

LESSONS THEY LEARNT

Even seasoned investors make mistakes when they start out. These investors agree that it made them better investors:



*Pauline Yong, author of **Fear and Greed***

"DO YOUR HOMEWORK"

Yong started to invest during her secondary school days and bought her first stock under her relative's account. The decision to buy the stock was made after her schoolteacher, who was an ex-broker, talked about the stock. "I had no idea what the company was doing and I didn't bother to find out either," recalls Yong. She pursued her studies overseas and when she returned, her stock was a third of its original value. That taught her that due diligence is paramount.



Shing Yee Ling, business associate — financial care centre, CIMB Wealth Advisors Bhd

"TAKE TIME FOR YOUR INVESTMENTS"

Shing had been putting her savings into fixed-deposit accounts since she started working in 1995 but did not have time for other investments. In 2006, when she wanted to give up her full-time accounting job, she sat down and reviewed her finances with her financial goals in mind. To her alarm, she found that inflation was eating into her savings. "Taking the initiative to check my goals and savings plan made me realise the mistake I had been making for about 10 years."



Siders Sittampalam, managing director of PPC International Sdn Bhd

'MISTAKES ARE UNAVOIDABLE BUT CAN BE REDUCED'

Because of his work, Siders has an advantage in property investments and has spent a long-time studying them. He has a degree in real estate management and master of business administration in real estate. After his studies in the mid-1980s, he went into the business of advising clients on property investments and witnessed first-hand the many realities of property investment. He learnt from his clients' bad encounters.

Business School professor Shawn Cole and co-author Gauri Kartini Shastry, finds that individuals with one more year of schooling in the US are 7.6% more likely to report positive investment income. They also suggest that the length of time spent taking financial courses may have a positive impact on financial participation, and financial literacy is likely to help

people make better decisions with the money they do have.

Financial education does not stop there. Good investors look for ways to improve their knowledge. "Don't just put time aside regularly by reading investment magazines and research reports, but learn to translate knowledge from the book level into your mind," says Lee.

Take a better look in the mirror

Remember that people tend to overestimate their abilities as an investor, and their ability to make predictions and get things right. To circumvent this issue, try to put things down in writing. The famed investor Peter Lynch recommends that investors write down why they