

## **What the Butler Bulldogs can Teach Us about Investing**

By: Matt Rice, MBA/CFP®  
Vice-President, Pile Wealth Management

The excitement in Indianapolis is heating up as Head Coach Brad Stevens has once again led the Butler Bulldogs to the NCAA Final Four. As fans, we miss the critical insights that coaches and players focus on. We see only the results. If we dig a little deeper, we as investors can learn from the Butler Bulldogs and gain insights that can be applied to the development of an appropriate investment strategy.

Coach Stevens approaches each game with a set of players. His first goal is to identify the strength of his team. Each individual player has a unique skill set and is tasked with a role. When each player plays according to his role, Butler is then able to beat teams with superior individual athletes. Investing is similar in that a competent wealth manager approaches individual investments in the context of an overall portfolio. While an investment may be superior on its own, if it fails to support its role in the portfolio, then it will not be an appropriate choice. The task is to build a diverse portfolio that can weather many different economic environments, not to pick individual investments.

The next opportunity for Coach Stevens is to identify the opponent's weakness. By attacking this weakness, his team increases the odds of winning. In the investment world, the ability to identify an investor's weakness is of great importance. At Pile Wealth Management, we accomplish this objective by completing a Wealth Accumulation and Retirement Projection. The appropriate portfolio is constructed only after we identify the investor's goals. This Projection will highlight the weaknesses in an investor's plan and allow us to address them. Investors must create a plan that is tailored to their individual circumstance.

Once Coach Stevens has set up the strategy, and the game has begun, he must then manage the team to ensure they stay on task. No matter how well prepared the team is, they may still feel rattled at certain points in the game. Coach Stevens must keep the team calm and focused on their goal. For investing, this is accomplished through rebalancing, tax-loss harvesting, practicing appropriate asset location, and most importantly by keeping the investor focused on the goal. Investor's that take advice from CNBC or the news media are certain to make poor decisions, just as Coach Stevens' decisions would be less effective if he listened to Jay Bilas and Dick Vitale all the time. Accomplishment of the goal should be the number one priority. Successful investors run against the wind and fly above the noise and distraction. They resist the temptation to follow the herd.

In every area of life, important lessons can be learned from common sense principles. Following these principles will lead investors to a more successful investment experience. At Pile Wealth Management, we seek clarity. We guide investors based on academic research and common sense principles. Our process ensures that our investment clients are well prepared for the big game.

**GO BULLDOGS!**