Our Investment Philosophy
1 Embrace Market Pricing
The market is an effective information-processing machine. Each day, the world equity markets process billions of dollars in trades between buyers and sellers—and the real-time information they bring helps set prices.

2 Don’t Try to Outguess the Market
The market’s pricing power works against mutual fund managers who try to outperform through stock picking or market timing. As evidence, only 23% of US equity mutual funds and 8% of fixed income funds have survived and outperformed their benchmarks over the past 20 years.

3 Resist Chasing Past Performance
Some investors select mutual funds based on their past returns. Yet, past performance offers little insight into a fund’s future returns. For example, most funds in the top quartile (25%) of previous five-year returns did not maintain a top-quartile ranking in the following five years.

4 Let Markets Work for You
The financial markets have rewarded long-term investors. People expect a positive return on the capital they supply, and historically, the equity and bond markets have provided growth of wealth that has more than offset inflation.

5 Consider the Drivers of Returns
There is a wealth of academic research into what drives returns. Expected returns depend on current market prices and expected future cash flows. Investors can use this information to pursue higher expected returns in their portfolios.

Past performance is no guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio.
Practice Smart Diversification
Holding securities across many market segments can help manage overall risk. But diversifying within your home market may not be enough. Global diversification can broaden your investment universe.

Avoid Market Timing
You never know which market segments will outperform from year to year. By holding a globally diversified portfolio, investors are well positioned to seek returns wherever they occur.

Manage Your Emotions
Many people struggle to separate their emotions from investing. Markets go up and down. Reacting to current market conditions may lead to making poor investment decisions.

Look Beyond the Headlines
Daily market news and commentary can challenge your investment discipline. Some messages stir anxiety about the future, while others tempt you to chase the latest investment fad. When headlines unsettle you, consider the source and maintain a long-term perspective.

Focus on What You Can Control
A financial advisor can offer expertise and guidance to help you focus on actions that add value. This can lead to a better investment experience.

Diversification does not eliminate the risk of market loss. There is no guarantee investment strategies will be successful. This information is for illustrative purposes only. See back page for additional exhibit information and important disclosures.
Your guide forward

Cherry Bekaert Wealth Management brings together years of hands-on, wealth management leadership experience and objectivity. Our mission is to help families clearly define their goals and to design a long-range plan that maximizes the probability of achieving all that is important to them.