25 Lessons From 25 Years Managing Money

2024-10-18 | Robert Di Iorio

I have been dragging my feet on writing this blog since May of this year. I was in a bar 25 years ago that I found myself unexpectedly recruited into the investment business at my university's end-of-year celebration. The recruiters had finished hiring for the season, but in true Di Iorio fashion, I offered to buy them one last beer and sparked their interest. That one conversation set the course for my career, and before I knew it, I was on my way in the world of finance.

That moment was just the beginning. I impressed at my first role as a runner (delivering physical bond certificates) and found my way into a full-time operations gig. I worked hard to convince those in charge that hiring me was the best decision they could have made, and was eventually offered a path towards managing my own book of clients – and the rest, as they say, is history. Of course, this is an overly simplistic summary of my journey. Along the way there were many times when I doubted my decisions, my skills, and even myself. But, just like investing, success in this business is a long-term game—and patience is always rewarded.

After 25 years in the investment world, I am still learning. But as I reflect on my journey, here are twenty-five lessons I (and our team) have learned that guide how we approach our work every day.

1. **Optimism Should Be Your Default Setting**

Believing in the long-term growth of markets, despite inevitable downturns, helps you stay the course.

2. **Patience Pays Off – Invest for the Long-Term**

Investing is a marathon, not a sprint. Being patient, even when it is difficult, is often the key to success. Short-term gains are great, but investing with a long-term horizon is what builds wealth over time.

3. **Stick to Your Plan – and Help Others Stick to Theirs**

Having a solid plan and sticking to it is vital. Illustrating the power of long-term compound interest helps ensure they are not swayed by market noise.

4. **Understand the Power of Compounding**

Compounding returns is one of the most powerful forces in investing. The earlier you start, the more you stand to gain.

5. **Focus on What You Can Control**

Market movements can sometimes be unpredictable. But things you can control, like your strategy, planning, and savings rate, are what creates the foundation of long-term investing success.

6. **Avoid Trying to Time the Market**

Timing the market is a fool's errand. It is about time in the market, not timing the market.

7. **Do Not Chase Hot Trends**

It is tempting to jump into the current hottest trends. But successful investing is not about chasing the latest trend, but rather about sticking to the long-term plan.

8. **History Does Not Repeat – But It Often Rhymes**

While market history never unfolds in exactly the same way, the patterns often repeat. Using historical precedents can guide decision-making and help regulate emotions in turbulent times.

9. **Our Emotions Are Rigged, Not the Stock Market**

The market is not out to get you. But our own emotions? They can wreak havoc on rational decision-making if left unchecked.

10. **Recognize and Manage Your Emotional Biases**

This is easier said than done, but it is essential. Emotional decisions are rarely good ones, especially in investing.

11. **Do Not Be Afraid to Admit When You Are Wrong**

Sometimes, even with the best analysis, an investment decision does not pan out. Always be open to admitting mistakes or changes in circumstances and making the necessary adjustments.

12. Learn from and Document Your Mistakes

We all make mistakes. The key is to learn from and keep a record of these, so you do not repeat them.

13. Use a System for Everything

A disciplined approach to investing that is repeatable and structured helps take emotion out of the equation.

14. Your Planning is as Important as Your Investment Strategy

The planning around a client’s investment strategy is just as impactful – if not more so – than the strategy itself.

15. Celebrate Milestones – Yours and Your Clients’

Moments like this one are worth celebrating, but also take time to celebrate your clients’ achievements along the way.

16. Maintain Open Communication and Transparency

Clear communications and transparency are the cornerstones of trust. It can take years to build a client’s trust, but only moments to lose it.

17. Build a Knowledgeable Team

In my case, my team has been invaluable. Having smart, capable people around you is critical to success.

18. Seek Feedback from Clients and Experts Around You

Feedback from clients, experts, and other professionals inside and outside of your industry will only make you better at what you do.

19. Track Everything – for Clients and Your Team

Keeping meticulous records not only helps with performance but also builds trust with clients, and ensures your team is aligned.

20. Embrace Technology

The tools available today can help make better decisions and improve client relationships. Do not be afraid to leverage new innovations.

21. Intelligence Does Not Guarantee Investment Success

Book smarts do not always translate to winning in the markets. Real success comes from understanding how to apply knowledge and experience over time.

22. Experiences Shape Your Perception of Risk

Your risk tolerance changes as you go through the highs and lows of life. Every market event, personal challenge, or financial win can shift how you view risk.

23. Never Stop Learning – Constantly Educate Yourself

After 25 years, I am still learning. The market is always changing, the industry is always changing, and there is always something new to discover.

24. Reflect on Your Successes and Failures

Regularly take time to reflect on what you have done right—and what you have done wrong. This reflection is where real growth happens.

25. Stay Humble

No one has all the answers. Stay humble and open to learning, no matter how much success you have had.

After a quarter century in this business, I can confidently say I have cherished every step of the journey – even the early years of uncertainty. The lessons learned along the way continue to shape my approach, and I look forward to learning many more in the years to come.

Cheers to the clients who have trusted me from day one, and to those who continue to trust us today, 25 years later. Here's to the next 25 years, and all the adventures ahead.

Sincerely,
Robert Di Iorio