

Emergence from the Investment War as a Winner

The simple act of avoiding major losses by diversifying my portfolio and focusing on value and compound interest has allowed me to emerge from the investment war as a winner. It can work for you too if you have the patience and endurance for such a strategy. This method is all about risk management, something I wrote about in December of 2003.

Dead Aim...

"When the difference between life and death can be counted in milliseconds, you need every advantage you can get. Which is why SureFire developed its Special Operations series to be the best extreme-duty tactical illumination tools in the world."

Risk Management Defined

When SureFire asked operators what they wanted, the company was told a light that could survive a halo insertion or a midnight raid on a crack house. Operators wanted SureFire to deliver a light bright enough to find and blind suspected adversaries. SureFire handhelds can be used as non-lethal "force options." As the company likes to say, "Shine a SureFire in a suspect's eyes, and he's out of the fight." The company understands that you might not be a Special Forces operator hunting for terrorists in an Afghanistan cave to benefit from the retina-searing white light produced by the 500-lumen M6 Millennium. And you may not need a SureFire weapon light for your Heckler & Koch, Colt, or SIG submachine gun, but, then again, you may. But Special Forces operators around the world take dead aim with SureFire illumination tools as the ultimate in risk-management tools.

Invest for Consistency

Every Special Ops fighter knows that on any mission risk management is the first order of duty. It's a basic military tenet that also works as a basic financial tenet. Why then do so few investors seem to know anything or care about risk management? Usually because of (1) greed, (2) lack of training, and (3) pressure from salesmen, who account for most of the assets held by individual investors. I'm often shocked when I hear what an investor owns in his or her retirement portfolio. For the most part, investors own portfolios of securities that have been sold to them. It's true. There's no way to sugarcoat the deal: Most investors simply own a pile of rubbish.

For four decades, I have been a consistently successful investor, practicing my basic investment tenet of diversification and patience built on a foundation of value and compound interest. I'm sure you can dig up folk who will at least tell you that they make more money than does Dick Young. Perhaps this is the case, but my conservative, balanced approach is suitable for investors who want to avoid debacles and emerge from the investment wars with a comfortable nest egg in retirement.