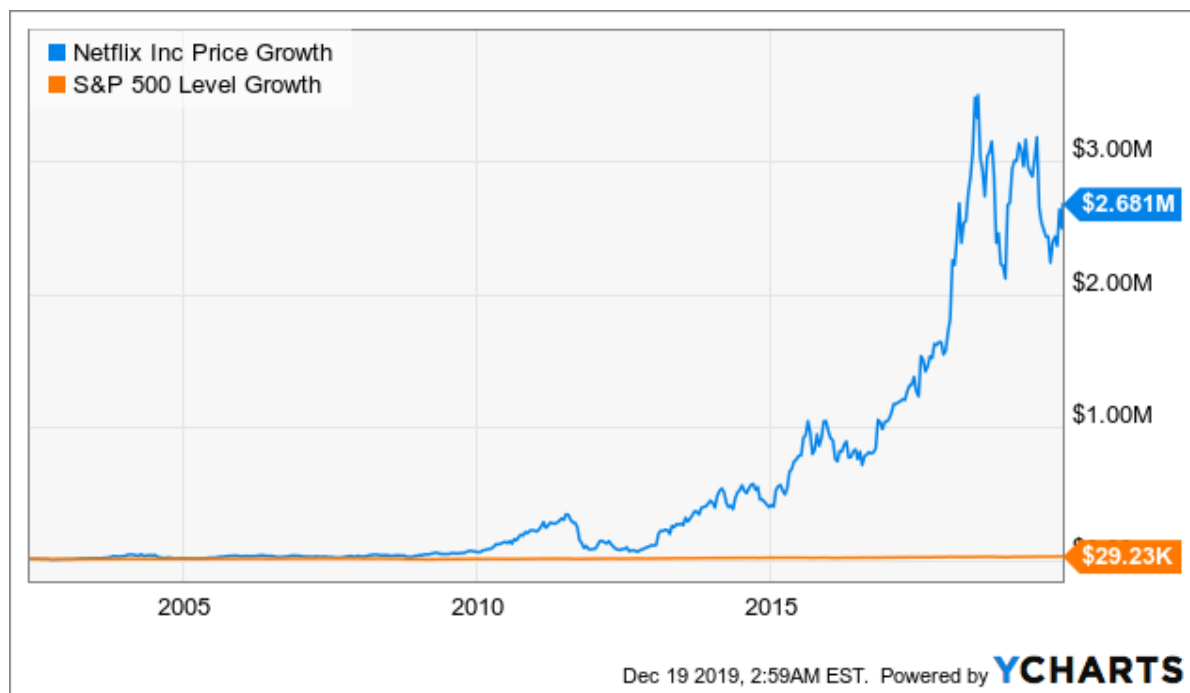


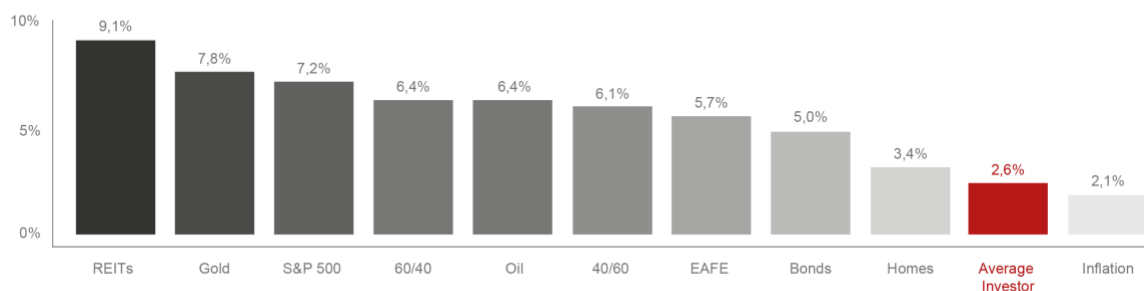
My Disastrous Beginnings as an Investor

We all hear that the stock market is a winning game. If you had invested \$10 000 in Netflix when it had its IPO in 2002, you would have over \$2.6 million today. Maybe, you were not that good at picking stocks and if you chose instead to just invest in the S&P 500 in 2002, you would have over \$29 000 today. This is great.



However, most investors still lose money in the long term. The average returns of the average investor in the last 20 years were only 2.6%, underperforming all the other asset classes.

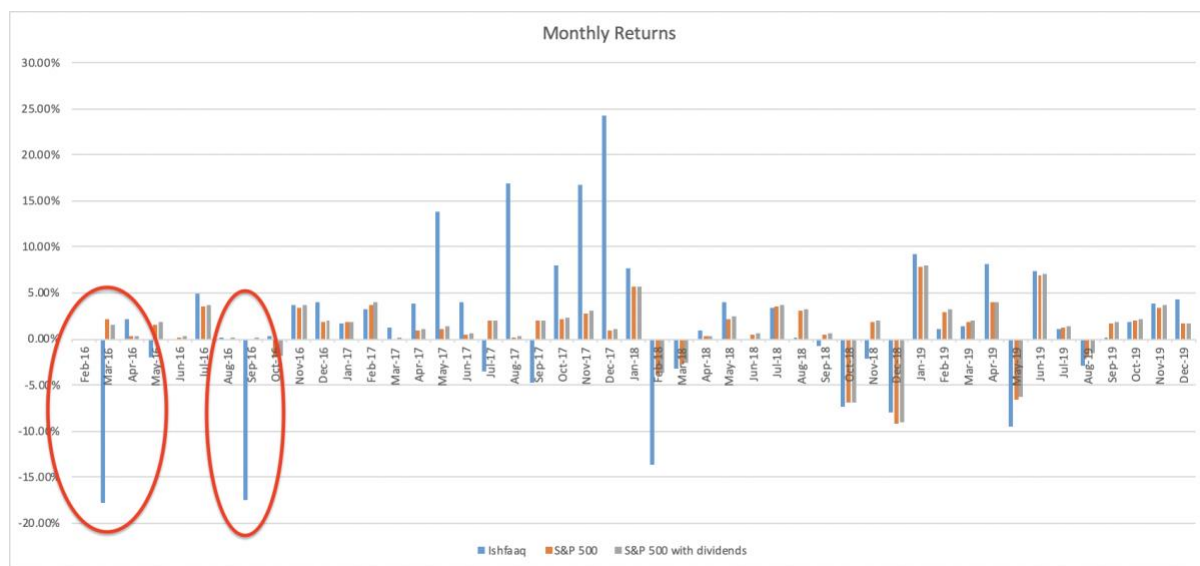
20-year annualized returns by asset class (1998 - 2017)



