

# Do it Yourself Approach

Case Study

The Pathak Group at Morgan Stanley

People sometimes ask us about the benefits associated with engaging a financial advisor as opposed to taking a “Do it yourself” approach to managing their wealth. When speaking with those who have traditionally managed their own investments, we’ve found that for some it’s an activity they enjoy, and for others it has simply been their family’s customary way of doing things. However, when a family’s wealth reaches a certain level most will agree it becomes more difficult and also more risky...

One client in particular, who we’ll call Mr. Jones<sup>1</sup>, had struggled to maintain his wealth as he self-managed his investments through the 2000 downturn. Unfortunately, as he became increasingly fearful, he chose to liquidate and opt-out of the market when it was near-bottom. As a result, his recovery was not the best, and he was never able to build his portfolio back to where it had once been. Nevertheless, he continued on a self-managed path.

## The Best of Times & The Worst of Times...

Like many others, Mr. Jones' portfolio was negatively impacted again in 2008 and, once again, he cashed-out at the bottom in 2009; it was then that he realized the do-it-yourself approach was beyond his capabilities. While it had worked fairly well when the markets were high and booming, he was not able to protect his position very well when things became dicey.

Ultimately, Mr. Jones acknowledged that it was very difficult, if not impossible, to maintain objectivity, especially when his portfolio experienced an extended decline.

He also admitted he was not sufficiently prepared to mentally deal with the downslide; and now that he has engaged us to create a life/financial plan and manage his wealth he appreciates the increased stability as well as the increased comfort. He has also become more involved in more enjoyable pursuits since he now has more free time.

In similar situations, others have told us (after the fact) that one of the strongest benefits associated with turning-over their investments to a professional financial advisor is that they felt they were protecting themselves from themselves; protecting themselves from the subjectivity, panic and risk associated with market variation, fluctuations, and downturns.

The pursuit of meaningful goals is something we all share, but identifying the optimum path requires objectivity, knowledge, research, experience, and access to certain resources.

Whether you're planning for retirement, to fund education for your children or grandchildren, buy a dream vacation home, address health care needs, preserve your wealth, or leave a legacy for the next generation, your Morgan Stanley Financial Advisor can help you succeed.

With an understanding of your individual needs and goals, along with technical and financial experience, we can implement a personalized wealth management plan, then monitor and adjust it as necessary to help you achieve those goals as well as the comfort that can result from knowing we're working on your behalf.



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