whether or not it would be worth my time, and all praised The Successful Investor Today: 14 Simple Truths You Must Know When You Invest:

25 of 25 people found the following review helpful. Index and Diversify - Echoes Earlier BooksBy dennis wentraubReaders of Larry E. Swedroe's earlier books (including What Wall Street Doesn't Want You to Know and Rational Investing in Irrational Times) will find themselves in familiar territory here: Active portfolio managers underperform their benchmark indexes by about 1.8% even before taxes. Capturing the "incremental" advantage needed to justify portfolio management fees, trading costs, and tax consequences in an efficient market can happen,

but it is more luck than repeatable insight. Exploiting the market's inefficiencies, its "anomalies", in a consistent way is impractical, because the markets do their job and adjust quickly to news. Ultimately, active stock selection and market timing are a loser's game not worth playing. Indeed, individual stock selection is a gamble for Swedroe since it is an example of "uncompensated risk" that can be so easily diversified away. The problem is that investors underestimate the great number of stocks that do poorly because of the spectacular results of a few. Better to own low cost, tax efficient, passively managed index funds. Diversify across a broad range of non-correlated asset classes to reduce risk. Use large and small company stocks, international and emerging market stocks, bonds, and real estate. Then focus on lowering management fees and owning funds that control capital gains taxes to reduce the drag on returns. So much of this reworks the author's earlier writing that readers will not miss a lot by choosing just one of his books. Still, "The Successful Investor" tries to update the material. And there is some good thinking on the risk of value stocks (versus growth stocks) and their relative performance during inflationary periods. Elsewhere, a case is made for including international small cap stocks (over international large cap stocks) and emerging market stocks in a diversified portfolio. Unfortunately there are few investment products that make these last asset classes available to investors at this time. Investors might be advised to look at the growing number of exchange traded funds (ETF) that shadow indexes at low cost to fill-in a portfolio's asset gaps. Otherwise, Swedroe's ideas direct the investor to building a diversified portfolio for the long run based on an evolving body of sound academic research.

0 of 0 people found the following review helpful. He makes a pretty convincing case

By Robert Kirk I've struggled with the age old question about investing for many years and this book might have been the answer...Is it worth spending time and energy trying to out guess the market. This book simply says NO!!!! I've been in the securities industry for over 18 years and I've seen way too many examples of clients trying to out think the market with little success. BUT, I've thought that I could do better and after you figure in the time and energy you put into studying the markets, you could be very disappointed in your investments. I am going to try his asset allocation models and save the extra time for other activities I enjoy. In summary, this is a fantastic book that really makes you think as a true investor, not a speculator.

0 of 0 people found the following review helpful. Take the Gambling out of Investing

By Daniel Limbach Excellent book on the unpredictability of investments and investors. It essentially says investing in individual stocks is speculating (gambling), not investing. Over the long haul, individual investors (event the top fund managers) don't beat the overall market. Invest in the SP 500 or other major index and you will build a fine nest egg for retirement, according to the book. This is not a book for someone who wants to double their money in 2 years. It is for the person who wants to turn \$100,000 into \$800,000 in 21 years (assuming 7% returns that double your money every seven years). Not a bad end for an extremely diversified and responsible investment plan. So if you are 44 years old, and you have \$200,000 to invest, you could safely build it to \$1.6 million when you turn 65, if this book is correct. I think it is.

What does it take to achieve superior performance and become a successful investor? Rather than great stock pricing or market timing skills, it is far better for you to understand how the markets work and how to make them work best for you. Larry E. Swedroe argues that the right strategy never changes, no matter whether the bull is stampeding or the bear has emerged from hibernation. The Successful Investor Today was written during one of the greatest bear markets of the post-World War II era--a bear market that was a result of the inevitable bursting of the technology-led bubble of the late 1990s (what Federal Reserve Chairman Alan Greenspan called "irrational exuberance"). Although millions of investors unnecessarily incurred trillions of dollars in losses, neither this bubble, nor the ensuing devastating losses, were anything new. Despite all the horrible investment experiences that have been reported, those investors who followed the fourteen simple truths outlined in this book--including the building of globally diversified portfolios--did not suffer the devastating losses experienced by many others. The fourteen simple truths withstand the tests of logic and time in the way the stock market really works, rather than the way Wall Street and the media would have you believe it works. Since it is generally held that those who fail to plan, plan to fail, an investor must begin with an investment plan. Your plan should be tailored to conform to your unique ability, willingness, and need to take risk. In The Successful Investor Today, you will learn how to build, write, implement, and manage your investment plan over time. This book will help you become a better and more informed investor, and it will help you achieve your financial goals by gradually increasing your wealth. Apart from offering an up-to-date winning strategy, The Successful Investor Today presents an efficient and proven way to avoid the most common--and costly--mistakes investors continue to make.

"Larry Swedroe hits the bullseye every time. If you want to dig out from your losses and set a new course for the twenty-first century market, read this book."--Jane Bryant Quinn, Newsweek columnist and coauthor of Making the Most of Your Money "It's the rare financial-services professional who truly understands the psychology of the markets and investors. It's the rarer money man who can write. Larry Swedroe is both, as The Successful Investor Today will prove beyond the shadow of a doubt."--Gary Belsky, co-author of Why Smart People Make Big Money Mistakes and How To Correct Them "Those seeking the truths of the financial marketplace have just hit the jackpot. Mr. Swedroe provides fourteen of them: profitable and entertaining doozies one and all."--Bill Bernstein, M.D., author of The Four

