

KEY QUOTES

From Speculator to Investor by Dr Qasim Mohammedbhai

A curated collection of quotable material for media use

ON HIS EARLY TRADING DISASTER

The Confession: "I was a cocksure teenager who thought I had 'the edge'. When my grandfather gave me money to spend on schoolbooks, I thought I knew better, and after doing a course on day trading, opened an account under my dad's name. I did this without telling him of course, as you weren't legally allowed to open an account until you were eighteen. A few months later, you would never have guessed, I blew it all. Looks like the Lamborghini would have to wait."

The Emotional Impact: "This was a big hit for me mentally. It definitely set me back and gave me the huge reality check that making money isn't easy."

The Turning Point: "I left my interest in finance behind for a few months, wanting to pretend it didn't happen. However, I was stubborn. I was determined to learn more, so I started reading books from famous investors I had heard of: Warren Buffett, Peter Lynch, Benjamin Graham, Ray Dalio, Howard Marks, Tony Robbins and many more."

ON THE PURPOSE OF THE BOOK

The Mission Statement: "I truly believe that getting your money to work for you should be and can be everyone's goal. The reason for writing this book was to help transform the working class to the investing class; to provide the knowledge to enable people to understand, make decisions, and take control of their own financial future."

Bridging the Gap: "When I was young I was always drawn to the allure of investing in the stock market. Growing up I would read a lot of books and articles to learn about it. I found when trying to advise people on how they could learn, the books on the market were either too simple or too complex. That inspired me to write a book that would have been invaluable to the younger version of myself looking to invest, and hopefully to other aspiring investors."

Empowering Informed Decisions: "Even after reading this book you may decide that it's not for you and you wish to give your money to a finance manager. Guess what, that's great! At least now you will be making an informed decision. More than that, you will understand what someone else is doing with your money and your future."

ON THE FINANCIAL SERVICES INDUSTRY

The Sleazy Dentist Comparison: "The finance industry is notorious for its use of jargon to confuse clients with terms they don't understand. Unfortunately, things that sound elaborate attract people and their money, which is how Wall Street thrives. They are constantly creating and promoting new financial mediums to lure in clients and make sales. Can you name any other profession where you would get away with this? If I tried to confuse my patients with jargon and carried out dental work that they didn't understand, I would get branded a sleazy dentist and get struck off!"

The Incentive Problem: "A lot of the people handling your money don't care if they win or lose, they still get paid. In fact, the more transactions they carry out, in other words the more stocks they buy and sell, the more they make."

The Deceased Investor Revelation: "In 2020, Fidelity (one of the biggest brokerage firms in America) carried out a survey to find out what type of investors performed the best. They compared sex, age and various other factors. They found that the best characteristic an investor could have was... you'll never guess what, but deceased. Deceased! Why? I hear you asking. Because they were not able to touch their account and use their emotions to make rash decisions and buy and sell. So here we are paying money managers bucket loads in commission to carry out numerous transactions, when the most successful ones are people that can't touch their account."

ON SPECULATION VS INVESTING

The Critical Distinction: "An investor executes his moves in a calculated manner, whereas a speculator does so with the 'hopes of getting a higher profit.' Even if the speculator buys the exact same stock as the investor, without thorough reasoning, exit strategy or risk management it is speculation."

Real-World Examples: "Buying Tesla solely because it keeps going up and all your friends are talking about it is speculation. The same goes for AMC and GameStop, despite the well-known Reddit fact that they are 'going to the moon.'"

The Book's Core Purpose: "My reason for writing this book, if it wasn't evident from the book title, is to turn you from a speculator into an investor. This is not a secret recipe to get rich; it is the start of your journey. It will give you the tools and direction to take you further into whatever style of investing suits your personality and stage in life."

ON EMOTIONAL DISCIPLINE & PSYCHOLOGY

Managing Emotions: "I manage my emotions by being as calculated and regimented with my decision making process as possible. That way I am able to 'trust in the process' and not rely on my emotions to drive my investment decision."

