

Did You Know That You May Actually Need Protection From Yourself?

Loyola Asset Management

When it comes to investing in the stock and bond markets, the formula for enormous wealth accumulation is straightforward. All you need to do is buy low and sell high. That's it!

Simple to understand, yet very difficult to achieve in the real world—but why? The answer lies in the fact that humans are strongly influenced by emotions. Two of the stronger emotions are greed and fear. A lot of trading is driven by emotions as opposed to rational investment strategies.

In a rational investment strategy, we would buy only undervalued assets and sell them when they become overvalued. In practice, however, a great number of investors, amateurs and professionals do the opposite: They buy assets once they are overvalued because they are driven by greed; they then, sadly, are driven by fear to sell them when they are undervalued—the worst possible time. This cycle has repeated itself over and over since the dawn of trading.

We, at Loyola, believe that one of the most important of all investment decisions is the one that defines the composition of the investment portfolio.



Bottom row from left: Arturo Hierro, Alvaro Castillo, Jaime Domenech
Top row: Gina Ferreira, Milagros Perez-Leal, Marcos A. Segrera

These assets should not only be well diversified but negatively correlated, and the buy/sell rules should be clearly defined well before the first trade occurs. A portfolio constructed in this fashion requires only periodic rebalances, thus eliminating constant trading. Minimal trading enables you to keep fear and greed at bay and allows the investments to work for you, not the other way around. This can put you on the path to wealth creation without unnecessary emotional tribulations.

LOYOLA
ASSET
MANAGEMENT

At Loyola, we work for a common goal: our clients' success. We are honest, transparent and independent. Your prosperity is our mission. We take a holistic and disciplined approach to wealth management, which allows us to best serve those who depend on us. Through honest conversation and a belief in building relationships based on trust, those who work with us see immediate value in the way we do business. We are the perfect choice for creating comprehensive and unique financial solutions that produce tranquility and peace of mind. We help individuals address

strengths, weaknesses, opportunities and threats present in their financial landscape. Through strategic alliances with the best in the business, we are always sure that our clients have the best resources available to them. We'll do the planning, leaving you with no worries.

Here, we can all learn from the Greek hero Odysseus. On his return trip from the Trojan War, he tied himself to the mast of his ship in order not to follow the sweet and tempting song of the beautiful but deadly Sirens who would have wrecked his ship and precluded his reaching home. Ithaca can be compared to the state of successful investing, which is the goal for all of us.

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