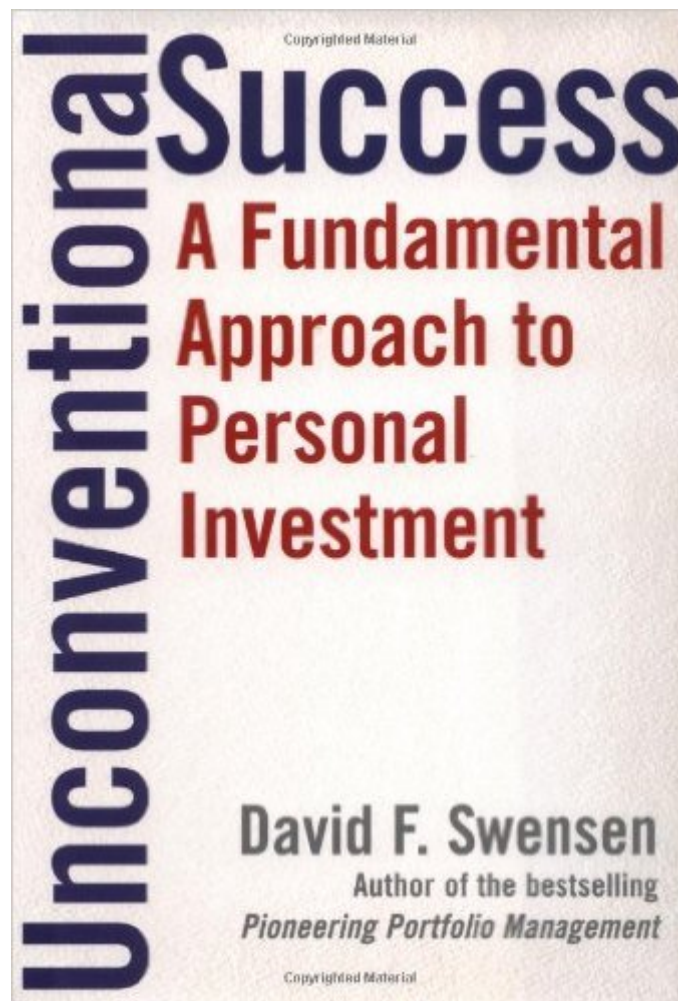


The book was found

Unconventional Success: A Fundamental Approach To Personal Investment



Synopsis

The bestselling author of *Pioneering Portfolio Management*, the definitive template for institutional fund management, returns with a book that shows individual investors how to manage their financial assets. In *Unconventional Success*, investment legend David F. Swensen offers incontrovertible evidence that the for-profit mutual-fund industry consistently fails the average investor. From excessive management fees to the frequent "churning" of portfolios, the relentless pursuit of profits by mutual-fund management companies harms individual clients. Perhaps most destructive of all are the hidden schemes that limit investor choice and reduce returns, including "pay-to-play" product-placement fees, stale-price trading scams, soft-dollar kickbacks, and 12b-1 distribution charges. Even if investors manage to emerge unscathed from an encounter with the profit-seeking mutual-fund industry, individuals face the likelihood of self-inflicted pain. The common practice of selling losers and buying winners (and doing both too often) damages portfolio returns and increases tax liabilities, delivering a one-two punch to investor aspirations. In short: Nearly insurmountable hurdles confront ordinary investors. Swensen's solution? A contrarian investment alternative that promotes well-diversified, equity-oriented, "market-mimicking" portfolios that reward investors who exhibit the courage to stay the course. Swensen suggests implementing his nonconformist proposal with investor-friendly, not-for-profit investment companies such as Vanguard and TIAA-CREF. By avoiding actively managed funds and employing client-oriented mutual-fund managers, investors create the preconditions for investment success. Bottom line? *Unconventional Success* provides the guidance and financial know-how for improving the personal investor's financial future.

Book Information

Hardcover: 403 pages

Publisher: Free Press; 1 edition (August 9, 2005)

Language: English

ISBN-10: 0743228383

ISBN-13: 978-0743228381

Product Dimensions: 6.1 x 1.3 x 9.2 inches

Shipping Weight: 1.1 pounds (View shipping rates and policies)

Average Customer Review: 4.1 out of 5 stars [See all reviews](#) (137 customer reviews)

Best Sellers Rank: #12,106 in Books (See Top 100 in Books) #4 in [Books > Business & Money > Taxation > Personal](#) #27 in [Books > Business & Money > Personal Finance > Retirement](#)

Customer Reviews

I am a graduate of the Yale School of Management (with a focus in finance) and have been a fan of Swensen's for a long time. *Unconventional Success* is, in my view, a must read for anyone who has to manage their own retirement assets (which is most people today). Swensen compellingly makes the case that (a) the vast majority of passively managed funds outperform actively managed funds (after fees), (b) the vast majority of the mutual fund industry allows profit motives to trump their fiduciary duty to investors, and (c) an individual investor's financial assets are best managed by non-profit organizations - i.e., Vanguard or TIAA-CREF. Swensen lays out six "core" asset classes that should form the basis of an individual investor's portfolio, each of which should comprise between 5% and 30% of the portfolio. Below is the "generic" target portfolio outlined in the book:

