

Quote Library

David Booth

“Are you willing to sell someone a shoe that doesn’t fit? Or are you willing to lose a sale because you don’t have the right size?”¹

David Booth

“The set of ideas around which we built the firm are bigger than the firm itself.”¹

Eugene Fama

“I take the market efficiency hypothesis to be the simple statement that security prices fully reflect all available information.”¹

Merton Miller

“Everybody has some information. The function of the markets is to aggregate that information, evaluate it, and get it incorporated into prices.”¹

David Booth

“It’s about the price. It’s always been about the price.”¹

John “Mac” McQuown

“Modern finance is based primarily on scientific reasoning guided by theory, not subjectivity and speculation.”¹

Eugene Fama

“In science, what you want is the minimum number of factors that will explain something, not the maximum number.”¹

Kenneth French

“The goal is to find variables that are useful moving forward, not to explain the past.”¹

David Booth

“Sometimes in life, it’s not developing the best answers, but developing the right questions.”¹

Eugene Fama

“By the time a paper is published, you’re probably looking at the 200th draft.”¹

Kenneth French

“It’s just fun to do research, learn new stuff, and potentially have an impact on the way other people are thinking about the world.”¹

John “Mac” McQuown

“What I knew then and what I know now is that this set of ideas is compelling. And sooner or later the world is going to come around to seeing the validity of this form of investing.”¹

Merton Miller

“I like that Dimensional invited all these Nobel laureates on their board before they got their Nobel Prizes. It’s easy to invite them afterward.”¹

David Booth

“When you start a fund company, you are very worried about what you don’t know. Who better to look over your shoulder than the leading researchers in the world?”¹

Myron Scholes

“I thought it was a good experiment, but I was skeptical.”¹

Robert Merton

“Dimensional was founded on financial science. So the culture, from the beginning, matched my culture.”¹

Kenneth French

“People at Dimensional care much more about getting the right answer than defending their answer.”¹

David Booth

“The research is out there for anybody to access. What distinguishes Dimensional is the way we implement the ideas.”¹

Myron Scholes

“Ideas alone are cheap—implementation is what really counts.”¹

Gerard O'Reilly

“The nuance and expertise is where you take knowledge and information and implement it in a real test, not in the backtest.”¹

Eugene Fama

“We build diversified portfolios that capture the dimensions of expected return.”¹

David Booth

“Our long-term results match the long-term research.”¹

David Booth

“The important thing about an investment philosophy is that you have one you can stick with.”¹

Rex Sinquefeld

“This investment approach is easy to communicate, is verifiable, and is eminently defensible.”¹

Robert Merton

“Everything in life, individually or socially, is a tradeoff. We determine the risk levels we’re willing to tolerate.”²

Dave Butler

“Control what you can control.”¹

David Booth

“Dimensional’s investment philosophy is about more than returns—it’s about a great client experience that can really help people relax.”¹

Dave Butler

“Providing great client experiences has always been, and will continue to be, why we do what we do.”¹

Gerard O'Reilly

“Not all academic research is useful for clients. We want good ideas that we can structure and implement as strategies.”¹

David Booth

“Once you accept this view of markets, the benefits go way beyond just investing money.”¹

John “Mac” McQuown

“I don’t know the upper limit to these ideas. I don’t think there is one.”¹

David Booth

“We take pride in what we do. The philosophy we have enables people to stick with it, and the returns we’ve been able to achieve have enabled people to live better.”¹

Peter Lynch

“All the time and effort that people devote to picking the right fund, the hot hand, the great manager, have in most cases led to no advantage.”³

Milton Friedman

“The most important single central fact about a free market is that no exchange takes place unless both parties benefit.”⁴

Albert Einstein

“Most of the fundamental ideas of science are essentially simple and may, as a rule, be expressed in a language comprehensible to everyone.”⁵

John Kenneth Galbraith

“Pundits forecast not because they know, but because they are asked.”⁶

John Maynard Keynes

“The difficulty lies, not in the new ideas, but in escaping from the old ones.”⁷

Voltaire

“Doubt is not a pleasant condition, but certainty is an absurd one.”⁸

Merton Miller

“Most people might just as well buy a share of the whole market, which pools all the information, than delude themselves into thinking they know something the market doesn’t.”⁹

