

# BUSINESSSTANDARD

## You want to be rich, be patient

**L**ET me start by posing a simple question to my avid readers. How many of you have stopped investing just because you incurred some loss in the beginning? I am sure many of you would fall in this category, as we are known to be impatient when it comes to money matters.

Everybody wants to be rich quickly and nobody is ready to wait or rather have the required patience before temporary upheavals in the financial market pass through. We all remember the infamous recession of 2008 which struck financial markets of the world quite badly and things started tumbling down

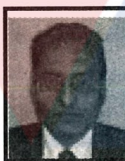
overnight. During this time, all investments were prone to the usual market risks and as a result, the net worth of many investors fell ranging from 50 to 70%.

This could be a big-hitting for any common man to take, however, nothing could be done as it was a worldwide phenomenon. But Alas! The recession of 2008 brought the journey of many small investors to a grinding halt, as they stopped making consistent savings, just because they incurred some notional loss due to the recession in the world markets.

I can understand why small investors adopted the path of pessimism rather than staying-

put when the going was not so good during the infamous recession of 2008. But they all ignored one of the most important facts of life i.e. "financial success is a journey". It is a process that requires time and consistency to reach the destination. If you plan to take a journey to Dodoma, you can't discontinue your journey after reaching Morogoro just because you have met with a small accident. If so, you will never reach your destination.

Some people get complacent when they achieve one thing or encounter some bad incident. Some people will buy one plot, make a good product or buy shares during an Initial Public



### Money Matters

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Offer [IPO] and then stop there. But if you had bought a plot it was for a purpose to make a house. Until you build your own house on that plot, the journey is not complete. And if you stop just at buying the plot, there is no way the house will come on it automatically.

Remember, successful investing is a journey, not a one-time event, and you'll need to

prepare yourself as if you were going on a long trip. What is your destination? How long will it take you to get there? What resources will you need? Begin by defining your destination, and then plan your investment journey accordingly. For example, are you looking to retire in 20 years at the age of 55? How much money will you need to do this? You must first ask

these questions. The plan that you come up with will depend on your investment horizon and goals.

The most successful investors were not made in one day. Learning the in's and out's of the financial world and your personality as an investor, takes time and patience, not to mention trial and error. Investing is a combination of science (financial fundamentals) and art (qualitative factors). The scientific aspect of finance is a solid place to start and should not be ignored. Once you know what works in the market, you can come up with simple rules that work for you.

For example, Warren Buffett

is one of the most successful investors ever. His simple investment style is summed up in this well-known quote: "If I cannot understand it, I will not invest in it." It has served him well during his long and continued journey of attaining financial success. So don't stop just because there are some temporary obstacles on the way, rather overcome them and reach your destination successfully, come what may. It is important to have patience so that you allow the recession to pass through, but never stop your pursuit to invest. Days are not far when you will reap good results. Have patience and continue to pursue your plan to make savings and investment.