We live in a world of information overload. With so much easily accessible information at our fingertips, it can be difficult to sort genuinely useful information from flat-out bad advice.

In the realm of money and investing, this problem becomes magnified. In the financial arena, the stakes are high — for both investors and those trying to sell products. There is so much "advice" out there, and a great deal of it is conflicting information.

So when people learn I'm a financial advisor, they can hardly wait to work this question into the conversation: "What is the real secret to investing?" Given the information-saturated world we live in, they are desperate for a few succinct, practical and easy tips that they can use to build wealth in a smarter way. So using a "less is more" framework backed by science, I've narrowed down my core investment philosophy, knowledge and experience into 10 simple rules for how to invest and build wealth.

Rule 1: Give up trying to find bargain stocks.

I know it's fun to look for bargains. But consider this: In 2015 around 99 million trades took place daily, with a dollar volume of around $447 billion. That's per day, folks. What these numbers tell us is that buyers and sellers are continually setting the market prices for stocks, and we can rely on these prices to be fair enough.

The chances that you will find a bargain stock — which thousands of professional analysts with powerful resources at their fingertips have simply overlooked — are exceedingly small. Go for a bike ride instead.

Rule 2: Give up trying to find outperforming mutual funds.

I can say this with authority, given my four years of researching funds at Morningstar: Very few mutual funds outperform their passive benchmarks over time. Yes, some may
crush their benchmarks in any one particular year. But it's the long term that matters, and few funds cross that high hurdle.

Here are the daunting odds: According to data from Dimensional Fund Advisors, over a 15-year time horizon, only 43 percent of the active equity mutual funds studied were able to survive.

Beyond that, only 17 percent were able to beat their benchmark over that time period. You see a similar story on the active fixed income side: Forty-three percent survived, only 7 percent outperformed.

A better approach: Use mutual funds that aren't trying to actively pick stocks to beat the market, such as index funds from Vanguard and Dimensional Fund Advisors.

Rule 3: Don't be a performance chaser.

The Securities & Exchange Commission really nailed it when it required all mutual funds to prominently display: "Past performance is not predictive of future results." Just because a fund was successful in the past doesn't guarantee a lucrative return in the future. It's that simple.

Of course, this doesn't stop mutual funds from displaying their past results. Just ignore them. Curious to know what really predicts future outperformance? Fees.

Morningstar has done heaps of research that confirms over and over: The best predictor of long-term success is low fees. That's why investors have been flocking to low-fee mutual funds.

Rule 4: Embrace the benefits the market provides.

Many investors get caught up in the idea they can "beat the market." It's human nature to want to beat the odds. As one grad school finance professor said to me: "Despite all the evidence to the contrary, most investors still try to beat the market. I don't understand it. ... Maybe it's because it feels un-American to settle for 'average' market returns, even though average market returns have been quite stellar over time."

You're busy as hell. Don't spend valuable time and energy trying to conquer and outsmart the market. Let the market work for you.
Rule 5: Know what really drives returns.

Academic research has identified certain factors that will help you get the best return for your investments:

- **Stocks vs. bonds**: How you allocate your portfolio between stocks and bonds will have the biggest impact on your returns (and risk).
- **Company size**: Stocks of smaller companies ("small-cap stocks") have historically yielded higher returns when compared to their larger brethren ("large-cap stocks").
- **Value stocks**: Stocks can be broadly divided into value stocks or growth stocks. Historically, value stocks (think General Mills or AT&T) have outperformed their more flashy growth-oriented peers (think Tesla, Google, or Apple).
- **Profitability**: Companies with higher profitability tend to have higher returns over time compared to lower-profitability companies.

If you "tilt" your portfolio toward these well-known factors — even internationally — you will have a higher probability of better returns.

Rule 6: Go global.

There's a tendency for investors to overweight their own country, called "home bias." But only about half of the global market's capital is in the United States. That leaves a big opportunity set outside our borders. Additionally, the "factors" in Rule 5 we suggested you tilt your portfolio toward — these apply not only domestically but also in developed and emerging markets.

But wait, there's more! Other countries respond differently to economic forces, which can improve returns. A portfolio of investments that zig while others zag can actually increase return and lower risk (the theory behind this is called Modern Portfolio Theory, if you want to learn more about it).

Rule 7: Don't try to time the market.

This rule is closely tied to Rule 6. Don't try to be a seer and predict what market segments will outperform from year to year. Just focus on making sure your portfolio is globally diversified and you will reap the rewards wherever and whenever they occur.
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Rule 8: Manage your emotions.

Our brains are not wired for investing. Neuroscience has confirmed that steep market declines can trigger reactions similar to seeing a deadly snake in the grass, which lights up more primitive parts of our brain. These kinds of reactions are difficult to control in the moment and can lead to panic selling.

Although this may sound a bit "touchy feely," it's extremely challenging to separate our emotions from our finances. But controlling your emotions and behavior can be more important than actual investment knowledge.

Rule 9: Ignore the sensationalized headlines.

The media have one overarching goal: Sell advertising. Headlines and news can be thought of as "filling the space between commercials." The media capture our attention by playing on our collective fears and emotions. Sensational headlines can easily hook us, but it's best to look beyond these overhyped headlines.

Your investments are for your future goals and dreams of building wealth. So why are you spending precious energy worrying about the day-to-day market and the dramatic headlines that follow? Clarify your goals and cultivate a long-term perspective.

Rule 10: Focus on what matters.

You can't control the market, so don't even try. Since you can't predict the future, focus on what really is in your control:

- Create an investment plan that fits your goals and risk level — one that doesn't cause you to panic in a market downturn.
- Tilt your portfolio toward areas of better returns: smaller companies, value companies and companies with higher profits.
• Diversify broadly and across the globe. (One side benefit: You'll own small amounts of the coolest companies on Earth, so pick a few shooting stars and brag to your brother-in-law at your next family BBQ.)

• Use low-cost funds that don't trade often ("high turnover" mutual funds can increase your tax burden).

• Minimize taxes by using tax-efficient mutual funds and holding high-yielding funds in your retirement accounts (not in your taxable accounts).

• Keep it simple. Resist the urge to overcomplicate your investment plan.

These are the real drivers of returns that you can control, backed up by decades of sound academic research.

There you have it. My investment philosophy in 10 succinct points. My advice is distilled not only from my own 28 years of investing but also from sound, peer-reviewed academic research and Nobel laureates. If you can implement these tips into your investment strategy, you will improve your chances of better investment returns and a secure financial future. Use them all, and wisely.