If investing is a winning game, then why are so many people losing money?

The reason is because most investors don't have the right strategy. Actually, even I didn't have the right strategy when I began investing.

My beginnings as an investor were disastrous.



My worst ever month as an investor was actually my first month as an investor. I started investing on the 16th of March 2016 and that month of March 2016, my portfolio was down by 17.7%. Six months later, in September 2016, I had another disastrous month losing 17.5% of my portfolio.

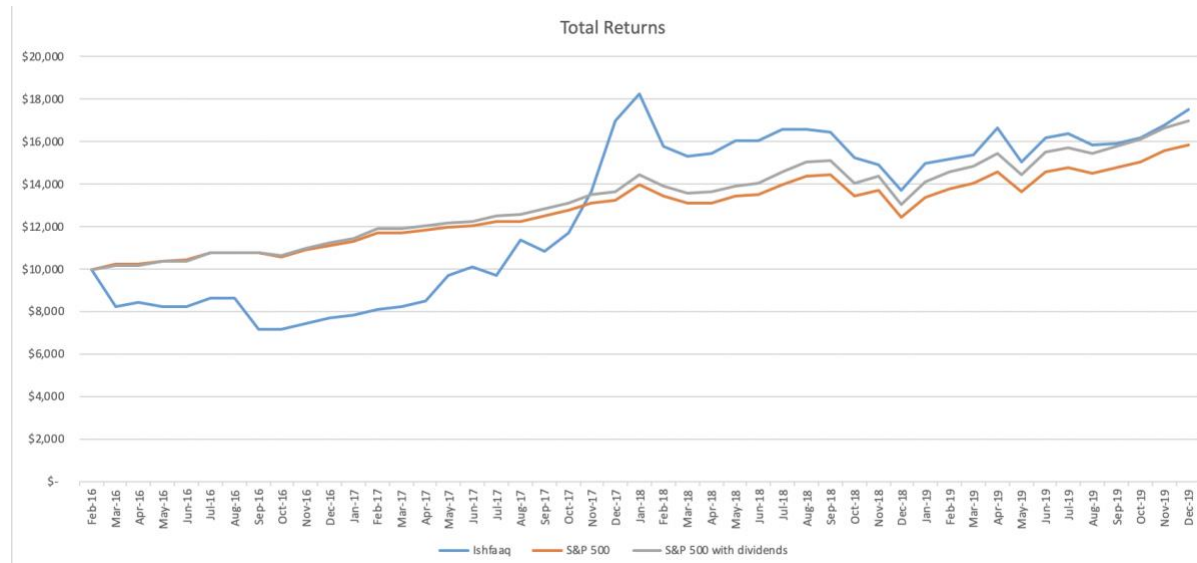
Overall, in the first six months, my portfolio lost 28.7% of its value while the market gained 7.6%.

Account Summary (USD)	Totals
Beginning Realized Equity	0.00
Deposits	2432.00
Refunds	0.00
Credits	250.00
Adjustments	0.00
Trade Profit Or Loss (Closed positions only)	-663.43
Rollover Fees	-14.08
Withdrawals	0.00
Withdrawal Fees	0.00
Ending Realized Equity	2004.49

Out of the \$2 432 that I had invested in the market, I already lost \$677 in the first six months alone.

\$677 was not a small sum of money back then for me. I was still a student living on my savings (as a child) and the \$100 that my university will give me as stipend every month.

I knew that I had to change my strategy and I did it. Since then, there has been a massive progress in my returns, and I am now beating the market.



Right now, my average annual return rate is 16.2% while the S&P 500 delivered 12.7% in the same period. An initial investment of \$10 000 will be worth \$17 544 today.

If we now ignore the first six months, we see a far better picture



My returns would be 31.9% annually while the S&P 500 yielded 14.9% in the same period. An initial investment of \$10 000 would be worth \$24 592 today.

Of course, I cannot ignore the first six months and I don't want to. I want these first six months to always be here to show how my performance was a disaster in the beginning.

I was a beginner once and I made mistakes, but I learnt from these mistakes and that's why I am a better investor today. Each day, I become a better investor. The thing is that I'll never become a perfect investor, and neither will you or anyone else. Warren Buffett still makes mistakes. Kraft Heinz is an example of his latest mistakes.

If you are a beginner in the stock market, you will most probably make huge mistakes, but this is the opportunity for you to learn and get better. You need to keep learning, change your strategy if it is not working, focus on the long-term, and never ever give up.

A handwritten signature in black ink, appearing to read "John F. Perak". The signature is written in a cursive, flowing style with a large loop at the end.

19th of December 2019