1. Domestic Equity (30%)
2. Foreign Developed Market Equity (15%)
3. Emerging Market Equity (5%)
4. Real Estate (20%)
5. U.S. Treasury Bonds (15%)
6. U.S. Treasury Inflation-Protected Securities (15%)

Swensen also discusses "non-core" asset classes and why each should not be a part of an individual investor's portfolio. These "non-core" asset classes include:

1. Domestic Corporate Bonds,
2. High Yield (Junk) Bonds,
3. Tax Exempt (Municipal) Bonds,
4. Asset-backed securities,
5. Foreign Bonds,
6. Hedge Funds,
7. Leveraged Buyouts,
8. Venture Capital.

We spent so much time in business school glorifying these assets that I found the rationale for why they have no place in an individual's portfolio quite useful.

I was fairly impressed with this book. I would give it an A, but the style of writing was painful to read, so I give it a B. I recently saw several articles about Harvard's endowment manager leaving Harvard to set up his own firm. I was amazed to see how diversified the Harvard fund was in that it included not just stocks and bonds, but many other asset classes:

Asset Class	Percentage
U.S. equities	15%
Commodities	13%
Private Equity	13%
Hedge Funds	12%
U.S. Bonds	11%
Foreign Equities	10%
Real Estate	10%
Inflation-Indexed Bonds	6%
Emerging Markets	5%
High-Yield	5%
Foreign Bonds	5%
Borrowed Money	-5%

This info came from 12/27/04 Business Week article. The same article said Harvard's endowment fund grew from \$4.7B in 1990 to \$22.6B in 2005. This sounds impressive until you calculate the compounded return, which is 11.04%. Simply investing in an S&P 500 index fund over the same time period would have given roughly a 10.91% compounded rate of return. Swensen seems to have followed a similar very diversified approach at Yale. I really enjoyed the explanation of why certain asset classes should not be included in investor's portfolios.....specifically foreign bonds. Since I am an avid Index Fund

investor, Swensen was preaching to the choir with regards to blasting the "for profit" mutual fund companies. Being a Vanguard investor, I was disappointed to see Vanguard take one hit for following one type of unsavory practice. Compared to the "for profit" mutual fund companies, Vanguard is a shining angel. The successes of Harvard's and Yale's endowment fund investments are spreading the gospel of the advantages of asset allocation.

[Download to continue reading...](#)

Unconventional Success: A Fundamental Approach to Personal Investment
Pioneering Portfolio Management: An Unconventional Approach to Institutional Investment, Fully Revised and Updated
Fundamental Tennis (Fundamental Sports) Forex: Using Fundamental Analysis & Fundamental Trading Techniques to maximize your Gains. (Forex, Forex Trading, Forex Strategy, Forex Trading Strategies, ... Forex Trading Books, Trading Strategies) 24 Essential Lessons for Investment Success: Learn the Most Important Investment Techniques from the Founder of Investor's Business Daily
Money: Saving Money: Success: Get More Money & Success In Your Life Now!: 3 in 1 Box Set: Money Making Strategies, Saving Money Strategies & World's Best ... Tips for Personal Finance & Life Success)
Hedge Your Investment Portfolio: How to Hedge Your Investment Portfolio with Diversification, Options, and Futures
The Renegade Writer: A Totally Unconventional Guide to Freelance Writing Success
The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success
The Power of Negative Thinking: An Unconventional Approach to Achieving Positive Results
Shelly Cashman Series Discovering Computers & Microsoft Office 365 & Office 2016: A Fundamental Combined Approach
Kathleen Brooks on Forex: A simple approach to trading foreign exchange using fundamental and technical analysis
Discovering Computers & Microsoft Office 2013: A Fundamental Combined Approach (Shelly Cashman Series)
COACHING :Coaching Questions Powerful Coaching Questions To Kickstart Personal Growth And Success Now ! - Life Coaching, Life Coach, Success Principles, Success Habits- Personal Benchmark: Integrating Behavioral Finance and Investment Management
Military Millionaire: How You Can Retire a Millionaire and Live a Life of Wealth (No Matter What Your Pay Grade) Using Special Military Investment Benefits and a Proven Plan for Success
The Bowery Boys: Adventures in Old New York: An Unconventional Exploration of Manhattan's Historic Neighborhoods, Secret Spots and Colorful Characters
Rubber Band Engineer: Build Slingshot Powered Rockets, Rubber Band Rifles, Unconventional Catapults, and More Guerrilla Gadgets from Household Hardware
Guerrilla Advertising 2: More Unconventional Brand Communications More Than You Know: Finding Financial Wisdom in Unconventional Places

[Dmca](#)