



Knight Personal Musings

Systemic Investment Business Problems: Why big fees, but not big results?!

BAD Systemic Phenomena

- Too many committee meetings / decisions.
- Commissions reward action / trading – not patience.
- A good manager may be rewarded by continuing to give him assets, until....
- A good manager is often promoted to another position.
- Sales driven outweighs investment excellence.
- Too many products (sales division); too few investment managers.
- One year reward / bonus plans.

BAD Individual Phenomena

- Too many stocks.
- Over-trading.
- Technical charts.
- Market timing.
- False security of cash.
- Following theories:
 - Seasonality.
 - Presidential election years.
 - Sell in Spring.
- Macroeconomic theories / forecasts.

The deck is stacked, BUT there are answers! “AVOID”

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