Chapter 1

Learn from the Worst

From the errors of others, a wise man corrects his own.
—Publilius Syrus, first-century Roman writer

Peter Lynch, Benjamin Graham, David Dreman, and others have all left roadmaps showing just how the average investor can make a bundle in the stock market. Their formulas are relatively simple and don't involve the kind of complex mathematics that only a rocket scientist could understand. And, to top it all off, between the access I'll give you to my new website—www.guruinvestorbook.com—and the ease with which you can find stock information on the Internet these days, you won't have to do too much digging and research to put these formulas into action. This is going to be a piece of cake, right?

Not exactly. While people such as Lynch, Graham, and Dreman have been kind enough to lay out paths to investing success for us to follow, the stock market will throw obstacles and challenges into even the most carefully crafted roads to riches. The first stop along our journey isn't going to be a pretty one. We're going examine how and why investors before us have failed so that you'll be ready when confronted with the same pitfalls.

The Fallen

As we begin our survey of the graveyard of failed market-beaters, one thing should quickly jump out: It's a pretty crowded place. To start with, there are the professionals—the mutual fund managers. Over the past couple decades, mutual funds have become a widely used stock market tool, allowing investors to buy a broad swath of stocks with less transaction costs than they'd incur if they tried to buy each holding individually. The problem is that most mutual fund managers fail to beat the returns you'd get if you had just bought an index fund that tracks the S&P 500 (The S&P 500 index is generally what people refer to when they talk about beating "the market").

In fact, in a 2004 address to the United States Senate Committee on Banking, Housing, and Urban Affairs, John Bogle—the renowned founder of the Vanguard Group, one of the world's largest investment management companies—stated that the average equity fund returned 10.5 percent annually from 1950 through 1970, while the S&P 500 averaged a 12.1 percent return. From 1983 through 2003, as mutual funds became more popular, the gap was even worse: The average equity fund returned an average of 10.3 percent annually, while the S&P grew at a 13 percent pace.

A 2.7 percent spread between the S&P and mutual fund managers' performances may not seem like all that much. But remember, the compounded returns you get in the stock market can turn that kind of difference into a lot of money very quickly. A $10,000 investment that grows at 13 percent per year compounded annually, for example, will give you a shade over $115,000 after 20 years; at 10.3 percent per year, you'd end up with about $44,000 less than that (approximately $71,000).

Bogle's not the only one whose research highlights the poor track record of fund managers. In his book *What Works on Wall Street,* James

O'Shaughnessy, one of the gurus you'll read about later in this book, looked at what percentage of equity funds beat the S&P 500 over a series of 10-year periods, beginning with the 10-year period that ended in 1991 and ending with the 10-year period that ended in 2003. According to O'Shaughnessy, "the *best* 10 years, ending December 31, 1994, saw only 26 percent of the traditionally managed active mutual funds beating the [S&P] index." That means that just over a quarter of fund managers earned their clients market-beating returns in the best of those periods!

In addition, those that beat the S&P didn't exactly crush it. O'Shaughnessy said, for example, that less than half of the funds that beat the S&P 500 for the 10 years ending May 31, 2004 did so by more than 2 percent per year on a compound basis. What's more—and this is a key point—O'Shaughnessy noted that these statistics didn't include all the funds that failed to survive a particular 10-year period, meaning that his findings actually *overstate* the collective performance of equity funds.

Along with fund managers, another group of market underperformers mired in the stock market muck are newsletter publishers. These are investors—some professional and some amateur—who write monthly or quarterly publications (many of which are published online) that give their assessment of the economy as well as their own stock picks. They sound official and authoritative, and sometimes even have large research staffs working for them. But while they can attract thousands of readers, more often than not their advice is lacking. In fact, Mark Hulbert, whose *Hulbert Financial Digest* monitors investment newsletters and tracks the performance of their picks (Hulbert is considered the authority on investment newsletter performance and has been tracking newsletters for over 25 years), said in a 2004 *Dallas Morning News* article that about 80 percent of newsletters don't keep pace with the S&P 500 over long periods of time.

And just as their individual stock picks are often subpar, newsletter publishers also have a difficult time just picking the general direction of the market. A National Bureau for Economic Research study of 237 newsletter strategies done in the 1990s found that, between June 1980 and December 1992, there was "no evidence to suggest that investment newsletters as a group have any knowledge over and above the common level of predictability," according to the *International Herald Tribune*.

