Newsletter 14 I May, 2015

We welcome you to our May 2015 Newsletter. The financial services industry has traditionally been at the forefront of new technology. At Emergo Wealth we are great believers in always being the very first adopters of new technology and for good reason: to stay competitive, we constantly aim to add value to our clients and to find ways to communicate in a simple and transparent manner.

One of our recent initiatives was the full roll-out of the LifeGoals online members' portal. All LifeGoals members will be able to login to the secure portal environment and review their account details and their portfolio performance as well as manage their preferences, create reports and use several other features with more to come. The system allows users to keep track of their retirement savings from anywhere and to therefore be better informed and pro-active about their broader personal financial planning.

This month's feature article by our Director of Investment Strategy, discusses the merits of active investment management and how a combination of passive and active approaches can deliver better performance.

As always, we would love to hear from you with any feedback on our articles or for any questions regarding our services.

Dr. Mike F. Balm
Managing Director

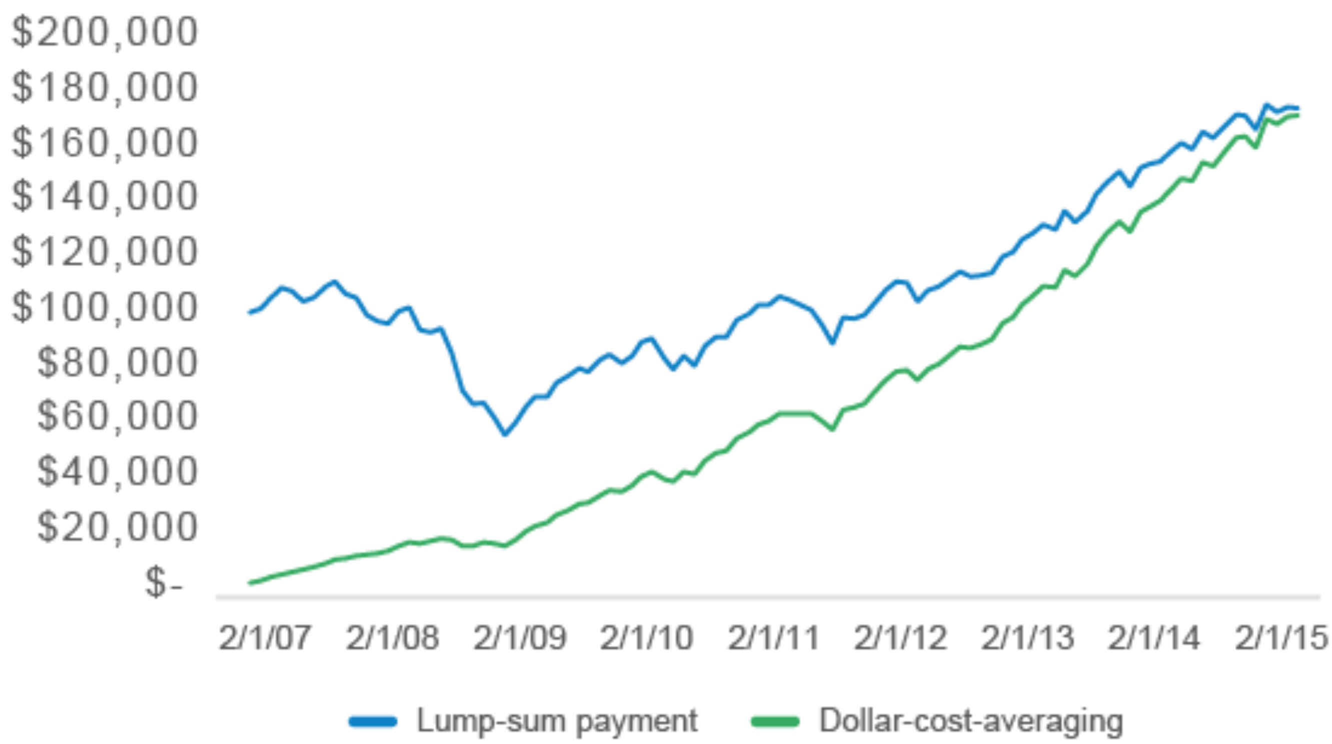
Active Management for Passive Managers

The classic economists' joke goes like this: an economics professor student walks past a $20 bill without picking it up. When challenged, he explains why - "because the $20 bill does not exist, it simply cannot be. If it were, somebody would have already picked it up." This of course relates to the Noble prizewinning efficient market hypothesis; that markets are efficient and incorporate all available information and that you can't beat the market- you cannot find a $20 bill just lying there in the street. Or rather, the investment of time in searching for $20 bills left on the street is not justified by the expected return, given the extremely small probability of finding on.

One logical conclusion from accepting this theory is the concept of market index investing, passively buying and holding the index. Indeed, for all non-professional investors, trying to "beat" the market or "time" the market is impossible and could results in catastrophic losses - simply because they don't have the time and the expertise to actively manage their investments - this is the job of expert professionals.

More...

Dollar-cost-averaging vs Lump-sum investment



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