Scott Brooks Video Transcripts

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SCOTT: Remember in the class where you learned about private wealth strategies and you learned that one of the biggest and best things the private wealth strategies have going for them is that they're small? Remember, we learned in class that one of the myths the financial services industry tries to get you to believe is that bigger is better? You know, the big companies like your Edward Jones accounts and your Fidelity accounts? Bigger is better with these companies. Remember when you learned that smaller is better? Because remember, the problem with "bigger is better" is that if they own stock in a company, let's say they own stock in this pencil, let's say it's General Electric. If one of those big boys like Vanguard or whoever, Fidelity or Edward Jones own a bunch of stock in General Electric, and with all of their research and all their vast knowledge and all their information they say, you know, the risk level over here is getting pretty high. This looks like it's going to take a hit. Remember what they can do about it? You'd think they can sell it, right, but they can't. Remember, they can't because they own so much of it that they would flood the market with GE stock which would do what to the price of GE stock. It would tank. As a matter of fact, it might hurt the whole market. So, they're stuck. But one of the biggest advantages that a private wealth strategy has is that they're small. Some private wealth strategies will never get bigger than $100 million, which I know sounds like a lot of money, but it's not even a grain of sand on the financial beach. So, private wealth strategies can own stock in the same GE, can own shares in the same GE stock as the big boys, but here's the difference. They see all the same data. They see all the same research. They have all the same brain power and computational skills as the big guys do, and they look at that and they go "Wow, that looks like it's going to go down in price." The big guys are stuck. They can't sell it. But you know what private wealth strategy can do that the big boys can't do? They can say two important magic words. And those to important magic words are "Thank you." Thank you for all the profits that you made for Roy and Patty, but now it's time for me to take their money over from here where the risk is high and move it over here where the risk is low. Remember, we talked about that? That's what they have the ability to do. As we look at these private wealth strategies here in just a moment, I want you to remember some important things. We're looking for investments that have small losses that are infrequent that recover quickly, okay? Also, when you look at investments, remember, investments are speaking to you. Pay close attention to what they say because an investment that says "I lost X numbers of dollars in the past," that's an investment that's telling you "I can lose that again. I've done it before, I can do it again," okay? So, let's pay close attention to the losses, shall we? What I want to do now is I want to start off with some low-risk private wealth strategies that I've chosen that I think are appropriate for the two of you, okay? So, here we go.