

PORTFOLIOMANAGEMENT101:
**DIVERSIFICATION OF
INVESTMENTS
DECREASES RISK**

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SAMO Financial LLC
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EVERYONE HAS HEARD THE TERM

“Never put all your eggs in one basket.”

This is never more than true than in the world of investments and wealth management. A good investment strategy that diversifies assets into many types of income generating sources will grow wealth exponentially over the years, while mitigating risks. The more diversification that occurs within a wealth creation portfolio, the less the risk of “losing it all in one shot.”

So now let’s evaluate different types of investments that should be considered when developing a portfolio. Whether a novice investor with little money to invest, or a seasoned investor looking to diversify further with a large budget, [there is something for everyone in this report!](#)





Let's start with the obvious: stocks, mutual funds and ETFs.

Investors in these types of managed portfolios can do the investing themselves, but most have a financial advisor or financial planner. These investments may potentially produce a decent ROI given that the percentage yields are greater than those of traditional bank money market accounts, or even less lucrative savings accounts.

But here's the kicker: Your portfolio goes up and down like a seesaw.



One month you can receive your monthly report and be thoroughly delighted, the next month, the values will have plummeted, and you not only lost what was gained, but your stocks may have lost even more value than what you initially invested.

Let's be clear here, investing in any type of stock market based financial product is risky. A wise investor chooses from a variety of approaches with high, moderate, and low risk options.

The greater the risk, the greater the revenue generated when the market is on an upswing.

However, when on a down swing, more LOSS is also experienced. The choice of options depends upon an individual's "risk tolerance" and any financial advisor will discuss the subject of risk tolerance with an investor. The secret to any success in the stock market is to be able to weather the storms.





That simply means not selling at the first sign of trouble but being able to ride the waves.

Investors need to patiently wait for the market to adjust itself, so that it eventually goes up again.

Note, that Wall Street investments are not for those that have very low tolerance to risk.



And another downside to this type of investing is:

THE FEES!

Make no mistake – there are **brokerage fees**. And **TAXES** – let's not forget those! This all cuts into the revenue.

Keep only a portfolio of stocks, mutual funds, and ETFs, and after ten years, you may have some growth, but you are not walking away with well-grown portfolio! Of course, as everyone alive knows, the longer you invest, the more you achieve. However, long-term investments in the stock market ONLY, also experience the most adverse effects of inflation. Inflation routinely goes UP, not DOWN, so the buying power of your portfolio also decreases over the years.



This means one thing.

Although you and others like you have patiently saved and invested over the years, you find that only a portion of what you THOUGHT you would be getting is available to you. Whether you wanted to use your investments to send the kids to college or retire early, at some point it becomes clear that when adjusted for taxes, fees, and inflation, the stock market just does not return enough to fulfill your plans!

Investors don't really know much about the possible solid alternatives!

Let's talk about something with less risk, less volatility, lower tax implications, better returns and a much better projected ROI!

Not to mention a way to upswing with inflation rather than be its victim. In other words, let's talk about a way where your purchasing power and capital increases, not decreases.

So what are these alternatives?

Real Estate!

But not “just” Real Estate, a *Syndication* Investing in *Real Estate!*



Sure, just going out and buying a single-family home as an investment, or MFH (Multi-Family Housing) property will reap rewards, but you will likely have to overcome unexpected twists and turns. Individuals can certainly choose to invest in single family or multi-family homes, but as an owner you will have to spend a lot of time managing them, will need to obtain hands-on knowledge, and let us face it, you will have to WORK hard at making your investment successful!

A much easier hands-off way to generate passive income, without all the headaches associated with other types of investing, is to invest via Real Estate Syndication!

Syndication

is simply partnering up with an experienced sponsor and investing funds in a specific investment.



This method of investing allows a group of investors to come on board and purchase a larger commercial property combining the funds provided by each individual passive investor. In a syndication the General Partner brings on board the silent investors, known as Limited Partners.

The General Partner takes full control and responsibility of the purchase, the management and the logistics associated with managing the property, allowing a “hands off” way to have a solid commercial investment for the passive investors. The General Partner is oftentimes also referred to as the “sponsor” and has the knowledge and skills to effectively purchase and manage the entire financed operation, aka, the real estate investment.

Syndication allows for more “bang for the buck” with much less headache and problems.

This type of an investment arrangement allows to generate passive returns without any interruption to the investor’s day-to-day busy life. It is one of the most common strategies implemented by wealthy individuals, who are busy running their successful business ventures or just enjoying their lives.

Once a syndicated property becomes profitable, investors receive regular distributions.

