

## Murderers' Row

**eResearch Corporation** is pleased to provide an article from *The Reformed Broker*, featuring Josh Brown.

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**The Reformed Broker** is a blog about financial markets and the economy.

From Josh Brown's website: My blog is about markets, politics, economics, media, culture and finance. I'll use statistics, satire, anecdotes, pop culture references, sarcasm, fact, fantasy, and any other device that I feel necessary to get my points across.

What I don't do on this site is give financial advice or tell anyone what to invest in. The Reformed Broker is a forecast-free blog. What I will do on this site is provide you with a running commentary of my market-related insights and thoughts as events unfold. I'll point you toward other interesting content around the web. I'll challenge your perceptions, call it like I see it and, occasionally, I'll make you laugh.

A link to the blog's website is provided here: <http://www.thereformedbroker.com/>.

**Joshua Brown** is with Ritholtz Wealth Management, a New York City-based investment advisor, whose clients are high net worth individuals, charitable foundations, retirement plans, and corporations. He helps people invest and manages portfolios for them. He is the author of the book *Backstage Wall Street*, from publisher McGraw-Hill. He is a regular contributor to: CNBC, Investment News, The Daily Beast, TheStreet.com, Forbes, CNNMoney, Fortune, Christian Science Monitor, The Faster Times, Marketplace Radio, The Wall Street Journal, and The Business Insider.

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By Josh Brown  
February 19, 2019

Blessed to be surrounded by colleagues who make me think, teach me new stuff every day, and write incredible, fact-filled investment stuff on a regular basis that just absolutely kills. Three people on my [Murderers' Row](#) did extraordinary stuff just now, and you are going to be a smarter, more informed investor if you read these...

Ben Carlson wrote about edges, and how quickly competition competes them away once they come apparent. Did you know that in the 1950s, individual investors owned 95% of the stocks on the market whereas, today, 95% are held by institutional investors?

Or, that “in 1963, there were 284 people who took the CFA test. Last year there were more than 256,000 CFA candidates.” Read the whole thing below, it is important to understand the environment you are operating in:

### [First Mover Alpha \(A Wealth Of Common Sense\)](#)

Admittedly, this is a high-class problem to have, but it still represents a daunting issue that we talk to investors about all the time.

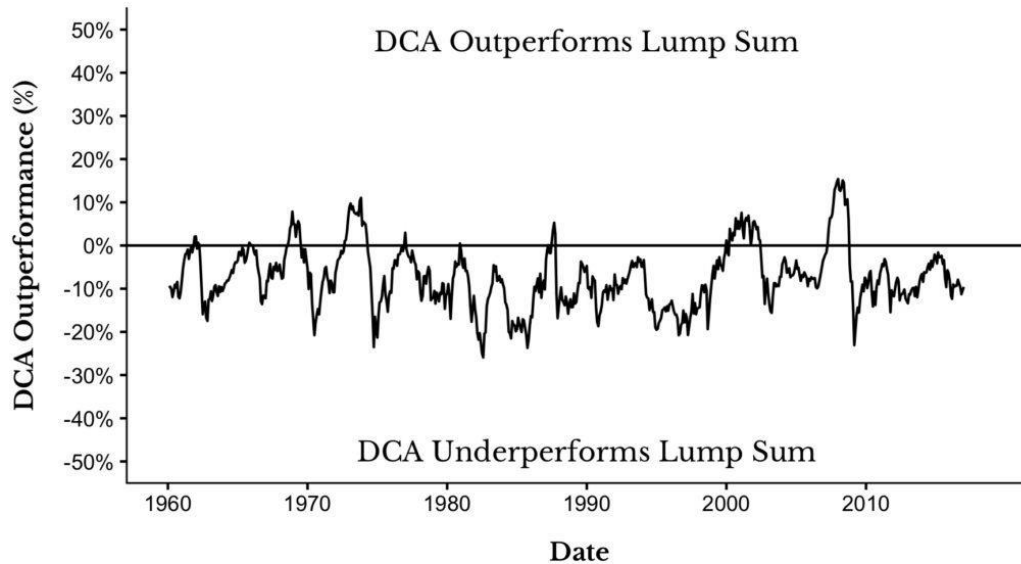
Let us say you find yourself with a lump sum in cash and you are trying to decide how to invest, do you go all in now or piecemeal the money into the markets using dollar-cost averaging (DCA)? We have to walk prospective clients through a version of this conundrum pretty much every month.

Finally, some concrete answers based on data – what is the likelihood that lump-sum investing at any point in time will do better than DCA?

For the answer, see the chart on the next page.



## DCA Performance Over 24 Months vs. Lump Sum Investment 60/40 Portfolio



Source: DFA, 1960-2018 (OfDollarsAndData.com)  
Note: 'Stocks' are represented by the S&P 500 and 'Bonds' are represented by 5-Year U.S. Treasuries. The S&P 500 return includes dividends, but is not adjusted for inflation. On average, DCA (over 24 months) underperforms Lump Sum by 7.4% and underperforms Lump Sum in 86.5% of all months shown.

Nick's charts really make this discussion come alive, so you simply must read it:

### [How to Invest a Lump Sum \(Of Dollars and Data\)](#)

Now, some clarity from Michael Batnick:

“It is important to look at the worst case because returns are not guaranteed, but risk is. If you can just find the right-ish mix of stocks and bonds, you can move onto more productive uses of time, like trying to advance your career and spending time with friends and family.”

Great charts in this one too, showing how simple this could be if we are willing to accept it:

### [Un-Complicating Investing \(Irrelevant Investor\)](#)

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See **ABOUT THE AUTHOR** on the following page.



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## ABOUT THE AUTHOR



Josh Brown is a New York City-based financial advisor and the CEO of [Ritholtz Wealth Management](#).

We help people align their investments with their financial goals and manage portfolios for them. Our clients range from high net worth households to corporations to retirement plans to charitable foundations. For younger investors and those just getting started, we've created the [Liftoff automated advisor](#) – a simple, low-cost way to access a professionally managed portfolio selected just for you.

He is also the author of the books [Backstage Wall Street](#) and [Clash of the Financial Pundits](#) from publisher McGraw-Hill. In addition, he serves on the advisory board of financial technology firms [Riskalyze](#), Vestwell, Digital Assets Data Corp as well as [CNBC's Financial Advisor Council](#).

In 2015, he was named to the [Investment News "40 Under 40"](#) list of top financial advisors.

## ABOUT THE REFORMED BROKER

The Reformed Broker began in November of 2008 and has become one of the most widely-read sites on the financial web.

This blog is about markets, politics, economics, media, culture and finance.

I'll use statistics, satire, anecdotes, pop culture references, sarcasm, fact, fantasy, and any other device that I feel necessary to get my points across.

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### In the Media

I have been featured in or have written for Fortune, Forbes, the Wall Street Journal, MarketWatch, Dow Jones Newswires, Bloomberg, Reuters, CNNMoney, Bloomberg, CNBC, the New York Post, Crain's New York Business, Investment News, Registered Rep, Financial Planning, Fortune, RIA Biz, Business Insider, American Public Media, NPR, TheStreet.com, the Washington Post, BuzzFeed, Barron's and the New York Times.

I am an on-air contributor to CNBC. My show, [The Halftime Report](#), airs weekdays at 12 PM ET. Our YouTube Channel, [The Compound](#), is blowing up. Check us out!

Follow our latest updates with the [Market Moment skill](#) on Amazon's Alexa!

I am available to comment on most topics for print, web, television and radio. [Get in touch](#). Do you want me to speak or moderate at your next event? [More info here](#).

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