

IN order to own a successful investment plan, there are always three key fundamentals:

PURPOSE: WHY DO YOU INVEST?

First things first – you must know the purpose of investing; therefore, defining your financial objective is important.

TIME: WHAT IS THE DURATION OF INVESTMENT?

Subsequently, you need to be aware of the expected time horizon of your investment.

STRATEGY: WHAT IS THE LEVEL OF RISK THAT YOU ARE COMFORTABLE WITH?

Lastly, you have to understand the background of your investment and the risk-return trade-off.

Another often forgotten factor is that as an investor, you must always remember NOT to compete with another individual when it comes to the returns of investment. Do not step into an investment without evaluating your financial objective, expected time of horizon, and the level of risk you are comfortable with. In other words, remember key fundamentals mentioned above and stay disciplined in evaluating what suits you most; never attempt an investment opportunity just because it yields a better return.

Take a scenario. When you see an individual actively trades in forex and obtains good returns, it does not mean that trading in forex is a good investment option for you. Do not be driven by greed when you are preparing your investment plan. You need to

The uncompetitive investor



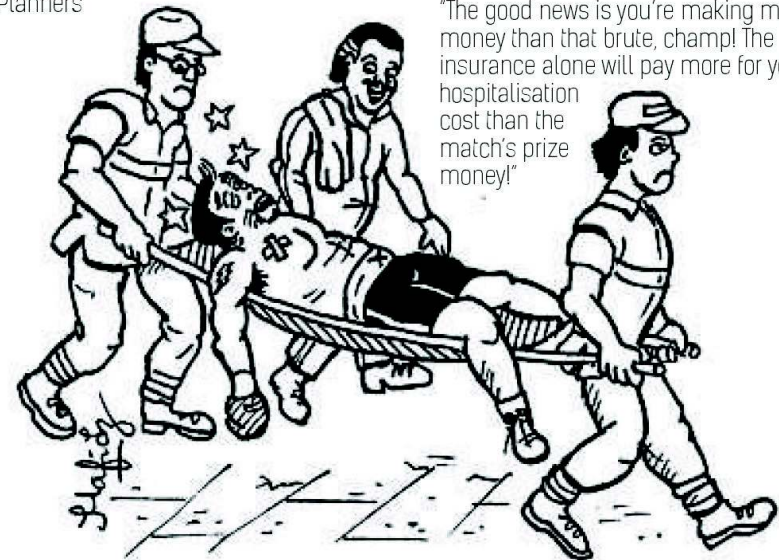
Lee Chee Koon is a consultant at Success Concepts Life Planners

Investment planning is an essential task for you to ensure a solid route is paved to meet your financial objective(s) – either to supplement income, wedding, children’s education, holidays, house renovation, retirement or a Murcielago to cruise around town. However, do not design a plan just to compete with others in terms of returns.

calmly assess the level of risks you are comfortable to handle and avoid stepping into any form of investments without understanding how it works.

There are plenty of investment opportunities available and if your selection is driven by greed, it could wipe out your life savings. It is noteworthy to re-emphasise that different investment options come with different levels of risk and subsequently yield different potential returns.

Do not drool over another individual’s investment returns. If you are not comfortable in designing your own investment plans, speak to a financial planner for assistance. It is your hard-earned money at stake, and I am sure you do not want it to “evaporate”. It pays to be uncompetitive as an investor.



“The good news is you’re making more money than that brute, champ! The insurance alone will pay more for your hospitalisation cost than the match’s prize money!”

Illustration by HAFIDZ MAHPAR