

## Due Diligence

Under most circumstances, a return to normalcy would be welcome news. “Normal” usually beats the alternative. But current economic circumstances aren’t like most others.

In December 2008, with the global financial system teetering on the brink of meltdown, the Federal Reserve Board slashed benchmark interest rates to virtually zero, where they’ve remained ever since. For the first time in its history, the Fed also launched massive bond-buying programs (known as quantitative easing) using

## Book Value

Why Investing in Stocks and Bonds May Not Be Enough for the Upwardly Mobile

## Enrolling in a New Class

by Angele McQuade

**So you’ve grown a bit bored by the idea of a portfolio made up solely of stocks and bonds. Or maybe you think stocks and bonds are just peachy but still find yourself wondering what other kinds of investments might be peachy, too. Whether you’re searching for alternatives to traditional investing advice or are curious about what those alternatives might be, you’re the target audience for *The Wealth Code 2.0: How the Rich Stay Rich in Good Times and Bad*.**

In this fully updated revision of his 2009 book *The Wealth Code*, author and financial planner Jason Vanclef presents an introduction to the whys, hows and whens of a nontraditional investment strategy based on the practices of wealthy investors.

Vanclef says that *The Wealth Code 2.0*’s golden rule, that “the only guarantee in finance is that something will go wrong,” can be one of the most powerful tools we investors carry in our financial tool chests if we use it as motivation to become truly diversified. His idea of true diversification? A portfolio that includes many different asset classes, not just the diversity within the one asset class of equities that many individual investors strive for.

“Wall Street isn’t the only key player in a financial portfolio,” Vanclef says. “The majority of most peoples’ wealth comes from tangible investments, not in the stock market.” He believes that these investments — including real estate, businesses, oil and gas royalties, rare coins and fixed annuities, among other nonmarket correlated investments — will ultimately prove far more lucrative to your portfolio than anything Wall Street usually offers. He doesn’t see the book as a do-it-yourself guide, but as a strategy to follow with the guidance of a trusted financial adviser.

*The Wealth Code 2.0* concludes with a set of appendixes devoted to detailed investor case studies, as well as more

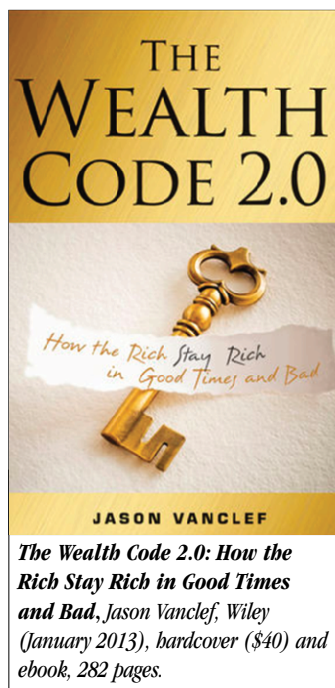
information on investment asset classes, discounted Roth IRA conversions and real estate exchanges.

**What I liked:** Vanclef’s desire to expose us to a different — and at times unconventional — perspective on investing. *The Wealth Code 2.0* fits snugly into that genre of financial books that says, “Hey, the rich are doing things differently, so listen up!”

**What I loved:** Vanclef’s admission that it’s more difficult for the average person to take advantage of the investments he recommends, because most brokerage firms make them available only to their wealthiest clients. He does give good advice on how to gain access, though, so if you’re interested, pay attention.

**What makes *The Wealth Code 2.0* worth your money:** Obviously, it may not be worth your money if you’re most comfortable investing in stocks and bonds. This isn’t a book for every investor; if you’re truly happy with your current strategy and market returns, you may not find Vanclef’s advice persuasive. But if you’d like to delve deeper into the kind of diversification he recommends, this is the place to start.

**Read *The Wealth Code 2.0* if:** you’re curious about asset classes beyond the traditionally recommended choice of stocks and bonds. It’s also worth a read if you’re fascinated by different perspectives on finances. Even if you’re not planning on following Vanclef’s advice, there’s always something new for the open-minded to learn.



*The Wealth Code 2.0: How the Rich Stay Rich in Good Times and Bad*, Jason Vanclef, Wiley (January 2013), hardcover (\$40) and ebook, 282 pages.

### Websites of Interest

#### More about *The Wealth Code 2.0*

[www.thewealthcode.com](http://www.thewealthcode.com)

Angele McQuade ([www.angelemcquade.com](http://www.angelemcquade.com)) is the author of two books, including *Investment Clubs for Dummies*. She lives in Arlington, Va., where she also writes novels for children and teens.