


# Achieving Financial Freedom

Subir Grewal

*“...built to be an advisor unequivocally allied  
with clients and independent of larger  
brokerage or investment banking units.”*



Subir Grewal is a principal and co-founder of Washington Square Capital Management (WSQ Capital). Prior to founding WSQ Capital, Grewal worked for three years as a financial advisor at UBS Wealth Management. Between 1999 and 2006, he worked for UBS Investment Bank in Stamford, Connecticut, and Zurich, Switzerland, creating trading and risk management systems for the Foreign Exchange Derivatives, Short Term Interest Rates, and Credit Derivatives businesses.

Grewal holds the right to use the Chartered Financial Analyst (CFA®) designation and is a Certified Financial Planner (CFP®). He graduated from Duke University in 1998 with an MA in Economics and was awarded the Joseph J. Spengler Fellowship for 1997/1998. Grewal earned a BA (magna cum laude) from New York University in 1996, with majors in Economics, English and American Literature. On graduation, he was awarded the Emmanuel Stein memorial award for outstanding scholarship in Economics. Grewal holds a Series 66 securities license and New York State Life and Health insurance license and has lived in India and Europe.

In 2009, together with partner Louis Berger, Grewal co-founded Washington Square Capital Management (WSQ Capital), an independent investment advisory firm. The firm has been built to be an advisor unequivocally allied with clients and independent of larger brokerage or investment banking units. This was done so WSQ Capital can pick the best investment mix for clients from a broad menu of alternatives while minimizing conflicts of interest.

Washington Square Capital Management offers three core services to individual and corporate clients:

- Investment Management
- Financial Planning/Wealth Management
- Pension or Benefits Consulting

## Investment Management

WSQ Capital's goal is to help clients achieve the financial freedom required to live their lives as they wish to. The firm starts off by identifying a saving and investment strategy that can stick with the client for the long term. WSQ Capital then constructs a portfolio that seeks to limit losses and provide reliable growth or income.

To that end, the firm tends to recommend diversified portfolios that include allocations to stocks, bonds and some commodities or alternatives. They develop a long-term strategic allocation for each client, but will make short-term, tactical modifications when market conditions warrant. Since WSQ Capital looks for opportunities in all investment classes, they have adopted an “open-architecture” approach that allows them to use investment solutions from across the globe and from different brokers.

WSQ Capital seeks to provide truly independent advice, recommending only those investments that are most appropriate for clients. The firm recognizes that their business succeeds only when the client's interests come first. WSQ Capital is compensated based on annualized fees rather than sales commissions to align incentives with those of the clients.

## Investment Philosophy

**Value Methodology:** The investment process starts with a detailed analysis of the security or asset considered for purchase. WSQ Capital has a strong preference for investments in high-quality, financially secure issuers, seeking to acquire investments at attractive values, (i.e. getting more for less). The firm applies this value methodology to stocks, bonds and any other asset considered for purchase. In their experience, market prices oscillate widely around fair valuation (or worth), but eventually revert to the mean when euphoria and despair give way to more moderate emotion, or when demographic and structural changes have settled. What stays constant is that



have changed, and this makes comparisons between the early or mid-century performance of bonds with current bonds less reliable.

**Balanced Portfolios:** WSQ Capital has a healthy respect for the unpredictability of human affairs, the capricious nature of financial markets and their own limitations. To control the impact of these uncertainties on their client's lives and finances, the firm favors balanced portfolios. Virtually all the portfolios managed are balanced across several asset classes and include investments with lower-risk. The firm will, upon request, advise on portfolios solely comprised of high-quality fixed-income (bonds).


**Global Reach:** The firm's investment professionals enjoy the benefit of wide-ranging experience and are curious about the world. They employ this experience to invest across the globe and in many different classes of investments. They may employ other portfolio managers in some instances since their resources are finite and they believe there is a benefit to diversifying across many different investment strategies.

#### **Socially Responsible Investing**

A number of clients seek to have their investments incorporate their values. Whether the focus is on environmental causes, fair trade practices or corporate governance, WSQ Capital can work with the client to include these factors in the investment process. The firm can employ a strategy that uses screens (avoiding or focusing on certain types of business activity) or one focused on shareholder advocacy (actively engaging with management to modify practices).

#### **Financial Planning & Strategy**

WSQ Capital helps clients create a workable plan to budget, save, and invest in a way that allows the client to achieve the financial goals they have. For many clients, the most important objective is financial independence, or the freedom to stop working if they wish to. For others, it is funding a child's education, buying a second home, expanding a business or establishing a foundation.

A financial plan provides the blueprint for clients' business or personal finances and will help inform any strategic, portfolio allocation and investment recommendations WSQ Capital makes. The firm believes a comprehensive plan is integral to the successful creation, preservation and transfer of value and wealth. Having a plan in place will help to clearly identify financial objectives, and chart a path to achieving them. 

investors who purchase assets at bargain prices and keep their wits about them during the market's periodic manias tend to do well. Though WSQ Capital's investment universe is wide, they have a focus on US municipal and corporate bonds, and US Emerging Market stocks.

**Risk Control and Outlier Scenarios:** WSQ Capital believes that every investment carries some measure of risk. They consider it their highest responsibility to control risks that may impact a client's plans. Before investing, the firm discusses objectives and risks clearly with clients. The risk of a specific investment or a strategic allocation can vary over time. If general business conditions change or prices rise sharply, an otherwise sound investment can become risky and WSQ Capital may need to act to protect capital. They invest only when they have a firm understanding of an investment and can monitor its risk. The firm has a strong preference for investing at a time when the acquisition cost is below their estimate of value or worth so that they have a cushion for the unexpected or the overlooked.

When WSQ Capital evaluates risk, they look at outlier scenarios and seek to understand the underlying reasons for historical performance. For instance, unlike many other investors, the firm does not believe bonds are safer than stocks because historically they have had lower volatility. Rather, they recognize that bondholders are higher in the capital structure and have a prior claim to a company's assets. Similarly, bond covenants, bankruptcy law and general market conventions

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