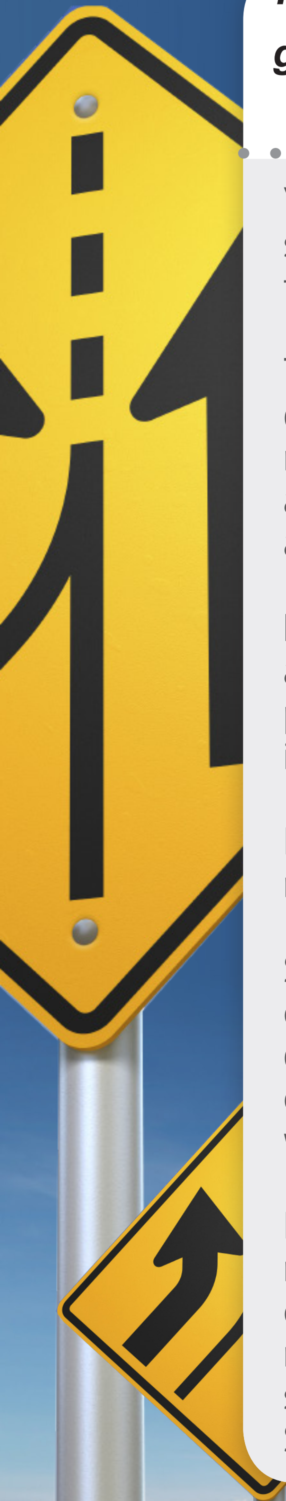
STAY SAFE

STOP SWITCHING LANES!



"The only value of stock forecasters is to make fortune-tellers look good."

\- Warren Buffet

You know when you're in a hurry to get somewhere and it seems like your lane on the highway is the slowest lane there is? So you squeeze in to the next lane, only to find that now it's also slowing down and the lane you left has miraculously started speeding up…

Trying to time the stock market by switching your investments is just as ineffective, and even more dangerous! Changing how your pension is invested should be done according to your own personal needs, not what's happening in the market. Just like lanes on the highway, markets are constantly rising and falling, which means the value of your investment fluctuates all the time. So don't panic. In fact, take all emotions off the table.

It's important that you understand the consequences of 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. Basically, it's a no-win situation.

Finally, if you remove your investment during a down market, you won't benefit when the market rebounds.

So to sum it all up, if you are thinking of playing the switching game, 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. Not even the most experienced investors can get it right every time, and as the famous investor Warren Buffet said, risk comes from not knowing what you're doing.

Rather adopt a sensible and disciplined investment strategy. Depending on your age, and your planned retirement date, invest in a portfolio that matches your risk profile and stay there until your risk profile changes. This means that if you're young (more than 7 years from retirement), consider taking on more risk by investing in a portfolio with a higher exposure to shares. If you're near retirement, go for a more stable investment option. Either way, sticking to your strategy is by far the best idea in the long term. Save yourself the stress, and keep your savings safe!