

# An Investor's Meanest Foe

For the over five decades that I have counseled individual investors like you, I have consistently advised the ruthless elimination of emotionalism from one's financial affairs. Emotionalism is an investor's meanest foe.

How do you eliminate emotionalism from your investment decisions? There are many facets to emotionalism, but as I wrote to my investment strategy report subscribers twenty years ago, one simple way to defeat emotionalism is to take a more hands-off approach.

*Events of the moment should never be part of the investment mix. I price my portfolio once a year at tax season (because I must). Beyond this tax-related housekeeping chore, I pay little attention to prices. Most of what I own, I have owned for a long time. I know how things are going month to month and find it counterproductive to rustle through my holdings regularly. You'll be amazed at how comfortable you can become with a hands-off approach. You sure as heck will pay a lot less in commissions and taxes. And you will defeat what is every investor's meanest foe—emotionalism.*

Some may scoff, but for many, the seemingly innocent act of tracking daily portfolio fluctuations can trigger the type of emotionally charged investment decisions that sabotage portfolio performance.

I have learned that through decades of in the trenches work with investors, but academic studies also show that the more often an investor reviews his holdings, the less likely he is to craft a return-maximizing portfolio.

A hands-off approach remains the mandate today.

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