The Process: "One way to ensure this is to be very clear with the reasons why I am purchasing an investment. As these reasons not only dictate when I buy, but also when I sell an investment. As mentioned in the book, the sell decision is as important as the buy decision."

Personality Matters: "It took me a while to understand what personality had to do with investing. Isn't it just about making sure you make the right calls, buy the right stocks at the right time and sell them when they're up? The reality is that investing is all about decision making and re-evaluating one's decision making. A person's temperament, stress management and emotional state of mind have a huge impact on decision making."

Finding Your Fit: "Only through practice, experience and mistakes will you find the style that suits your personality."

ON DAY TRADING VS LONG-TERM INVESTING

The Stress Factor: "When I used to day trade, I was incredibly stressed. Making multiple buy and sell decision in a day was not good for me mentally."

The Charts Obsession: "When I was technical trading, I was checking my charts constantly throughout the day, and the stress would really affect my well-being. Even if I didn't blow all my money, that style of investing was not a good fit for me."

Peace of Mind: "Making longer term investments means that I don't have to be constantly making decisions in a short timeframe. Instead, I can buy and sell investments at a much slower pace at a time that suits me. Having more time also means I can make decisions that are backed by a robust decision-making process. This gives me peace of mind and security when making investments, and I don't feel that stress I did as a short term speculator."

ON LIFE PHILOSOPHY & VALUES

Time Freedom: "My reason for being an investor is to make my money work hard for me, so I don't have to work hard for it. Less time working is more time living."

The Dying's Biggest Regret: "As one palliative care nurse noted, one of the biggest regrets of the dying was 'I wish I hadn't worked so hard.'"

The Key Differentiator: "Over the years I have come to appreciate the key differentiator between the wealthy and the poor. Robert Kiyosaki, author of Rich Dad Poor Dad puts it excellently: 'Schools teach you how to work for money, but they don't teach you how to make money work for you.'"

ON BALANCING TWO CAREERS

The Discipline: "The way I balance both dentistry and finance is by being very disciplined with my schedule. I will have set time in the week where I will allocate to setting aside time towards investing. Obviously this will vary depending on what's going on in the world."

Dual Passions: "I work as a dentist out of London. I look at people's mouths all day, drilling, filling and billing. Despite my sarcasm I love dentistry. That said, I have a greater passion for investing and wealth management, which led me to start my own real estate investment trust."

ON INVESTMENT MISTAKES & LESSONS

The Alibaba Regret: "My biggest investment regret was in ALIBABA. It was an investment where I acted like a speculator. I recall buying it simply because it was to be the next Amazon of China and the price had dropped significantly. Not carrying out a thorough analysis meant I behaved as a speculator, and proceeded to lose significantly on this investment."

The Valuable Lesson: "I think it taught me a valuable lesson that investing is not easy, and making money in the market is not easy. The most valuable thing I learnt is the importance of discipline and risk management. It also spurred me to learn a lot more about investing."

Pride in Process: "The investment I'm most proud of this year was NATWEST. It was a fixed income investment which was significantly undervalued. Its share price appreciated 80% and I sold it as its

dividend yield had dropped too low (due to the increase in share price). While it wasn't my biggest winner, it was me following my process with discipline and being rewarded for it."

ON RISK MANAGEMENT

The Dividing Line: "Between calculated risk and reckless decision-making lies the dividing line between profit and loss." —Charles Duhigg

The Key Principle: "Only you can decide how much risk is too much. The quintessential point being that whatever risk you take it is calculated!"

Know What You Don't Know: "If I don't understand something I don't invest into it. Following the wisdom of Warren Buffet and Charlie Munger, I try to stay within my circle of competence."

ON CRYPTOCURRENCY

Honest Assessment: "One of my biggest winners has been in cryptocurrency. However like I mentioned above, I like having a structured decision making process before buying a security. Because I don't understand enough about cryptocurrency I'm hesitant to invest any large amount into it."

Circle of Competence: "If I don't understand something I don't invest into it. Following the wisdom of Warren Buffet and Charlie Munger, I try to stay within my circle of competence. Hence why I see my cryptocurrency as more of a speculative asset then an investment."