Sir William Bragg

“The important thing in science is not so much to obtain new facts as to discover new ways of thinking about them.”¹⁰

Kenneth French

“The market is smarter than we are and no matter how smart we get, the market will always be smarter than we are.”¹¹

Kenneth French

“Almost all of us should act as if prices are right.”¹²

Paul Samuelson

“Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas.”¹³

Albert Einstein

“As far as the laws of mathematics refer to reality, they are not certain. As far as they are certain, they do not refer to reality.”¹⁴

Warren Buffett

“Forecasts may tell you a great deal about the forecaster; they tell you nothing about the future.”¹⁵

Burton Malkiel

“The surest way to find an actively managed fund that will have top-quartile returns is to look for a fund that has bottom-quartile expenses.”¹⁶

William Bernstein

“There are two kinds of investors, be they large or small: Those who don’t know where the market is headed and those who don’t know that they don’t know.”¹⁷

Richard Feynman

“I think it is much more interesting to live not knowing than to have answers that might be wrong. ... In order to make progress, one must leave the door to the unknown ajar.”¹⁸

Ron Ross

“Wall Street’s favorite scam is pretending luck is skill.”¹⁹

Michael Lewis

“Nobody knows which company will prove a good long-term investment.”²⁰

Alan Abelson

“Do you know what investing for the long run but listening to market news every day is like? It’s like a man walking up a big hill with a yo-yo and keeping his eyes fixed on the yo-yo instead of the hill.”²¹

Daniel Kahneman

“I don’t try to be clever at all. The idea that I could see what no one else can is an illusion.”²²

Burton Malkiel

“Many of us economists who believe in efficiency do so because we view markets as amazingly successful devices for reflecting new information rapidly and, for the most part, accurately.”²³

Friedrich Hayek

“The curious task of economics is to demonstrate to men how little they know about what they imagine they can design.”²⁴

End Notes

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4. Milton Friedman, *A Concise Guide to the Ideas and Influence of the Free-Market Economist* (Harriman House, 2011), 114.
5. Albert Einstein, *The Evolution of Physics: The Growth of Ideas from the Early Concepts to Relativity and Quanta* (New York: Simon & Schuster, 1938).
6. John Kenneth Galbraith, *Future Babble: Why Expert Predictions Fail—and Why We Believe Them Anyway* (Toronto: McClelland and Stewart, 2010).
7. John Maynard Keynes, *The General Theory of Employment, Interest, and Money* (London: Macmillan, 1936).
8. Voltaire, *Oxford Essential Quotations* (Oxford University Press, 2012).
9. Merton Miller, *Investment Gurus* (New York: Simon & Schuster, 1997).
10. Sir William Bragg, *A Critique of Pure Physics: Concerning the Metaphors of New Physics* (Thomas Neil Neubert, 2009), 19.
11. Kenneth French, "Stock price best value guide, war or not," *Australian Financial Review* (March 2003).
12. Kenneth French, "Mission Improbable," *CFA Magazine* (September/October 2005).
13. Paul Samuelson, "Mutual Funds Report; Just Relax, Put Your Feet Up, and Make Money," *New York Times* (April 2004).

End Notes

14. Albert Einstein, *Sidelights on Relativity* (London: Mathuen, 1922).
15. Warren Buffett, Letter from Warren E. Buffett to the shareholders of Berkshire Hathaway Inc. Berkshire Hathaway Inc.: Shareholder letters (1980).
16. Burton Malkiel, "'Random Walk' author Malkiel bullish on international index funds," *Oregonian* (December 2010).
17. William Bernstein, *The Intelligent Asset Allocator* (New York: McGraw-Hill, 2001).
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19. Ron Ross, *The Unbeatable Market: Taking the Indexing Path to Financial Peace of Mind* (George Ross, 2001).
20. Michael Lewis, "The Evolution of an Investor," *Portfolio* (2007).
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22. Daniel Kahneman, *The Little Book of Common Sense Investing* (Hoboken: John Wiley and Sons, 2007).
23. Burton Malkiel, *A Random Walk Down Wall Street* (New York: W.W. Norton and Company: 1973), 246.
24. Friedrich Hayek, *The Fatal Conceit: The Errors of Socialism* (Chicago: University of Chicago Press, 1988), 76.