A distribution is usually a portion of the generated profit based on an established timeline. While the returns are not guaranteed, they are based on the calculated risk rather than just blindly hoping for a profit when investing in a stock market. This type of calculated risk sets syndications apart from other types of investments, so there IS really no comparison. All investment amounts and percentage yields of course, are subject to the terms of the agreement with the general partner.

Investors will also have the ability to receive gains at the time the property is sold, and this gain amount is typically taxed at a lower percentage, which is a huge plus for high income earners such as IT professionals.



It goes without saying that due diligence is involved.

All investments, including Real Estate Syndications, carry risks. This goes without saying, so savvy individuals should look into acquiring knowledge before jumping into any investment. Intelligent investors need to look long and hard at the syndication process and garner knowledge to be successful prior to beginning their investing in syndications.

BENEFITS OF INVESTING IN SYNDICATION

Why it's a great investment option

Tax Benefits

Tax strategies can be employed to lower tax liabilities. We encourage you to discuss this and any other investment strategy with your CPA. The government encourages the purchase of real estate. So many tax advantages do exist over the more routine and well-known Wall Street investments.

Appreciation

These investments increase in value rather than suffer depreciation from inflation over time. Multi-Family Housing for instance has historically gone up in value, not down, and does not have the "seesaw" effect of stock-market related investment offerings.

Hands off (Passive)

Syndications are one of the truly passive investments in today's real estate market. While it's in the investor's best interest to thoroughly evaluate the sponsor and their deal, their primary role is to make an investment. The amount of money invested ranges depending on the size of the deal, but once the money has changed hands, the investor's responsibility is to trust in the sponsor and patiently await the returns on their investment.

Capital Preservation

Just like on Wall Street, there are riskier types of investment in real estate. However, we chose to go with a strategy that concentrates on investing in real estate that is the so-called "bread and butter" due to the demand of it. This is yet again another strategy that the wealthy people strive to concentrate on to ensure that the capital they possess is invested in the investments that preserve wealth and avoid highly volatile investments.

A More Calculated Risk

Risk will always remain but it is minimized through due diligence and research as well as the underwriting prepared based on the actual current financials.



SYNDICATION INVESTING

Let's look more closely at the CONs



Lack of Control *and* **Lack of Liquidity and Holding Time**

When investing in a syndication as a passive investor you do not have any decision-making power or control rights. Hence this type of investment is not for someone that prefers to be in control of their investment.

Typically, a proposed timeline is stated in the offering's documents. Since it's a shared investment, investors cannot just pull out their monies whenever they want their funds back. Like anything in life, a certain amount of patience is needed. Keep in mind the proposed timeline to sell the investment is only a suggestion. The actual time to sell an investment will be dictated by the deal sponsors based on when it makes sense.

SETTING EXPECTATIONS

Syndications may produce great, long-lasting income for years or even decades for you, your family and your future generations.

Although syndications are a great hedge against inflation and taxes, any potential investor should acquire the knowledge and research each investment carefully.



ALINA TRIGUB

Managing Partner, SAMO Financial LLC

BACKGROUND

The founder of SAMO Financial LLC, Alina Trigub loves helping people! This is why she's always keen to spread the word about the benefits of passive investing in various forms of real estate.

Her overarching goal is to empower people to build wealth for themselves and for their families, an ethos wholly supported by the great Warren Buffett when he suggested that, "Someone is sitting in the shade today because someone planted a tree a long time ago."

With an MBA in Finance and Management from Rutgers and a Bachelor of Business Administration in Accountancy from City University of New York, Alina has worked as a Tax Accountant at Ernst & Young, as well as in the private accounting sector. She also has twenty years of successful technology experience. Alina has also worked at a private equity firm as a Head of Investor Relations.

Alina is a thought-after speaker, including presentations at the IMN conference (NYC), Private Wealth Management Summit, Raising Money Summit, Multifamily Foundation Workshop, Hunter College (CUNY), Stockton University and many other places.

Alina's interviews and quotes have been featured in many major publications, including but not limited to Forbes, GoBankingRates, MSNMoney, BankRate, IdeaMensch, and a number of others. Alina has also been featured in the 60 Minute Startup and Immigrant Hustle books.

Alina offers her expert and in-depth experience to support investors' education through articles, animated video-series, trainings, coaching, and presentations as a sought after speaker at numerous real estate events. Alina lives in New Jersey with her loving husband and two awesome kids.



AT SAMO FINANCIAL, IT IS OUR LIFE'S MISSION, TO HELP OTHERS ACHIEVE WEALTH THROUGH PASSIVE INVESTING.

If this sounds good to you and like a great fit for your future please click our link to join SAMO Investing Club. We will assist you in any way we can and apply our skills and experience to make this work for you if you feel this type of passive investing is a good fit. We have a form right below just fill it out and we will be in touch to discuss your wealth building strategy. We care, and will do our best to assist any way we can.

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