



TO FINANCIAL INDEPENDENCE

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BE PATIENT

"The stock market is a device for transferring money from the impatient to the patient"- Warren Buffet

Impatience is a trait many investors share. While there are no secrets to investing or 'tricks to the trade', there's one quality that's arguably the most important determiner of wealth creation, and that's patience. Over time, you'll find that, as an investor, how much you invest may prove to be less important than your capability to be patient and ride out fluctuations in the market. Reaping the benefits of patience begins with shifting your mindset. The average investor is easily spooked, and apt to jump in and out of markets based on the latest market scare. Such investors use emotion rather than intellect and investment knowledge to determine their investment strategy and behavior.

Fear and anxiety are often the main drivers of impatience, and cause investors to put their efforts into avoiding losses which they haven't incurred yet rather than focusing on pursuing favorable returns/gains. Well-grounded investors stay in the present, while impatient and distressed investors project their feelings (far) into the future. Here investors confuse paranoia for insight and fail to realize that volatility isn't necessarily a bad thing, because it provides opportunities to create wealth for investors with long-term investment horizons. Seasoned investors know that patience pays off. Instead of trying to time the market your goal as an investor should be to let your money work for you through patient investing.

When you let this happen, you will notice substantial growth in your investments. This may cause you to check (up on) your investments multiple times, but you should only do this on set intervals (e.g., once a month or quarter) so you won't be tempted to change your asset allocation based on short-term market movements in the performance of your investments. You may face many temptations to change your investment plan – try not to give in to these temptations. Be confident in your strategy and stick to it. Avoid unsolicited advice that could potentially negatively impact your investments. Don't just invest to make money, but seek to build sustainable wealth.

A lot of investing is psychological, so patience is a virtue. You have to hold a stock for the long haul if you want to benefit from its appreciation. When you shift your focus from long-term objectives to short-term performance, the results are almost always negative. For example, when investors bail out of a declining equity market with the intention of reinvesting when it makes a comeback, their efforts to succeed are largely ineffective. Give your investments time and allow the power of compounding to work for you.

Invest wisely. Invest with Databank.