So, while their advertisements and promises may sound tempting, the data indicates that newsletter publishers and money managers have a weak record when it comes to beating the market. Their collective track record, however, is far better than that of individual investors, whose poor performance we examined in the Introduction.

Bogle has also addressed the issue of individual investors' returns, and his findings paint an equally glum picture. He told that congressional committee in 2004 that he estimated equity fund investors had averaged an annual gain of just 3 percent over the previous 20 years, during which time the S&P 500 grew 13 percent per year.

The Futility of Forecasting

Having established that most investors—professional and amateur—underperform the market, the obvious question is, why? After all, professional investors are, for the most part, intelligent people. Just about all of them have college degrees, some from very prestigious schools, and they are required to pass multiple licensing examinations before being allowed to invest clients' money. Similarly, there are a lot of very smart amateur investors out there. As I noted earlier, I have degrees from Harvard and MIT and successfully built up my own business, yet I struggled for a long time to beat the market. How can so many smart people fare so poorly?

Well, for the first—and perhaps greatest—reason, we don't have to look far: It is the fact that we are human. Our own humanity—the way we think, the way we perceive things and feel emotions—has become a major topic in the investing world in recent years. There are even branches of science—behavioral finance and neuroeconomics—that examine how psychology and physiology affect the way we deal with our money. And, in general, the findings show that we humans are investing in the stock market with the deck stacked against us.

Some great research into this topic has been done by *Money* magazine writer Jason Zweig (no relation to Martin, another of the gurus you'll soon read about), who last year authored a book on neuroeconomics titled *Your Money and Your Brain.* One of the main points Zweig stressed is that human beings are excellent at quickly recognizing patterns in their environment. Being able to do so has been a key to our species' survival, enabling our ancestors to evade capture, find shelter, and learn how to plant the right crops in the right places. Zweig further explains that today this natural inclination allows us to know what train we have to catch to be on time, or to know that a crying baby is hungry. Those are all good, and often essential, things to know.

When it comes to investing, this ability ends up being a liability. According to Zweig, "Our incorrigible search for patterns leads us to assume that order exists where it often doesn't. It's not just the *barus* of Wall Street who think they know where the stock market is going. [*Barus* were divinatory or astrological priests in ancient Mesopotamia who declared the divine will through signs and omens.] Almost everyone has an opinion about whether the Dow will go up or down from here, or whether a particular stock will continue to rise. And everyone *wants* to believe that the financial future can be foretold." But the truth, he says, is that it can't—at least not in the day-to-day, short-term way that most investors think it can.

You don't have to look too far to find that Zweig is right. Every day on Wall Street, something happens that makes people think they should invest more money in the stock market, or, conversely, makes them pull money out of the market. Earnings reports, analysts' rating changes, a report about how retail sales were last month—all of these things can send the market into a sudden surge or a precipitous decline. The reason: People view each of these items as a harbinger of what is to come, both for the economy and the stock market.

On the surface, it may sound reasonable to try to weigh each of these factors when considering which way the market will go. But when we look deeper, this line of thinking has a couple of major problems. For one thing, it discounts the incredible complexity of the stock market. There are so many factors that go into the market's day-to-day machinations; the earnings reports, analysts' ratings, and retail sales figures I mentioned above are just the tip of the iceberg. Inflation readings, consumer spending reports, economic growth figures, fuel prices, recommendations of well-known pundits, news about a company's new products, the decisions of institutions to buy and sell because they have hit an internal target or need to free up cash for redemptions—all of these and much, much more can also impact how stocks move from day to day, or even hour to hour or minute to minute. One stock can even move simply because another stock in its industry reports its quarterly earnings. Very large, prominent companies such as Wal-Mart or IBM are considered bellwethers in their industries, for example, and a good or bad earnings report from them is often interpreted—sometimes inaccurately—as a sign of how the rest of companies in their industries will perform.

What's more, when it comes to the monthly, quarterly, or annual economic and earnings reports like the ones I've mentioned, the market doesn't just move on the raw data in the reports; quite often, it moves more on how that data compares to what analysts had projected it to be. A company can post horrible earnings for a quarter, and its stock price might rise because the results actually exceeded analysts' expectations. Or conversely, it can announce earnings growth of 200 percent, but fall if analysts were expecting 225 percent growth.

