



DEFINITION

GAMBLE- Verb/Noun

- To play at any game of chance for money or other stakes.
- To risk money, or anything of value, on the outcome of something involving chance.
- Any matter that involves risk or uncertainty.

Look closely at the definitions in the box. The theme is clear: gambling means leaving things to chance, taking foolish risks, not knowing what the outcome will be.

Does that sound like a good approach for your long-term savings and retirement investments? **ABSOLUTELY NOT!**

YOUR INVESTMENT STRATEGY SHOULD BE EXACTLY THAT – STRATEGIC.

NOTHING ABOUT IT SHOULD BE A GUESS OR A GAMBLE.

Changing how your pension is invested should be done according to your own personal needs, not what's happening in the market. Depending on your age, and your planned retirement date, invest in a portfolio that matches your profile and stay there until your profile changes. This means that if you're young (more than 7 years from retirement), consider investing in a portfolio with a higher exposure to shares. If you're near retirement, you may want to think about a more stable investment option. Either way, consulting a reliable financial advisor to help you plan your strategy is by far the best idea in the long term.

Just like lanes on the highway, markets are constantly rising and falling, which means the value of your investment fluctuates all the time. This is normal! And remember, there are scary consequences to switching into and out of portfolios:

- If you sell at a loss, you'll be moving less money than you originally had.
- And when the price of that particular portfolio goes back up and you want to get back into it, you'll have to pay a higher price to do so.
- And if you remove your investment during a down market, you won't benefit when the market rebounds.

Basically, it's a no-win situation. If you treat your investments like a game of chance, you not only have to make one correct call, but two: exit at the right time and get back in at the right time. What's more, you've got to do it over and over and over in the hope of coming out ahead.

As renowned investment guru Warren Buffet famously said, risk comes from not knowing what you're doing. Investments are best left to the experts – the people who know which risks are right and worth taking, and when to do so, and that long-term investment success is the exact opposite of a game of chance.

***"Investment should be more like watching paint dry or watching grass grow.
If you want excitement, take \$800 and go to Las Vegas." - Paul Samuelson***