



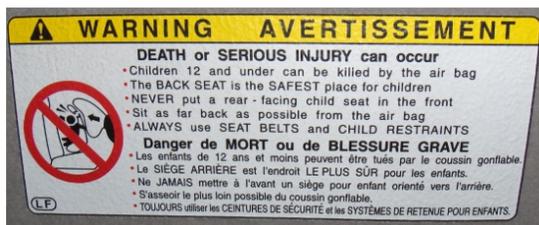
## Deluge of Data

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We get too much fine print. Data and disclosure is intrusive; we cannot escape it. Every place we go, everything we do is cloaked in fine print disclosure. Alain De Botton, a talented (younger) author wrote in his new book *The News...*

*“The problem with facts is not that we need more of them but that we don’t know what to do with the ones we have.”*

Facts, data, fine print, disclosure – they’re everywhere. I wake and start my day. The hair dryer still has that tag (must be a great adhesive; I can’t get the tag off) that warns me not to use it in the shower. The hair spray can warns that contents are flammable. Even the visor in my car has fine print about the dangers posed by air bags to children. When visiting the grocery or convenience store a sign warns that alcohol available at that location may cause medical problems for pregnant women.



At least I know what to do with this set of data: refrain from using the hair dryer while I’m still in the shower, avoid styling my hair by candlelight, remember to seat children in the back seat of the car and avoid alcohol if I become expectant. Even though I know what to do with this ubiquitous data/disclosure, none of it applies to me or helps me make a decision! I end up doing what you do all the time: I ignore it.



In the realm of investing, the deluge of data is overwhelming and the powers that create it seem to be on an eternal quest to create more. When you set up an investment account you expect to complete forms with detail on who you are and the type of account you are setting up. What you get is enough printed material to hold an unabridged copy of the Iliad and the Odyssey. The vast amount of the print you are expected to read does not apply to you and it is truly hard to read it all closely.



Details of account agreements, custodial agreements, investment management services and income tax consequences concerning retirement plans are enough to fry even the brightest of brains. These documents are intended to help us make decisions and protect us from people who cheat and steal. In the investment business, this usually means that the potential client must be informed about all manner of things – conflicts of interest, expenses, fees and all potential choices and outcomes. That’s a lot of reading, friends. Sadly, the endless rules and disclosures do not prevent cheaters from cheating, or stupid and inexperienced advisors from making big mistakes.

Investors have ended up suffering from revulsion to the overload. Most investors do not open the disclosure documents because it is too darn hard to figure what is important to know. I think we would agree that the laws and rules are well intended and being informed is a good thing, but more and more fine print hasn’t been a big help.

So what are you to do? If you understand what applies to you and what’s truly the most important, it can take the daunting task of disclosure reading down to a manageable size.

### The important things you need to understand are:



How much do you own?

How it is invested?

Where are your investments?

How are you paying for investment services?

What is your profit trend recently? Since inception?

Is the performance reasonable for your needs?

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