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**"How to Live in a World of Black Swans:
Nassim Nicholas Taleb's Take on the Financial Crisis"**

What do a turkey being fattened up for Thanksgiving and Federal Reserve Board Chairman Ben Bernanke have in common?

According to Nassim Nicholas Taleb, author of the best-selling [The Black Swan: The Impact of the Highly Improbable](#), both mistakenly act as if the past predicts the future. The turkey, getting fed for 1,000 days, expected only food from the farmer until the ax fell just prior to the holiday. Bernanke, author of "[The Great Moderation](#)," mistook a lack of volatility for a lack of risk. They both failed to consider the potential for a "black swan," the focus of Taleb's speech on "How to Live in a World of Black Swans," delivered to the Financial Planning Association's annual conference in Boston on October 4. Taleb reviewed some of the concepts discussed in his book, and then concluded with a call for investing in robust "barbell" portfolios.

Continue reading [about black swans in my article in *Advisor Perspectives*](#).

"Is Outsourcing Portfolio Construction the Wave of the Future?"



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Glenda Kemple knows precisely why she outsources portfolio construction. "You add value because you understand your client's total financial picture," says Kemple, CPA, CFP®, of Kemple Capital in Dallas, Texas. That picture includes cash management, tax planning, retirement planning, estate planning, education planning, and risk management, in addition to investment management. "We want clients focused on all of those dynamics, not just the portfolio."

Those who outsource portfolio construction as Kemple does passionately agree. They believe it saves them time and empowers them to better serve their clients' overall financial planning needs, while tapping high-quality investment resources at a reasonable cost. They also believe that outsourcing makes them more competitive, helping them snare bigger, more sophisticated clients-and to win a bigger percentage of their assets.

Non-outsourcers are equally passionate about keeping portfolio construction in-house, arguing that they save their clients fees, provide better performance, and have a better handle on their clients' portfolios, as well as getting great personal satisfaction out of the portfolio construction process.

Continue reading [my article, "Is Outsourcing Portfolio Construction the Wave of the Future?"](#), in the *Journal of Financial Planning*.

## **Better client reporting on investments is coming, says speaker at GIPS conference**

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Better client reporting on investments is on the horizon, according to "The Future of Performance Measurement," a Sept. 25 presentation by Stefan Illmer, head of client reporting for Credit Suisse, at the CFA Institute's GIPS Standards Annual Conference in Boston.

There is "increasing pressure to provide analytics...from the client's point of view" in addition to providing them for the portfolio manager," said Illmer.

Read more of [Illmer's predictions](#) or another report I wrote about the conference, [New GIPS standards will change the rules for marketers of separate accounts](#).

You can [learn more about GIPS at the organization's website](#).

Three recruiters talk about hiring at investment management firms

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Hiring is down, but not out, at investment management and mutual fund firms.

That's according to three Boston-area recruiters I queried recently.

Continue reading to see [what they say about who's hiring--and who's getting hired](#).

**More writing and communications links:**

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Here are links to some other writing and communications articles from my blog:

- [Writing sample: Three key lessons from "Schwab and TD Ameritrade Financial Stability"](#)
- [Fidelity writes good headlines for volatility](#)
- [It's okay to end a sentence with a preposition](#)

The CFA Institute's Speaker Retainer Program has invited me back to present "How to Write Investment Commentary People Will Read"

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My presentation on "How to Write Investment Commentary People Will Read" is in the CFA Institute's Speaker Retainer Program again this year. This means that CFA societies across the U.S. and Canada can invite me to speak to their members at no expense to them through the Speaker Retainer Program.



Earlier this year, I enjoyed speaking in Naples, Fla.; Victoria, British Columbia; and Edmonton, Alberta. I can't wait to see where 2009 will take me.

If you can't wait for your local CFA society to schedule me, call me at 617-969-4509 or email me about leading [in-house training for your company](#).



If this newsletter would interest your colleague, you can forward it with a personal note.

Quick Links...

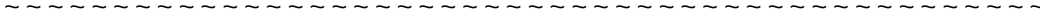
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- [Our website](#)
- [Our blog](#)
- [Our client testimonials](#)

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