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New York, NY | **Leading Wealth Advisor**

Beacon Wealth Management

Mark S. Germain, CFP®, MBA, Founder and CEO

“How do I prepare for scenarios that investors and advisors do not see coming?”

By Mark S. Germain

Bold and beautiful, a black swan is one of the most distinctive ornamental birds in the world. Until their discovery in Australia, black swans were unimaginable and their existence deemed impossible. And like black swans in nature, extreme events happen in a global economy. The probability of world-changing occurrences is low, but when they happen their impact is significant. The recent Japanese disaster and rebellion in the Middle East give validity to the theory and support Nassim Taleb's popular New York Times Best Seller *The Black Swan*.

So-called black swan events cannot be predicted; they are simply the law of the universe. Mother Nature and geopolitical and macroeconomic forces will play havoc on your investments and portfolio returns, like it or not. However, it is the duty and responsibility of your financial advisor to protect your principal from black swan events as well as to identify resulting investment


opportunities in the short, long and intermediate terms. In these markets, emotion and behavior block logic and paralyze some investors from taking any action at all, but doing nothing can cause you to miss significant gains and needs to be avoided at all costs.

Let us take the recent recession for example. In November 2008, high-yield bonds were priced with the expectation of 55 percent failure, yet during the Depression only 20 percent failed. It did not take a degree in rocket science to see the opportunity for a comfortable gain.

As for the events in Japan, Beacon believes there is an increased equity opportunity in U.S. small companies and commodities as that nation starts its reconstruction process. Japan is the fourth-largest buyer of agricultural goods from the United States, with purchases estimated at \$13 billion this year. With production challenges resulting from the nuclear disaster especially, U.S.

food manufacturers may provide an attractive position going forward.

Preparing for this opportunity requires two paradigm changes: allocation to core strategic positions and a commitment to making tactical decisions. Strategic positions are long term while tactical decisions are more opportunistic. The advisor must have the willingness and the ability to hedge the portfolio and to rapidly take advantage of the asset dislocation caused by the black swan event.

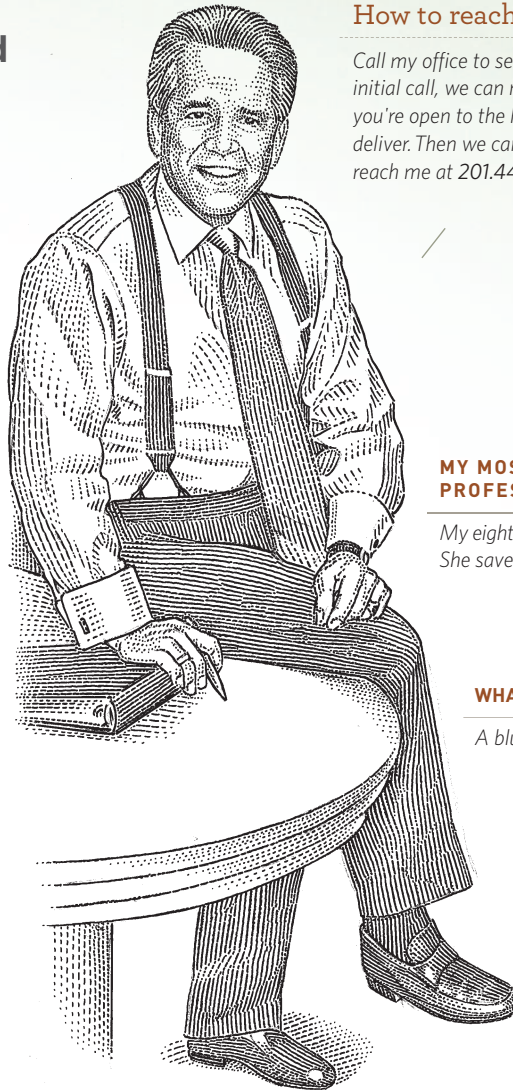
In the end, a black swan event requires thought-provoking questions, careful analysis and the ability to make a decision, either positive or negative. At Beacon, we refer to this as “dynamic allocation.” It is the willingness and the ability to change a direction when the right indicators suggest it. The net message is to use your brain, not your heart, to recognize change will happen, and to take your money off the table when targets are met. 

“Mother Nature and geopolitical and macroeconomic forces will play havoc on your investments and portfolio returns, like it or not.”

– Mark S. Germain

WHAT MAKES A GOOD WEALTH ADVISOR...

A blunt, honest and client-focused listener



How to reach Mark S. Germain

Call my office to set up a phone consultation. In an initial call, we can make sure our values align and that you're open to the high level of customer service we deliver. Then we can determine next steps. You can reach me at 201.447.9500.

MY MOST INFLUENTIAL PROFESSOR/TEACHER...

My eighth-grade art teacher, Ms. Hillerhouse. She saved me from quitting.

WHAT MAKES A GOOD CLIENT...

A blunt, honest and inquisitive mind

About Mark S. Germain

Mark S. Germain is the founder of Beacon Wealth Management. A relentless tactician, Mr. Germain has managed his clients' financial lives with passion and precision for more than 25 years. In addition to his work building wealth management strategies for professionals, Mr. Germain educates professionals on all facets of asset protection, investment growth, tax reduction and financial planning. After completing his BS in economics and accounting, Mr. Germain earned his MBA in finance and taught accounting at Northeastern University. He is currently an adjunct professor at Fairleigh Dickinson University where he teaches CFP candidates the financial planning process.

Assets Under Management
\$328 million

Minimum Fee for Initial Meeting
None required

Minimum Net Worth Requirement
\$1 million

Largest Client Net Worth
\$50 million

Financial Services Experience
26 years

Compensation Method
Asset-based, fixed and hourly fees

Primary Custodian for Investor Assets
TD Ameritrade

Professional Services Provided
Planning, investment advisory and money management services

Association Memberships
CFP®, FPA, IMCA

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