Finally, let's throw one more monkey wrench into the equation: the fact that good economic news doesn't even always portend stock gains, just as bad economic news doesn't always precede stock market declines. In fact, according to the *Wall Street Journal,* the market performed better during the recessions of 1980, 1981–1982, 1990–1991, and 2001 than it did in the six months leading up to them. And in the first three of those examples, stocks actually gained ground during the recession.

Expert, Shmexpert

As you can see, with all of the convoluted factors that drive the stock market, predicting which way it will go in the short term is just about impossible. But wait—aren't we forgetting something? A certain group of people that the media refer to as "experts"? These self-assured sounding commentators that we find on TV, the Internet, or print news tell us that they know just what the latest round of earnings reports or economic figures will mean for stocks. After all, they're *experts*; don't they have to be at least pretty good at predicting economic and stock market tends?

Unfortunately, research shows that they don't. Before I created my investment research website and started my asset management firm, my company first specialized in researching how well the stock picks of most "experts" who appeared in the media actually did. What we found was that there was no consistency or predictability in the performance of these pundits. The best performers in one week, one month, one quarter, six months, or one year were almost guaranteed to be entirely different in the next period; basically, you couldn't make money by picking a top performing expert as measured over a short period of time and following him or her.

But you don't have to trust my experience to find out that "experts" are far from infallible. In a 2006 article for *Fortune*, Geoffrey Colvin examined this concept by reviewing the book *Expert Political Judgment: How Good Is It? How Can We Know?* Written by University of California at Berkeley professor Philip Tetlock, the book detailed a seven-year study in which both supposed experts and nonexperts were asked to predict an array of political and economic events. It was the largest such study ever done of expert predictions—over 82,000 in total. The study, Colvin noted, found that the best forecasters—even the "experts"—couldn't explain more than 20 percent of the total variability in outcomes. Crude algorithms, on the other hand, could explain 25 to 30 percent, while more sophisticated algorithms could explain 47 percent. "Consider what this means," Colvin wrote. "On all sorts of questions you care about—Where will the Dow be in two years? Will the federal deficit balloon as baby-boomers retire?—your judgment is as good as the experts'. Not almost as good. Every bit as good."

There's more. Colvin also noted that the study found that the experts' "awfulness" was pretty consistent regardless of their educational background, the duration of their experience, and whether or not they had access to classified materials. In fact, it found "but one consistent differentiator: fame. The more famous the experts, the worse they performed," Colvin said.

So, if that's the case, why do so-called "experts" still get so much publicity and air time? Colvin said the reason is another result of our human nature. As humans, we want to believe the world "is not just a big game of dice," he wrote, "that things happen for good reasons and wise people can figure it all out." And since people like to hear from confident-sounding experts who appear to be able to figure it all out, the media likes to give them air time—and the experts like to get that air time because it pays, Colvin noted. Tetlock himself described this relationship as a "symbiotic triangle," explaining, "It is tempting to say they need each other too much to terminate a relationship merely because it is based on an illusion."

The bottom line: Just because someone sits in front of a camera with a microphone and speaks confidently doesn't mean he or she has any sort of clairvoyant powers when it comes to the stock market. In fact, the odds are that four out of every five times, they'll be wrong!

Market Timing: The Most Dangerous Game

With all of the research that shows humans—even experts—have pretty terrible predictive abilities when it comes to economic and stock market issues, you'd think that people would refrain from trying to predict the market's short-term movements. They don't. Every day, millions of investors try to discern where the market will head tomorrow, next week, or next month. And the way this manifests itself is the doomed practice of market timing.

Market timing occurs when people move in and out of the stock market with the intent of taking advantage of anticipated short-term price movements. Market timing can be as simple as you want it—maybe you've heard from a friend that the market is about to take off, so you invest in stocks—or as complex as you want it—perhaps you've developed an elaborate model that uses various economic indicators to predict which way the market will go in the next month. Whatever way you go about it, though, it's not likely to end well, because the market is simply too complex and irrational in the short-term for anyone to correctly and reliably predict its movements.

