

## Twitter Thread by Sajal Kapoor



**Sajal Kapoor**

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On this auspicious day of #GuruPurnima, happy to share an easy to read and an exceptionally worthwhile investment. I plan to make a thread that will hopefully help us invest and live better. Thank you [@awealthofcs](#) ■■

# A WEALTH OF COMMON SENSE



WHY SIMPLICITY TRUMPS COMPLEXITY  
IN ANY INVESTMENT PLAN

BEN CARLSON

**Bloomberg**  
PRESS

**WILEY**

Experience has taught me that less is always more when making investment decisions. Simplicity trumps complexity. Conventional gives you much better odds than exotic. A long-term process is more important than short-term outcomes.

And perspective goes much further than tactics. Tactics are useless to investors in a matter of days—sometimes in a matter of hours. But perspective is something that stays with the investor for a lifetime. It allows you to adapt to the changing market and economic landscape.

While keeping it simple won't make it any easier to predict the future—no one has a crystal ball—it can give you the necessary capacity to make rational decisions, no matter what happens next.

Perspective is so important because, without it, even the most intelligent of investors can be ruined from a lack of self-awareness in their own abilities. Investors that fail to put the news or market moves into the proper context....[1/2]

...in regards to their own personal circumstances are fighting an uphill battle. A proper perspective can give the investor the right frame of mind to be able to ignore news headlines and avoid acting on the damaging emotions that can hurt the decision-making process. [2/2]

I'm not here to sell you a pot of gold at the end of a rainbow. I can't offer you a secret get-rich-quick formula for making millions of dollars overnight. The real secret is that there is no secret to be able to make millions of dollars overnight..... [1/2]

.....It only happens over a period of time. Building wealth takes patience. You can't be in a hurry. Remember, the markets are not just about building wealth and making money. They're a tool for your desires about creating freedom, time, memories, and peace of mind. [2/2]

Less is always more and trying to implement a more interesting or clever portfolio strategy is akin to threading the needle. Sure, it can work, but trying harder and increasing the number of decisions you make only increases the odds that you'll make a mistake.

Simple and effective advice:

1. Think and act for the long term
2. Ignore the noise
3. Buy low, sell high
4. Keep your emotions in check
5. Don't put all of your eggs in one basket
6. Stay the course

It will rarely sound so great at the moment when you actually have to use it.

The problem for average investors is that when they aim for superior results, it more often than not leads to below-average performance. It's amazing how easy it is to do worse by trying to do better.

There are no style points when investing. There's no bonus for the degree of difficulty (e.g. Biopharma vs Unilever/Diageo). You don't have to try to impress anyone. It's about getting from point A to point B, not how you get there.

You don't have to signal that you invest only in the best, most exclusive strategies. No one is there to judge you or your portfolio and you don't have to compete against your peers. The most important thing is that you increase your probability for

success. That's all.

Investors chase past performance and make decisions with the herd, buying more stocks after a huge run-up in price and selling after a market crash. These errors cost investors a lot of money when compounded over very long time horizons.