**Josh Brown**

**Financial Adviser and CEO of Ritholtz Wealth Management**

Josh Brown is a New York City-based financial adviser and the CEO of Ritholtz Wealth Management. He has also authored many books, including *Backstage Wall Street*and *Clash of the Financial Pundits*.

In 2015, Brown was named to the *InvestmentNews* "40 under 40" list of top financial advisers. He began writing the financial blog "Reformed Broker" in November of 2008... And it has become one of the most widely read financial websites on the Internet.

Brown began his presentation by discussing some guiding principles, including the idea that simple beats complex. He also mentioned that diversification is not a get-out-of-jail-free card... There will always be a fight between passive and active strategies. If done correctly, you can combine all of those elements and build a better portfolio.

Investment risk is inevitable, so a good strategy involves accepting volatility and determining the level of risk you want to accept. Risk can never be eliminated... It can only be transformed.

The most important factor and guiding principle is behavior, and communication is a big part of that. People must communicate. Of all the clients that he has lost, there was usually a clear turning point in which communication ended.

Brown then talked about 2022 and how it was one of the worst years ever for markets. A diversified portfolio couldn't do anything to save us from all of the risk last year.

Since behavior is the most important factor, investors will always make their best decisions when they're calm. That's because risk tolerance changes based on mood.

He then discussed why housing prices aren't crashing as many had suspected they would. A big reason is that the pool of sellers is extremely small and they're forcing people to pay anything they can to live in a house. There are often still bidding wars for houses. The low housing supply still trumps rising interest rates when it comes to mortgages. This is not just a huge financial or economic issue... It's also a major social issue.

Brown ended his presentation by talking about the different aspects of stocks. If you weren't part of the "Magnificent Seven" (the stocks responsible for most of the S&P 500's gains), then you didn't make any money this year.

Brown used a graph to illustrate the amount of money currently in the markets. He noted that most of the money coming in is "going in blind," meaning that it's entering the markets in the form of 401(k)s, mutual funds, and individual retirement accounts (known as "IRAs").