

High-Impact Low-Cost Systematic Investing

Few experts will dispute the notion that one of the most effective ways to maintain and potentially improve your standard of living in the long term is to systematically save and invest your earned income over time. Once you've taken action to begin, this largely mindless automated process becomes a powerful means of accumulating and compounding one's wealth. At 4Thought Financial Group we've taken it upon ourselves to become advocates for this idea, and specialists in maximizing the effects of this process for our clients through high-impact low-cost systematic investing.

1 UNDERSTAND THE NEED AND THE BASIC PRINCIPLES

The first and most important step in considering systematic investing is to understand why you are doing it. Think about the goals you have in your life, financial and otherwise, and visualize yourself achieving those goals. Now recognize that in order to achieve them you must start somewhere. Systematically investing your earned income on a monthly or more frequent basis is the best place to start. This is a way for you to take control of your future.

✔ **Pay Your Future Self First:** Before you expend your earned income on short term needs, commit to prioritizing long term goals.

✔ **Start Early:** The earlier you begin this process, the more you'll put away and the greater the compounding effects of growth.

✔ **Maximize Frequency:** Investing frequent smaller amounts is better than larger and less frequent amounts for risk management.

✔ **Don't Quit:** You may need to alter course occasionally, but do not stop until you have achieved the goal you set out for.

2 DEVELOP A SIMPLE PLAN THAT YOU CAN REALISTICALLY IMPLEMENT

While regularly saving an arbitrary amount is better than doing nothing, you cannot achieve your goals if you have not defined them and constructed an appropriate plan to pursue them. 4Thought is primed and ready to help you quantify your objectives, determine what is realistic, and develop a flexible systematic investing plan for execution.

Determine your goals and quantify them:
Retirement accumulation, educational savings, home ownership, starting a business

Assess your resources and perform cash flow analysis:
Look at your income, savings, and assets. Make projections.

Determine allocations, strategies, amounts, and direction:
Construct a conceptual roadmap to follow to success..

Implement your plan and build your portfolio:
There are many ways to do this, but which is the right one? 4Thought can help.

3 KNOW THE PITFALLS AND FIND SOLUTIONS TO COUNTERACT THEM

There are several common enemies specific to your systematic investing goals that can derail your plan or steer you off course. You must know your enemy to defeat him. Let 4Thought be your compass and your guide in navigating these treacherous waters.

Overconfidence:
Beware of the pure do-it-yourself approach, as overconfidence in investing can lead to painful regret.

Lack of Time, Resources, or Skill:
Most individuals do not have enough of these crucial elements to invest well for themselves.

Transactional Costs and Misaligned Incentives:
Transactional brokerage is costly and has significant conflicts of interest.

Taxes and Expenses:
Addressing portfolio taxation and ongoing expenses can be game-changers for your ultimate outcome.

4 USE MULTIPLE METHODS OF INVESTING TO INCREASE THE POTENTIAL FOR SUCCESS

Most low cost portfolio management programs give you only one option – passive index based asset allocation. This was never the only method of investment portfolio management, nor was it necessarily the best one – it was just the cheapest. But things have quickly evolved. 4Thought now provides a robust low cost high impact portfolio management program that includes passive methods as well as elements from other completely divergent methods of investing, including highly active methods. We also offer very unique specialized strategies that can only be applied for systematic investors, expanding the options for those with savable earnings. This allows investors to diversify not just by asset type, but also by method of investment, in an attempt to attack the investment problem from multiple angles and improve the probability of achieving long term goals. Through in-house management, reduced distribution costs, automation, and systematization of processes, we are able to provide this high impact approach at lower cost and with lower minimums than has been possible in the past through traditional portfolio management.

Liability-Driven
Investing

Strategic Asset
Allocation

Opportunistic
Investing

Selective/
Concentrated
Investing