

I have a friend who thinks he can beat the market, so he is always trading. How can I convince him that this is no way to invest?

Well, you can lead a horse to water... Assuming you can get your friend to drink in some real-world perspective, you might alert him to investing realities. Here are a few:

Most investments can't always perform well

Sure, if you buy high-quality corporate bonds or Treasury bonds, you can be reasonably assured of getting your money back plus the set interest rate. But the bond market can temporarily hiccup when interest rates rise, affecting your existing bonds that you might want to sell.

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