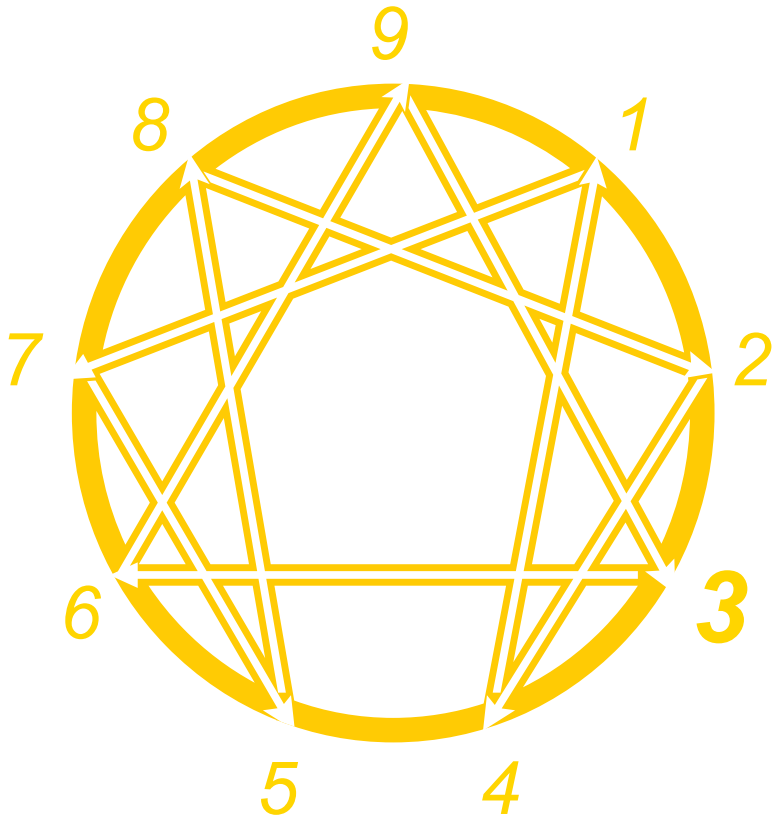

INVESTMENT MAP

Simplicity = Results
Complexity = Confusion

TYPE THREE

STOCK MARKET MENTOR

Steve Moriarty | Stock Market Mentor | October 1, 2018

General Points

What follows is a general description regarding your personality type. It is not a "hard and fast" type of assessment. As we are all individuals, there will be variations such as your individual beliefs about money and investing.

Strengths

- You are prepared to work hard in order to achieve your goals. Usually have a high degree of competence and effective "doers" can get a lot done.
- High degree of motivation, resourcefulness and productive. Able to maintain focus on what is required to reach your target.

Weaknesses

- Prone to working too hard and losing sight of the end goal.
- Believe there must be some action that can be done to move closer to the goal.

Markets are prone to chop and change and often not comply with our wants and desires.

The stock market as a representation of all the investor's thoughts and dreams can often move in ways that we don't understand or planned for. This can be frustrating as we see the market move in the opposite direction to where we want it to go.

Having an investment goal is an important part of making sure that we enjoy the benefits we get from successful investing. It can be very rewarding to study stock markets in order to understand how they operate. Some investors manage to get lucky some of the time, but if you study markets and make even a small effort to understand them, then you stand a much higher probability of achieving your goals.

Simple investment maps often don't feel like they can deliver results. Sometimes we think we need more complexity because we believe that we deliver better results. But simplicity is its own virtue. It is important not to try too hard when you are investment.

Principles

THOUGHT	ACTION
Systematic	Asset Allocation
Rish Hierachy	Diversification
Mean Reversion/Cycles	Buy Low Sell High
Review Periodic	Rebalancing

Thought Principles

Systematic – being systematic is one of your strong points. Because you are able to develop and maintain focus on your investment goals the systematic approach should be relatively easy to adhere to.

Risk Hierarchy – the risk hierarchy is a sensible method of achieving your investment goals. Be careful not to move your investment funds up the risk hierarchy in an attempt to you reach your investment goal sooner.

Mean Reversion/Cycle – markets move in cycles and there is very little you can do about it. It is important to understand this and understand that there are period where hard work and action will not increase your chances of getting a successful outcome. Often, markets can have a habit of punishing you if you try too hard.

Action Principles

Asset allocation – be careful no too over allocate funds in an attempt to generate outsized returns. This will expose you to greater losses and reduce your chances of achieving your investment goals. It can also lead you to chasing an investment in the hope of changing the position. As Warren Buffett said, stocks don't care that you own them.

Diversification – diversification can sometimes frustrate you because as markets are often correlated, there are periods where "nothing happens". Avoid seeking to diversify too much as it may increase your risk. Markets have a habit of moving up and down quickly.

Buy low, sell high – there is no such thing as the perfect investment. Markets can fluctuate around the same level for some time. So be patient and let the market come to you. It will inevitably provide you will opportunities to invest your money at attractive odds.

Rebalancing – rebalancing gives us the opportunity to compound our funds. It is necessary to avoid thinking that a stock that has delivered a strong return will 100% continue to do so.

REVIEW

Undertaking a periodic review allows us all to gather some thoughts regarding our investment map, whether we are on track or need to take some action.

If you feel stressed about your investments, remember that all things change and the future is different o the current situation. Investing in the stock market is an ongoing approach that just needs a little disciple to achieve good results. Focus on understanding that your current surplus cash is part of your broader investment map and integral to securing your future.

Be Aware Of:

Remember not to try too hard or overact if you are feeling anxious. Market declines are not permanent. Be maintaining your investment map and focusing on risk management you will reach your investment goals.

You need to remember that the market is in control. Markets rise and fall so focus on rebalancing and simply acknowledge that you can't force the market to do what you want. So attend to securing the future by preparing and checking your rebalancing and future asset allocation. Your patience will be rewarded.