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VOLUME 19 | EDITION 04



Mesirow Financial, The Leibson/Maniscalco Team

Marc Leibson, Senior Managing Director, Investment Advisory

William A. Maniscalco, CFP®, AIF®, Managing Director, Investment Advisory

“What steps can be taken to lessen the impact of **the next bubble?**”

By Marc Leibson and William A. Maniscalco

The key to navigating through the minefields is to have a plan focused on risk management. To achieve your goals, you have to be prepared for the unexpected. It is not always about how much money you make, but what you keep.


Throughout history there has rarely been a time when the markets were not being shadowed by some world or economic crisis. In the past 25 years alone we have seen bubbles, wars, a presidential impeachment, Enron fall-out, Asian market meltdowns, hedge fund collapses, record bank closures, the Bernie Madoff fraud and numerous other significant market scares. Despite that, the Dow Jones Industrial Index has grown from below 1,300 in May 1985 to the lofty level it is today.

The following are steps we recommend to keep you on track:

01 Start with an investment plan. It is important to have realistic goals and measurable, intermediate targets. Having well-grounded goals helps to reduce the emotional pitfalls that all investors face. Often, the best opportunities occur when the investment environment looks bleakest. Having a game plan provides you with the best chance to take advantage of those times. It can also reduce the impact of getting caught up in the contagious wave of investment bubbles.

02 Consider your risk tolerance. The past two years have been a roller coaster for equity investors. In 2008 and early 2009, many investors found out the hard way that they were taking more risk than they thought. It was a very difficult period, but it was not unprecedented. Investors who had considered their maximum acceptable risk levels were much less likely to have felt the full force of the decline. Diversification into lower-risk assets such as high-grade bonds helped mitigate the pain.

We strive to help our clients quantify their risk tolerance and translate it into a sound portfolio allocation. We can adjust this allocation for opportune trends in the marketplace, but the overall framework stays in place. As your goals and needs change, we modify the plan.

03 Invest versus speculate. Once you establish an investment plan, it is imperative to select a mix of well-diversified, tax-efficient investments that are consistent with your objectives. The selected mutual funds or equity managers should have a track record of superior risk-adjusted returns. Too much focus on near-term profits often leads to just the opposite. Slow but steady usually wins the investment race. 

THE IMPORTANCE OF CONSISTENCY

The path to wealth is keeping what you have. Portfolio volatility is often the biggest factor in not achieving targeted goals. If your portfolio goes down 30 percent, then rises 30 percent, you are not even close to breaking even. You need to rise nearly 43 percent in order to break even after losing 30 percent.

Our investment strategy focuses on keeping the bad years to an absolute minimum. It is nearly impossible to completely avoid declines, but portfolios that capture the majority of market sell-offs rarely outperform over time. In order to take advantage of the power of compounding you need to avoid the big losses.

At Mesirow Financial, we help our clients create personalized, comprehensive investment plans focused on managing risk, while still positioning portfolios to participate in market rallies.

Mesirow Financial Investment Management, Inc., is an SEC-registered investment advisor. Mesirow Financial does not provide legal or tax advice. Securities offered by Mesirow Financial, Inc., member NYSE and SIPC.

“To achieve your goals, you have to be prepared for the unexpected.”

– Marc Leibson and William A. Maniscalco

I NEVER LEAVE HOME WITHOUT...

