



## Growing Your Wealth and a Life to Go With It

### ROCKING WALL ST., FOUR POWERFUL STRATEGIES ...

Review by Chris Lauer

You might own one of Gary Marks' many rock-jazz records or CDs, or you might have even learned the Gary Marks Piano Method, but did you realize this multitasking musician is also the CEO of a highly successful investment firm? Marks took the money he made as a professional songwriter and the advice of a friend who was investing in hedge funds and combined them into a personal fortune. After many years of research and day trading, he started an alternative asset management company and began a fund of hedge funds. His company, Sky Bell Asset Management, now manages nearly \$300 million through offices in New York, Florida and Hawaii. Marks runs the company from his home computer in Maui.

Although Marks has a rocker's distaste for convention ("To this day I don't own a suit; I would never wear a tie."), he has many useful tidbits of profound financial wisdom to deliver. Don't let the bandana and laid-back Hawaiian lifestyle fool you: Marks has the street smarts to at least break even during bear markets and can grow a portfolio from 10 to 15 percent annually in bull markets. Over the years, he has developed a risk-averse, multi-manager strategy that has worked for many wealthy investors. In *Rocking Wall St., Four Powerful Strategies That Will Shake Up the Way You Invest, Build Your Wealth, and Give You Your Life Back*, he shares the financially solid solutions he has learned from his successful work with big money.

#### What Do You Want From Life?

*Rocking Wall St.* has four investor tenets: Control your emotions, understand market hype, hedge your investment portfolio and plan for the future by deciding what you really want out of life.

Marks waxes poetic about wealth and its limitations. He understands the importance of building a diversified portfolio, but also describes the value of creating time to enjoy the things in life that money can't buy: free time, relaxation, family and friends. Marks links wealth management and life management with straightforward tales about key investment decisions and devastating financial mistakes. Choosing only risk-averse investments for your portfolio is the path to a secure financial future, Marks writes, and a more fulfilling life.

#### Always Hedge Your Bets

Marks extols a disciplined investment strategy that revolves around hedging: "playing one risk or opportunity against another risk or opportunity while it decreases the risk." Aiming for long-term success, his strategy also entails diversification among ideas, strategies and asset classes, such as stocks, bonds, commodities and real estate.

There is a cautious side to Marks that sets him apart from many wealth management experts. He urges investors to refrain from paying for business ventures with money they can't afford to lose. If you've got \$1.5 million or more, Marks proposes a strategy that defends the principal and hedges all investments with careful consideration toward the long view. But he defies the myth of buy-and-hold, explaining that this is bull market advertising. He points out that even Warren Buffet sells

his stock when he sees fundamentals falling apart within a company. He also explains that delaying taxes is no excuse for holding on to a risky stock, limited partnership or mutual fund. Net losses can quickly replace gains.

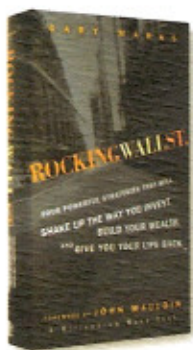
One tip Marks offers about emotional hedges is to assess your current portfolio of investments and decide whether you would buy them at their present valuations. If an investment doesn't add diversity or provide an emotional hedge, sell it, he writes. "You should not be excited or frightened to own what you own." He explains that the emotional balance is worth the cost of the tax.

According to Marks, aggressive investing is gambling, and conservative investing is the best way to make money over the long haul.

He also points out that living a life slaving to one's own wealth is hardly a life at all.

With a healthy cynicism toward seminar gurus, investor newsletters and TV analysts, Marks avoids marketing spin with a philosophical perspective. He urges investors to set a financial goal they can reach and, once they get there, step away from trading to enjoy the stress-free earnings from a diversified portfolio of hedged investments. Have a great life, he advises, but don't touch your principal!

Although the concept of "rocking" Wall St. might seem a bit hokey for some serious investors, the stories Marks presents to illustrate his points provide articulate arguments for smart wealth management. Marks is no pie-in-the-sky artist. His thoughtful financial advice is firmly planted in pragmatic wealth management strategies.



By Gary Marks