Want proof that market timing doesn't work? There's plenty. Take, for example, the research performed by Dalbar, Inc. In its "2007 Quantitative Analysis of Investor Behavior," the firm notes that the S&P has grown an average of 11.8 percent per year from 1987 through 2006, an impressive gain. During this period, however, the average equity investor averaged a return of just 4.3 percent. The reason? As markets rise, the data shows that investors "pour cash" into mutual funds, and when a decline starts, a "selling frenzy" begins. In other words, the research shows that investors tend to do the opposite of the old stock market adage, "Buy low, sell high."

Dalbar isn't the only firm that's found that investors do a pretty awful job at trying to time the market's short-term moves. A few years ago, the investment research company Morningstar began tracking mutual fund performance in a new way. Normally, mutual fund returns are reported as though an investor remained invested in the fund throughout the full reporting period. A fund's three-year return, for example, is reported as the percentage increase or decrease an investor would have seen if he had been invested in the fund for the entire three previous years.

In a methodology paper ("Morningstar Investor Return"), Morningstar says it found that this "total return" percentage doesn't accurately portray how well investors in a particular fund really fare. The reason: While the "total return" percentage measures how a fund does over a specific period, people often don't stick with the fund for that entire period; instead, they jump in and out of it. And, according to Morningstar, the returns that the typical investor in a particular fund actually realizes (the "investor returns") tend to be lower than the fund's total return—implying that people pick the wrong times to jump in and out of the fund (or the market).

While investors themselves deserve some of the blame for this, mutual funds sometimes don't help. In its investor returns methodology paper, Morningstar states that if firms encourage short-term trading and trendy funds, or if they advertise short-term returns and promote high-risk funds, they may not be looking out for their investors' long-term interests. Their investors' actual returns will likely be lower than the fund's total return. (The fees mutual funds charge also don't help, something Bogle stresses; those costs make it so that the fund manager has to beat the market just for his client to net market-matching returns.)

Need for an Emotional Rescue

The research that Zweig, Tetlock, Dalbar, and Morningstar have conducted all bears out the notion that we as humans are not good market-timers. This then brings us to our next important question: If we don't succeed at it, why do we keep trying to time the market? We know that, given the short-term unpredictability of the stock market, it's pretty much inevitable that we'll fail if we try to time our participation in stocks, yet we always think we can do learn to do it. "Man, it was so obvious what I *should* have done last time; now that I've learned my lesson, I'll be able to time things right next time," we tell ourselves—even though it wasn't obvious what we should have done last time, and it won't be obvious when it comes to future market-timing decisions (behavioral finance terms this *hindsight bias*). And time and time again, when one of our stocks starts declining, we jump off of it and onto the latest "hot" stock, only to watch our old stock rise and our new, flashy stock fall.

Again, one of the main reasons for these habits starts inside ourselves: our emotions. As human beings, we are emotional creatures, and in many cases throughout life, that's a good thing. When we are in danger, for example, we feel fear, and our brains interpret this feeling as a signal to flee for safety's sake. In the stock market, however, emotion is one of our greatest enemies. Our instincts tell us to flee when we see danger, and danger is what we see when our investments start losing value—danger of losing our money, danger of not being able to afford to send our children to college, danger of not being able to afford to retire when we want to retire. And, just as with other dangers we perceive, our first reaction is to flee—or, in this case, sell.

Now, when it comes to being attacked by an animal or a mugger who is trying to hurt you, fleeing from harm is a good instinct to have. But in the stock market, fleeing can, in fact, lead to great harm. That's because the danger we often sense in the stock market is false danger. Perfectly good stocks fluctuate over the short-term (there's typically a 40 to 50 percent difference between a stock's high and the low for the previous 12 months), and sometimes it's due to factors that have nothing to do with their real value. (Think of the bellwether example I referenced earlier, in which one company is negatively impacted when another company in its industry posts a bad earnings report.) And as we've seen, because of the array of factors that go into its day-to-day movements, we just can't predict what the market's or an individual stock's short-term fluctuations will be with any degree of accuracy.

Nevertheless, we still act on them, and a big reason is emotion. Peter Lynch once explained this phenomenon in an interview with PBS. "As the market starts going down, you say, 'Oh, it'll be fine,'" Lynch said. Then "it starts going down [more] and people get laid off, a friend of yours loses their job or a company has 10,000 employees and they lay off two hundred. The other 9,800 people start to worry, or somebody says their house price just went down. These are little thoughts that start to creep to the front of your brain." People even start thinking about past financial disasters, Lynch said, bringing thoughts of such calamities as the Great Depression to the front of their minds, even if the current situation is nowhere near as bad.

