

## Avoid Common Investing Mistakes

Investors make mistakes. It happens. The key is to not make the same mistake twice. Here are three blunders often made by retirement savings plan participants—and tips on how you can avoid making them.

**Jumping on the bandwagon.** In investing, what's hot today may be cold tomorrow, so setting your sights on the latest get-rich-quick trend can be disastrous. Consider the technology boom of the late 1990s. Many retirement savers went against the most basic investment advice of “Don't put all your eggs in one basket” and moved an excessive amount of their nest egg into mutual funds heavily weighted with stocks in hi-tech companies. They lost big when the bubble burst in 2000. Tip: Make your investment decisions based on what's best for your financial future in keeping with your overall strategy and asset allocation. As a long-term saver, avoid investing according to industry trends, the “what's hot today” mentality.

**Investing on impulse.** A single headline can drive a person to shift money from one fund to another in an instant. Unfortunately, investing on a whim usually means unsound investing. That's because it often leads to buying into popular funds at a high price and selling off less popular funds at a price lower than what was paid to acquire them. Tip: Stay committed to your long-term retirement savings plan strategy. Stick with the investments you've selected based on substantial reasons—namely, they suit your long-term objectives, time frame and tolerance for risk.

**Taking advice from non-professionals.** If investment professionals don't have the power to predict what the markets will do next, why would your uncle or neighbor? Tip: Do your own research on the investment options your plan offers.

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