

What the Experts Say About Long-Term Strategy:

"The average long-term experience investing is never surprising, but the short term experience is always surprising. We now know to focus not on rate of return, but on the informed management of risk."

Charles Ellis

"I always have believed deeply in the importance of people and personal relationships. I still am as convinced as ever that successful long-term financial relationships are far more a matter of personal knowledge and interpersonal relationships than of just supposedly "objective" numbers and technology."

David Rockefeller, Chase Manhattan Bank

"When asked what he considered man's greatest discover, Albert Einstein replied without hesitation:

"Compound interest!"

Charles Ellis

"All the old markers by which the price of a promising common stock could be measured had long since been passed; if a stock once valued at 100 went to 300, what on earth was to prevent it from sailing on to 400? And why not ride with it for fifty or a hundred points, with Easy Street at the end of the journey?"

Frederick Lewis Allen, American Humorist

"Design a portfolio you are not likely to trade...akin to premarital counseling advice; try to build a portfolio that you can live with for a long, long time."

Robert D. Arnott, President, First Quadrant Corp.

"History shows that in the long run a thoughtfully designed, diversified strategy of "passive" funds typically beats all but a few active managers. It's not easy to structure and maintain such a strategy. It requires some initial research and discipline to stay the course. But it's much easier than predicting which active managers will randomly beat this approach."

Eugene Fama, Jr. DFA

"For all long-term investors, there is only one objective - maximum total real return after taxes."

John Templeton

"It used to trouble me that the money that we were putting into the fund was going to be paid out in the year 2022, and yet we would meet with the money managers every 90 days to find out how we're doing. Maybe you don't need to meet with them annually; maybe it would be better to meet with them every five years."

John English

"The central proposition of charting is absolutely false, and investors who follow its precepts will accomplish nothing but increasing substantially the brokerage charges they pay. There has been a

remarkable uniformity in the conclusions of studies done on all forms of technical analysis. Not one has consistently outperformed the placebo of a buy-and-hold strategy."

Burton Malkiel

"Whatever method you use to pick stocks or stock mutual funds, your ultimate success or failure will depend on your ability to ignore the worries of the world long enough to allow your investments to succeed. It isn't the head but the stomach that determines the fate of the stock-picker."

Peter Lynch, Investment Manager, "Beating the Street"