In today's world of nonstop media hype and sensational headlines, it's very difficult to keep those thoughts from entering our minds. And the more they do, the more likely we are to make bad investment decisions. Dalbar's study of investor behavior shows that the percentage of investors who correctly predict the direction of the market is much lower during down markets than it is during rising markets. During falling markets, when people have already been losing money, the fear of losing even more can cause many to cash out, even if the downturn is just one of Wall Street's periodic short-term hiccups. (Behavioral finance refers to this as *myopic loss aversion*.) Often, investors are then slow to jump back in when the market turns around, so they miss out on the bounce-back gains.

And it's important to remember that the market does bounce back, even when your fears and worries are telling you that "this time is different, this time the market won't recover." In fact, over time, the market climbs higher than any other investment vehicle. According to research performed by Roger Ibbotson, Rex Sinquefield, and Ibbotson Associates, in the 20-year period that ended at the end of 2006, the S&P averaged an 11.8 percent annual compound return, beating long-term corporate bonds (8.6 percent), long-term government bonds (8.6 percent), and Treasury bills (4.5 percent). When you stretch the time frame out to the previous 30, 40, or 50 years, the spreads between stocks and other investments are similar, and in some cases greater.

This is the great paradox of the stock market: While unpredictable in the short term, its performance becomes quite predictable—and predictably good—when looked at over the long term.

If that seems illogical, imagine, for a moment, that the market is a helium-filled balloon that you set loose outside on a gusty day. From moment to moment, it's hard to tell where the balloon is headed. It gets pushed around from side to side by the wind—that is, earnings reports, economic data, analysts' ratings, pundits' predictions—and sometimes even gets knocked downward. From moment to moment, you'd be foolish to bet someone exactly which way the balloon will go, since there's no way predict which way the wind will blow. But it's almost a sure bet that, over a longer period of time, it will end up a lot higher than it started.

The market, just like the balloon, will almost surely rise over time—but it's not going to rise in a straight line. It will stop and start, fall back at times, and surge forward at other times. That can make for a lot of anxious moments in the short term as the winds of Wall Street blow every which way.

And you should be aware just how blustery it can get. In his book *Stocks for the Long Run,* investment author, noted professor, and commentator Jeremy Siegel states that the market has averaged an annual compound return of 11.2 percent in the post–World War II period (1946–2006). But Siegel also examines those returns for their *standard deviation*, a statistical measure essentially designed to show the range of returns in a "normal" year during a particular period. If a stock has returned an average of 10 percent annually over a particular period with a standard deviation of 5 percent, for example, that means that about two-thirds of the time its returns have been between 5 percent (the average return minus the standard deviation) and 15 percent (the average plus the standard deviation).

According to Siegel, the annual standard deviation of the market has been about 17 percent in the post–World War II period, which means that about two-thirds of the time during the 60-year time frame, returns were between –5.8 percent and 28.2 percent—a huge potential year-to-year difference. (And that's the range returns fell into about two-thirds of the time; in other years they were even further from the average.)

The fact that such major year-to-year fluctuations can—and many times do—occur in the stock market makes for a lot of anxious times in the short term, but that anxiety is simply the price you pay for the excellent long-term returns that the stock market gives you. If stocks earned 10 or 12 percent per year and were a smooth ride, why would anyone ever invest in anything else? This concept is known as the *equity risk premium*.

The bottom line: There are no free lunches in the stock market. If you want the long-term benefits of stocks, you've got to pay the price of short-term discomfort.

The Best Way Not to Miss the Boat: Don't Get Off in the First Place

Many investors, however, either don't expect or just plain can't tolerate the short-term discomfort of the stock market, and they'll do just about anything to try to avoid it. Some, on the one hand, will ignore stocks altogether, not wanting to deal with the short-term risk involved. Instead, they'll put their money into bonds, Treasury bills, or even just keep it in a CD or savings account. After all, while those options don't have nearly the upside of stocks, you can't lose money with them. Or can you?

While stocks are generally thought of as riskier investments than bonds or T-bills, David Dreman (the great "contrarian" investor you'll soon read about in Chapter 5) found flaws in that logic. The reason: inflation. If, for example, all of your money is in a savings account that is earning 2 percent interest per year but inflation is at 3 percent per year, the relative worth of your money isn't increasing by 2 percent annually; it's actually declining.