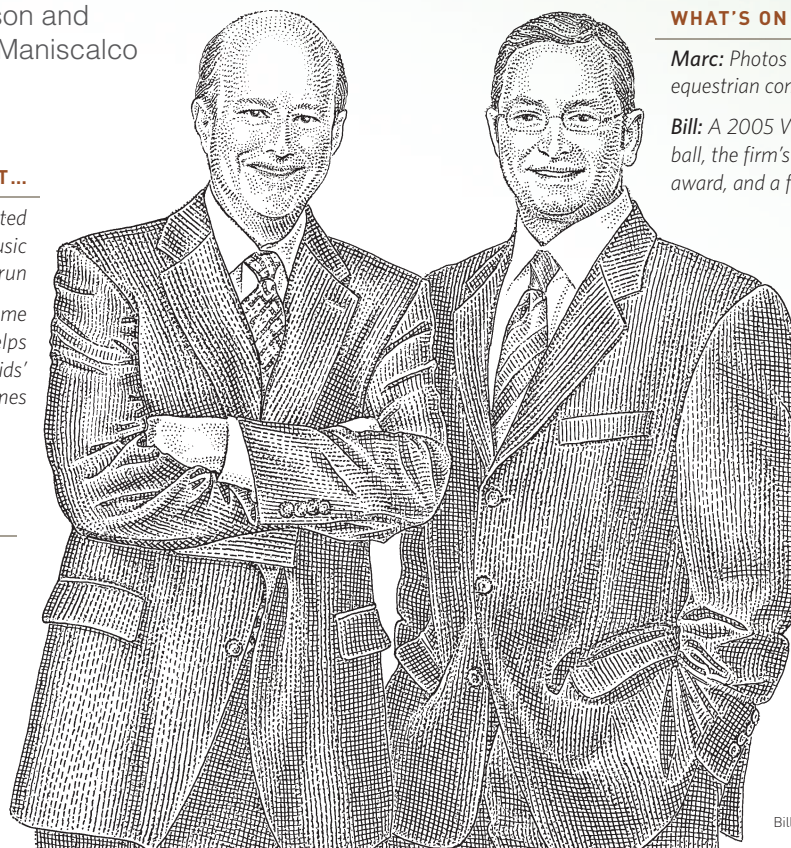
Marc: My iPhone so I can stay connected to the world and enjoy my favorite music on my daily run

Bill: My BlackBerry—it keeps me in touch with my clients and helps me juggle managing my three kids' sports games

MY FAVORITE LUXURY...

Marc: My black, 1970 Jaguar XKE convertible—it looks stunning even when it's not moving, which is usually the case

Bill: Numerous trips to Napa Valley to find the perfect California Cabernets



Marc Leibson

Bill Maniscalco

How to reach The Leibson/Maniscalco Team

Marc and Bill can be reached at 847.681.2500.

WHAT'S ON MY DESK...

Marc: Photos of my two daughters in equestrian competitions

Bill: A 2005 White Sox World Series ball, the firm's annual citizenship award, and a family portrait

About The Leibson/Maniscalco Team

The Leibson/Maniscalco Team is a wealth management group at Mesirow Financial, a diversified financial services firm. Marc Leibson and Bill Maniscalco provide wealth management services for individuals, nonprofit organizations, families and businesses. Mr. Leibson joined Mesirow Financial in 1984 and has more than 27 years of experience in the financial services industry, with an extensive background in investment planning and mutual fund research. He holds a bachelor's degree in finance and received his MBA from the University of Illinois. Mr. Maniscalco joined Mesirow Financial in 1998 and has more than 19 years of industry experience. He is past president of the Italian American Chamber of Commerce and is a past board member for the Larkin Center. He graduated from Indiana University with a bachelor of science degree in economics.

Assets Under Management
\$500 million (The Leibson/Maniscalco Team)
\$40.2 billion (Mesirow Financial)

Minimum Fee for Initial Meeting
None required

Minimum Net Worth Requirement
\$1 million

Largest Client Net Worth **Confidential**

Financial Services Experience
46 years (The Leibson/Maniscalco Team)

Compensation Method
Asset-based fees

Primary Custodian for Investor Assets
Mesirow Financial, Inc.; multiple secondary custodians

Professional Services Provided
Investment advisory services

Website
www.mesirowfinancial.com

Email
mleibson@mesirowfinancial.com, wmaniscalco@mesirowfinancial.com



Marc Leibson

Senior Managing Director, Investment Advisory

William A. Maniscalco, CFP®, AIF®

Managing Director, Investment Advisory

Mesirow Financial, The Leibson/Maniscalco Team

610 Central Avenue, Suite 200

Highland Park, IL 60035

Tel. 847.681.2500

Email: mleibson@mesirowfinancial.com

Email: wmaniscalco@mesirowfinancial.com

www.mesirowfinancial.com

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About the Worth Leading Wealth Advisors

The Worth Leading Wealth Advisor admittance process is based on, but not limited to, the Advisor's experience, education, fiduciary status, compliance record, wealth management services, methods of compensation and scope of current business. In order to be considered for the Worth Leading Wealth Advisors Program, financial professionals must be willing to provide complete and full disclosure to investors so that independent analysts from Paladin Registry can thoroughly screen and evaluate their credentials, ethics and business practices. Once admitted, Advisors pay a fee to be included. Investors and potential investors are solely responsible for the decision to select particular Advisors.