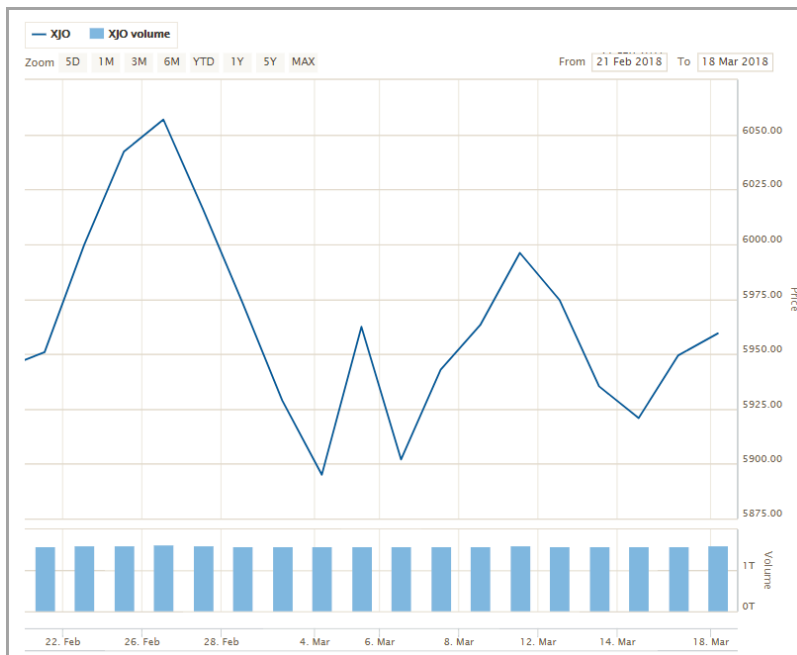


Newsletter

Have you experienced the fear factor yet?

This has not been an easy market to trade in, with a massive move up at the start of the Game, only to experience some significant falls and rises...it doesn't make it easy to keep your cool, which means you may start to make some 'not so good' trading decisions.

Plus, if you haven't used a falling sell to help protect your position, then this makes it even worse!



This is why it is vital that you have a clear plan and your plan covers market volatility.

It helps take the emotion out of your trading. If you let emotion influence your trading, you may find yourself 'not in a happy place'!

One of the greatest challenges when learning to invest can actually be 'YOU' and learning to control your emotions. This is vital because as soon as you have your own money in the market these emotions will be amplified.

You need to learn not to panic...which is a very common response when there are significant falls in the market and in your portfolio. You need to learn to control the fear.

So how do you do this?

Well, you are on your way when you recognise that mastering your emotions (both fear and greed) needs to be a part of your education as you learn about investing. One of the best ways to learn – is from those who have been there already. Here is a book you may find helpful:

Trading in the Zone by Mark Douglas ~ *'You may think the only challenge is that of increasing the value of your share portfolio; however, you may also be facing a challenge within your mind.'*

(There are many other books, so take the time to research this area.)

It will also help to understand how fear (and greed) drives the market and



use this knowledge to help you rather than hinder you.

Warren Buffet once gave this advice...*“Be fearful when others are greedy, and be greedy when others are fearful.”* So in a way, you are learning to do the opposite of what you would naturally feel like doing.

Here are some articles you may find interesting:

- The Financial Markets: When Fear And Greed Take Over by Investopedia Staff
- Fear and greed: It's real and it moves the markets by Wall St Wise

So there is your challenge, to:

- Not only have a solid plan, but to follow it.
- By knowing the value of the company or by determining what your sell prices will be, before you buy can be an effective strategy to help start removing your emotions from your trading decisions.
- Be sure to use the falling sell tool
- And finally be aware of the fear factor and how this works both in yourself and in the market, and be sure you have the right mindset and discipline to keep your emotions in check.

Hope that helps,
The Games team

Stock Doctor Game webinars



Webinar 1 Recording

Stock Doctor Game On webinar

Webinar recording

Webinar 2 Recording

Smarter Game strategies with Stock Doctor

Webinar recording

Webinar 3 Recording

Reporting season update – the good, the bad and the ugly

Webinar Recording

Webinar 4 - 11 April at 12.30 pm (Sydney time)

Six secrets of successful sharemarket investing

Sign up to this webinar

 **Stock Doctor**

Many consider investing in the sharemarket as being 'risky' so lack the confidence to invest. One of the

many consider investing in the share market as being risky so lack the confidence to invest. One of the significant advantages of taking part in the ASX Share Market Game is you can build your level of confidence by testing theories and concepts in an environment where you have no real money at risk.

But long-term investing is more than a 3-month sprint. Though you will learn valuable lessons in the Game, history reminds us that stocks can have large swings in price. Sometimes for no apparent reason. These shifts can cause investors significant distress, particularly in periods such as the Global Financial Crisis in 2008 when investors' portfolio values fell by 30% - 50% in a little over a year.

So, to be successful in the long-term, you must manage the psychology of investing. Particularly the inner demons on the 'down' days. Repeatedly we have seen investors panic, act irrationally and make poor decisions that resulted in both short-term losses and missed upside potential.

Consider investing as a marathon; not a sprint. The runner that bolts to the front at the start is often not the eventual winner. Instead, those with a clear strategy who pace themselves will be in the best position to win over the long-term.

Share market prosperity is created from a long-term commitment (>10 years). You become conditioned to ride through difficult times and wait for the upswing. Volatile moments from the past, become blips in the long-term upward movement. At Stock Doctor we often tell our members that volatility should not be feared; rather embraced. Volatility creates opportunities for savvy investors who have the defined strategy and means of buying great businesses at lower prices. Stock Doctor members have these tools at their disposal.

History has taught us the market is resilient and always comes out stronger on the other side. Volatility is a natural part of investing life. You need to accept this and block out the noise.

If you have positioned your portfolio according to your objectives and have a disciplined framework for making buy and sell decisions that focuses on quality and blocks out emotion, then be confident you will come out the other side with success.

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Game weekly update

The indices and share price list has been updated for the period: 22 Feb - 21 March

Previous newsletters

- Game 2 winners
- Game preparation
- Game start
- Mistakes to avoid

Game update