ON TECHNICAL ANALYSIS

Personal Reflection: "I believe that our individual personalities are shaped by our past experiences. I personally had a bad experience with trading. Looking at bars, graphs and indicators reminds me of those days."

Emotional Tolerance: "The most successful traders win on around 50% of their trades. That means they have a lot of losing trades, and they rely of their winning trades being much bigger than their losers. Hence the need for rigorous risk management and discipline. I don't think I'd be able to cope with having that many losing trades, it would cause me too much stress."

Future Possibilities: "What I can potentially see myself doing is using technical trading with fundamental investing in the future. The fundamental investing would tell me what company to buy, and the technical aspect would tell me when to buy the trade. However right now I only use fundamental analysis."

ON BLACK SWAN EVENTS & MARKET CYCLES

Prepare, Don't Predict: "The nature of 'black swan' events is that they are hard if not impossible for us to predicts. That's why I say: 'Prepare don't Predict'. Having a well-balanced and diversified portfolio means that if one asset class gets hit hard then you aren't completely wiped out. It's making sure all your eggs aren't in one basket."

The Billion Dollar Question: "Where we are in the market cycle is the billion dollar question."

WISDOM FROM LEGENDARY INVESTORS (FEATURED IN THE BOOK)

Warren Buffett: "Buy into a company because you want to own it, not because you want the stock to go up."

"Don't lose money." (Buffett's first rule)

Robert Kiyosaki: "Schools teach you how to work for money, but they don't teach you how to make money work for you."

Charles Duhigg: "Between calculated risk and reckless decision-making lies the dividing line between profit and loss."

ON TEACHING & ACCESSIBILITY

The Analogies Approach: "As a dentist, I am constantly having to explain technical terms to patients, so it's something that I am good at. I've found that analogies are very helpful, and I have used a lot in Part 1 and Part 2 to help you get a grip of the fundamentals."

Learning by Doing: "I have also included task sections at various intervals throughout the book. Please try your best to do these. Not only by learning but by doing an action will it be fully cemented in the brain and then be able to be implemented."

Tested for Clarity: "Every chapter has been read by non-finance people, to make sure the topics are well explained and make sense."

Understanding the Language: "The reason I use so much technical lingo is that I want you to be able to engage with the financial world. To do so you have to understand the language they use. When I started, I could never understand financial news programmes, not because it was particularly complex, but because there was so much jargon!"

ON INVESTMENT OWNERSHIP MINDSET

Thinking Like an Owner: "When we buy a stock, we own an equity interest in that company. The company's assets, goodwill and products belong to us. If you buy a share of Amazon, you are an owner of Amazon."

The Key Questions: "If you are an investor and you buy a stock, you should be thinking to yourself, is this a business I want to own? If so, the next question is, at what price do I want to own this business?"

PRAISE FOR THE BOOK

Dr James Martin, CEO and Founder of Dentists Who Invest: "Qasim demonstrates a huge breadth of knowledge when it comes to investing. This book bridges the gap between day-to-day life and the world of finance. Accessible yet also containing depth in key areas there is something in here for beginners and experts alike."

Dr Hussayn Salem, Founder of BUSA Group: "Qasim's ability to explain complex topics and make it accessible is a breath of fresh air. Despite how much I think I know, I've learnt essential new knowledge... this is a fantastic book and should be essential reading for young aspiring investors. The earlier the youth start reading this, the more chance they will achieve financial success."

QUICK ATTRIBUTION

For all quotes: Dr Qasim Mohammedbhai, author of *From Speculator to Investor: Mastering the Shift from Short-Term Bets to Long-Term Gains* (Arena Books, December 2024)

ADDITIONAL INTERVIEW QUOTES AVAILABLE

For interviews, Dr Mohammedbhai can provide insights on:

- Specific investment strategies and case studies
- Current market conditions and trends
- Advice for different demographics (young professionals, families, retirees)
- The future of retail investing
- Financial literacy education
- Real estate investment trusts
- Portfolio construction and diversification

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