
OUR MARCH FOR THE FALLEN PODCAST

Jeremy Schwartz — Global Chief Investment Officer

10/09/2018

Before leaving for Fort Indiantown Gap, three fellow marchers joined me at Wharton for an interview and podcast: Preston McSwain, CIO and Founder of Fiduciary Wealth Partners, Adam Butler, CIO at ReSolve Asset Management, and Andrew Miller, CIO at Miller Financial Management.

The March for the Fallen (#MFTF) is an event hosted by the Pennsylvania Army for soldiers who have passed defending our country since 9/11. The march is a reminder for us all that our country's freedom is not free— and Wesley Gray of Alpha Architect has motivated a large swath of finance twitter to join forces and support the families of these soldiers by marching 28 miles in their honor. This event has quickly become an annual tradition and we expect the numbers to keep multiplying.

Our fellow marcher Eric Balchunas described the finance group of participants at the #MFTF as approximately 75-80% of 'fintwit' that matters – so if you count yourself in the other 20-25% -- we hope to see you there next year.

My wife Bonnie joined WisdomTree's crew this year without training outside of her regular yoga classes and she marched the full 28 miles. This is a testament to how watching two little girls keeps you active on your feet all day, but also the benefits of yoga and a determined mindset. I am telling this mostly to help motivate more of you who don't think you have time to train for the march next year—it is possible to accomplish without more than regular exercise—particularly core power yoga.

Matt Wagner, one of my WisdomTree colleagues who joined us on the march this year, also had little training leading up to the event. He felt the camaraderie of our crew was what allowed him to make it all the way to the cheers of encouragement that greet you at the finish line—yes there was still an extremely dedicated group providing support to marchers even if you finish 3 hours after Wes. Among many of the reassurances we offered each other that our inadequate training would be enough, Bonnie reminded us of one of the sayings in yoga that is "you can do any pose for just 60 seconds"—we extended that logic throughout the day to anyone can put up with walking just another mile, and there was never a consideration of giving up. The collective resolve and support of a group is an extremely powerful thing, and we could only imagine what that spirit must be like within an army unit.

Butler's team from ReSolve Asset management brought 10 people to the march – fully two-thirds of his team – throwing down a challenge for us all to beat next year.

A few of the highlights from our podcast discussion:

- Our discussion contrasted McSwain's 'keep it simple to deliver peace of mind' approach with Butler's approach which could be described on the other end of spectrum -- complex portfolio optimizations.

- Miller discussed his work on stock/bond [correlations](#) and how bonds are thought to diversify stocks but where that can breakdown is with unexpected changes in [inflation](#) expectations. In the 1970s and 1980s—when inflation shocked higher, the correlations were much higher.
 - Crisis [Alpha](#) for bonds? When stocks fell more than 5% in a month, it was the income component of bonds that helped provide cushion and less so their price return component in Miller's research
- Betting Like Buffett: McSwain described a bet he wants to make on whether a [leveraged](#) small cap strategy can beat the returns to the 10 largest private equity funds raised this year. McSwain wondered aloud whether the 'silence is deafening' in terms of lack of private equity investors who have taken him up on this bet. McSwain said he will donate proceeds to the same charities as Buffett did in his bet against Ted Seides for the S&P 500 versus hedge funds and he hoped Buffett was listening – interestingly enough, Ted Seides who took the hedge fund side of the Buffett bet was on the march for the second year in a row. Let's see if we can help McSwain find some challengers who will take the private equity side of the bet.
- How to protect from drawdowns and minimize portfolio risk: Miller has published a paper on strategies that can help retirees preserve 4% withdrawal rates and the role [managed futures](#) strategies can play for this goal – something covered by Miller and Butler.

This was a great discussion with a group of finance motivators.

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

For more investing insights, check out our [Economic & Market Outlook](#)

View the online version of this article [here](#).

IMPORTANT INFORMATION

U.S. investors only: Click [here](#) to obtain a WisdomTree ETF prospectus which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.

There are risks involved with investing, including possible loss of principal. Foreign investing involves currency, political and economic risk. Funds focusing on a single country, sector and/or funds that emphasize investments in smaller companies may experience greater price volatility. Investments in emerging markets, currency, fixed income and alternative investments include additional risks. Please see prospectus for discussion of risks.

Past performance is not indicative of future results. This material contains the opinions of the author, which are subject to change, and should not to be considered or interpreted as a recommendation to participate in any particular trading strategy, or deemed to be an offer or sale of any investment product and it should not be relied on as such. There is no guarantee that any strategies discussed will work under all market conditions. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This material should not be relied upon as research or investment advice regarding any security in particular. The user of this information assumes the entire risk of any use made of the information provided herein. Neither WisdomTree nor its affiliates, nor Foreside Fund Services, LLC, or its affiliates provide tax or legal advice. Investors seeking tax or legal advice should consult their tax or legal advisor. Unless expressly stated otherwise the opinions, interpretations or findings expressed herein do not necessarily represent the views of WisdomTree or any of its affiliates.

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or component of any financial instruments or products or indexes. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each entity involved in compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties. With respect to this information, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including loss profits) or any other damages (www.msci.com)

Jonathan Steinberg, Jeremy Schwartz, Rick Harper, Christopher Gannatti, Bradley Krom, Tripp Zimmerman, Michael Barrer, Anita Rausch, Kevin Flanagan, Brendan Loftus, Joseph Tenaglia, Jeff Weniger, Matt Wagner, Alejandro Saltiel, Ryan Krystopowicz, Jianing Wu, and Brian Manby are registered representatives of Foreside Fund Services, LLC.

WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only.

You cannot invest directly in an index.

DEFINITIONS

Correlation : Statistical measure of how two sets of returns move in relation to each other. Correlation coefficients range from -1 to 1. A correlation of 1 means the two subjects of analysis move in lockstep with each other. A correlation of -1 means the two subjects of analysis have moved in exactly the opposite direction.

Inflation : Characterized by rising price levels.

Alpha : Can be discussed as both risk-adjusted excess return relative to a specific benchmark, or absolute excess return relative to a benchmark. It is sometimes more generally referred to as excess returns in general.

Leverage : Total assets divided by equity. Higher numbers indicate greater borrowing to finance asset purchases; leverage can tend to make positive performance more positive and negative performance more negative.

Managed futures : An alternative investment strategy in which futures contracts are used as part of the investment strategy.