Since World War II, the threat of inflation to fixed-income investments has been very real. In his book *Contrarian Investment Strategies,* Dreman notes that when adjusted for inflation, stocks returned an average of 7.5 percent from 1946 to 1996; when also adjusted for inflation, however, bonds had an average annual return of just 0.86 percent, gold actually declined by 0.13 percent per year, and T-bills returned just 0.42 percent annually. Looked at another way, the average annual T-bill return before inflation was 4.8 percent during that period, about two-and-a-half times less than what stocks returned before inflation—not great, but not bad considering that T-bills are essentially risk-free; after inflation is factored in, however, stocks returned about *18 times* as much as T-bills per year. Based on information like that, Dreman concluded that inflation was a far greater risk to long-term investors than short-term stock market volatility.

Now, while some will try to avoid short-term market discomfort by avoiding stocks altogether, others, of course, believe they can have their cake and eat it too—that they can skirt the stock market's short-term anxiety and still reap the long-term rewards. But much more often than not, they will end up with all the short-term discomfort and none of the long-term gains.

Part of the reason is that, as we discussed earlier, most investors who try to time the market end up buying high and selling low. But there's also another important reason that is critical to understand—the nature of when and how the stock market makes its gains. In a 2007 article for *CNNMoney*, Jeanne Sahadi touched on this concept. Citing data from Ibbotson Associates, Sahadi said that if you had invested $100 in the S&P 500 in 1926, you would have had $307,700 in 2006—a pretty staggering gain. But if you had been out of the market for the best-performing 40 months of that lengthy 972-month period, you would have had just $1,823 in 2006. That means that 99 percent of the gains over that 81-year period came in just 4 percent of the months.

The principle holds over shorter periods, as well. If you invested $100 in 1987, you'd have had $931 by the end of 2006, Sahadi noted. But if you were out of the market for the 17 best trading months of that 240-month period, you'd have ended up with just $232. In this case, 84 percent of the gains came in 7 percent of the months.

The bottom line: While the market rises substantially over time, much of its increases come on a relatively small portion of trading days—and no one knows for sure when they're going to come. If you jump in and out of the market based on short-term fluctuations, you're bound to miss some of those big days—and you can't get them back.

This phenomenon brings me to the final point I'll make, one last warning in case you're still suffering from the delusion that you can time the market: In a market where the vast majority of gains come on a small number of days, you don't just have to be right more than you're wrong if you want to make money timing the market—you have to be right a whole lot more than you're wrong. That's what the research of William Sharpe shows. Sharpe (who created the widely used *Sharpe ratio*, a statistic that measures risk-adjusted returns) found that in order to make money with a market-timing approach, you need to be right in your timing decisions at least 74 percent of the time—not just 51 percent, as many assume. Consider that statistic in combination with some of the others I've presented—such as the Tetlock study that showed the most accurate human forecasters were right about 20 percent of the time—and you see that most market timers won't even come close to succeeding.

Now, the Good News . . .

Whew. I warned you that this chapter wasn't going to be pretty. We've learned that we have a lot going against us when it comes to investing in the stock market—our brains, our emotions, timing and even the mutual fund industry itself. But we've also learned that if we want to grow our money by any substantial margin over the long run, the market is the best place to be. Sounds like quite the pickle. Don't worry, however; advice from some of the greatest investors in history on how to stay in the market and avoid these pitfalls is just a few pages away.

The Guru Summary

- While the stock market is unpredictable in the short term, it becomes predictable—and predictably good—over the long term. In fact, it has proven to be far and away the best long-term investment vehicle of all-time, especially when inflation is factored in.
- Despite that fact, the vast majority of individual investors, mutual fund managers, and stock recommendation newsletters fail to beat the market over the long run, often underperforming by wide margins.
- The reason for most underperformance is that investors' emotions lead them astray, causing them to react to short-term price movements and the interpretation of those movements by experts featured in the media. This leads to selling low and buying high.
- Much of the stock market's gains come on a limited number of days—and no one knows exactly when those big days will occur; if you jump in and out of the market, you risk missing them.
- In order to make money by timing the market, you need to be right on about 75 percent of your market calls—and research shows that most investors, even so-called experts, don't come close to that success rate.