



The Top 10 Articles You Didn't Read (But Should Have)

By Robert Huebscher

December 29, 2009

We closely monitor which articles draw the most readership. This allows us to fine-tune our content to the preferences of our audience. We return to themes and subjects that we know are of interest to our readers, while introducing new ideas and topics that we believe are important to the advisory profession. You can see the most popular articles in the left margin of this article.

Reflecting on those articles that were most popular over the last year, however, we believe other articles also deserved your attention.

Below, in no particular order, are the top 10 articles you may not have read in the last year – but should have:

1. [The Retirement Portfolio Showdown: Jeremy Siegel v. Zvi Bodie](#)

When investing for retirement over long time horizons, advisors can choose from two apparently conflicting approaches. They can follow the advice of Wharton professor Jeremy Siegel, who has steadfastly advocated equity-centric portfolios, most notably in his highly popular book, *Stocks for the Long Run*. Or they can listen to Boston University professor Zvi Bodie, who says equities are simply too risky over the long term, and the core of a retirement portfolio should be Treasury Inflation Protected Securities (TIPS).

Siegel and Bodie cannot both be correct. Understanding which approach is best for long-term investors, however, requires an analysis of the subtle risk and return tradeoffs an investor faces. A sophisticated Monte Carlo simulation reveals how to reconcile these apparently conflicting conceptual models, as Geoff Considine demonstrates.

2. [Bruce Greenwald on Structural Problems in the Economy and Unemployment](#)

Bruce Greenwald is a recognized expert on value investing. A professor of finance at Columbia University and Director of Research at First Eagle Funds, he is the author of the books "Value Investing: from Graham to Buffett and Beyond" and "Competition Demystified: A Radically Simplified Approach to Business Strategy."



In this interview, Greenwald explains the parallels between the recoveries from the Great Depression and the Great Recession, and why structural problems in the economy may cause unemployment to rise to 14% or 15% before it recedes.

3. [A Safer Four Percent Withdrawal Rule](#)

Financial planners cite few principles as often as the “4% rule.” Originally developed by William Bengen in 1994, it argues that investors can safely withdraw 4% from a retiree's balanced stock/bond portfolio in the first year, and then adjust that dollar amount upward each year for inflation. This withdrawal rate has proven to be sustainable over every 30-year period since 1926, sometimes just barely, sometimes leaving the heirs with many millions of additional dollars.

Under current market conditions, however, investors can adopt a superior approach.

4. [Ned Davis: The Cyclical Bull Rally is Not Over](#)

In February of last year, Ned Davis, president and senior investment strategist of the Florida-based institutional research firm that bears his name, correctly forecast last year's market decline. In February of this year, he called the market rally that began in March.

When he spoke in November, he said that cyclical bull rally was not over.

5. [A Wakeup Call for Advisors: Turmoil at the Top of the Market](#)

High- and ultra-high net worth investors are increasingly unhappy with their advisory relationships. Dan Richards discusses articles about this trend in *Business Week*, the *New York Times* and *Wall Street Journal*. The fallout will include an increase in the number of clients exploring their options - some investors who have been on the fence about switching will conclude that if others are looking at moving, perhaps they should as well.

He offers a five-point strategy, drawing on ideas from workshops he has conducted and bringing together some of the things he has been writing about over the past year.



6. [Building a Practice in America's Fastest Dying City](#)

Youngstown, Ohio has the distinction of being America's fastest-dying city, losing its population more rapidly than any other large metropolitan area. It is also home to Young Financial Group, whose founder, Mowry ("Mo") Young has developed a unique client-centric marketing strategy that enabled him to acquire several hundred new clients over the last four years.

7. [Gary Shilling's Version of the New Normal](#)

A dramatic reduction in consumer spending has doomed the US economy to slow growth and deflation, according to Gary Shilling. America's 25-year spree of profligate spending is over, and it will be supplanted by a decade-long retrenchment that will ultimately bring the consumer savings rate from 4% to double-digits, where it has not been since the mid-1980s, he said

8. [The Case for the All-Bond Portfolio](#)

Hildy Richelson and Stan Richelson are bond advisors who focus their Philadelphia-based practice on the design and management of bond portfolios for high-net-worth individuals. The Richelsons argue that equities are too risky unless you have an infinite horizon – such as endowments. Individuals should buy bonds instead. They should avoid bond funds and buy individual bonds.

9. [Defending Against Inflation: A New Look across Asset Classes](#)

As the government prints more money to finance rapidly expanding budget deficits, every investor must prepare for a possible return of 1970s-style inflation.

In theory, equities should perform well during inflation. They represent real assets, and as the prices of these assets rise, so should equity prices.

In this case, though, history and theory are at odds.



10. [The Best Books on Investing](#)

We find ourselves glued to the computer screens or CNBC waiting to find out what the Dow's next tick is going to be. Unfortunately, we are left with only a headache and wasted time. What's next? Vitaliy Katsenelson's advice: read. Read books that will bring you sanity, the ones that will snap you back into the discipline of an investor and out of the sorry shell of a nervous observer of the daily stock market melodrama. He offers some excellent choices and that come with plenty of sanity and sage advice.

www.advisorperspectives.com

For a free subscription to the Advisor Perspectives newsletter, visit:
<http://www.advisorperspectives.com/subscribers/subscribe.php>