



## Invest Like a Jedi

Written by: Heather Calmes

I once went on a date with a fellow named David. He showed up to the restaurant and told me “I hope I didn’t mess up. I was going to bring you flowers, but I thought you’d like this more.” Then he handed me possibly the cutest Star Wars toy I’ve ever seen in my life, a little baby Yoda bobble head. I tell you this to brag a little about my super adorable baby Yoda, but also because it got me thinking about collecting, investing, and what the difference is between the two.

Have you heard of Pop? Pop is a brand of bobble head toys currently taking the nerd community by storm. They create adorable bobble heads for everything from Star Wars to Marvel to all manner of nerd approved franchises. And, they are collectable! They’re numbered and everything. So, I can have an adorable baby Yoda bobble head, keep it in my secret nerd stash for the next ten years, and then sell it for a million dollars in its original box!\* That is one heck of an investment idea, right Yoda?

***“One idea investing, that is.”***

Ok, ok, I’m clearly fooling around here. I’ve no idea what Yoda’s investment philosophy would be, but I can tell you that this kind of collecting is a perfect example of one idea investing. One idea investing seems to ramp up in popularity whenever the market shows signs of volatility, inducing fear in investors. (Not that the popularity of these particular toys are market induced, but you get my point.)



*“Fear is the path to the dark side. Market volatility leads to fear. Fear leads to one idea investing. One idea investing leads to suffering.”*

So, how do we protect ourselves from the dark side of one idea investing? Applied diversification. The goal in a diversified portfolio is to have a built in safety net – the theory is when one investment struggles the other investments which are not struggling can keep you from crashing to the ground.



One idea investing may be “quicker, easier, more seductive”, but the risk factor is high. Perhaps the more enlightened path would be to invest in a diversified portfolio, utilizing asset allocation, aligned with your risk tolerance, and invested with a long term investment horizon. I’ll call that the Jedi investment philosophy.

Moral of the story: invest like a Jedi.



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\*Future prices of Pop products are not known. Million dollar comment for satirical purposes only.

This article was written by  
Heather N Calmes  
Marketing Director



This article was originally published in The Loop Volume 15 Issue 3. CIR Tracking 151613

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