

WHAT A TOP POKER PLAYER CAN TEACH YOU ABOUT INVESTING



While prudent investing for the long-term is at the polar opposite from the all-or-nothing wagers in poker, the card game does reveal how players can abandon their best chance for overall success in the face of short-term setbacks.

Annie Duke had nearly completed her PhD in psychology when she decided to quit grad school to play cards professionally. For the next 20 years she used her scientific knowledge of human behavior to become the third highest-earning female poker player in history.¹

Her success wasn't due to the fact that she'd mastered the art of reading her opponents' minds—though she would factor in their known tendencies. She was able to win tournament after tournament by analyzing and disciplining her *own* thought process.

Duke saw that the biggest mistake poker players make, the one that keeps very good players from joining the elite, is allowing the short-term outcomes of a game to affect their strategy. While the game certainly requires a significant amount of knowledge and skill to play at a professional level, it is still subject to random and unpredictable outcomes.

Duke says that when a player is winning, it's natural for him or her to think, "It's because I'm making good decisions." But if they lose, they switch to "I'm having bad luck" and abandon their game plan.

Both responses reflect thought patterns that protect the ego of the player, and blind them to the habitual mistakes that keep them from reaching the next level.

To counter this tendency in her own thinking, Duke organized a peer group of players to

analyze each other's performance in tournament play.

She says that when they told each other "the story of a hand," they wouldn't mention whether they'd won or lost. In analyzing their strategies they were completely outcome-blind. "Instead," Duke says, "it was all about the behaviors, the variables, the decisions—not the outcome."

Her own long-term success and that of other top players is evidence that controlling your emotions and maintaining discipline puts the odds of success in your favor. Having a plan and sticking to it, even in something as random as a card game, turns out to be a critical element in achieving success.

Thirteen-time World Series Poker Champion Phil Hellmuth once said, "If it weren't for luck, I'd win every time."

Embracing The Unknown

Top poker players and prudent investors both take into account the ever-present reality of uncertainty. It's no coincidence that short-term market movements often seem as random as turning up cards in a well-shuffled deck.

Duke says that people like to "connect the dots to find causality." This gives them the illusion that they can figure out where the game is going next. But nobody can actually do that with consistent accuracy. Poker is far too complex to predict (which is why the game provides endless fascination), and the most successful players take this into account.

The same goes for investing in random and unpredictable global markets. At every level, for every timespan, it's simply impossible to predict the future with certainty. And for an investor, the smartest reaction to that reality is to diversify your portfolio as broadly as possible and stick to a well-designed plan that embraces the realities of the unknown future.

So we are certainly NOT recommending that you take up poker, let alone play it for money. But anywhere a lesson in discipline is available it makes sense to learn what we can from it.

Once we have developed an investing plan that takes into account your time horizon, income, risk tolerance, and retirement goals, recognize that changing or abandoning it each time you experience a short-term downturn can be catastrophic to your long-term wealth. Sticking to a proven long-term strategy gives you the best chance of success that doesn't have to rely on luck or accurately predicting the future.

Have a great weekend!

Golf Tip of the Week



How Can You Become a Faster, Better Putter?

You stand. You wait. You look at your watch. You feel like throwing your club at the putter who seems to be spending hours examining the geothermic, topographic, and kinesiological ramifications of the green before making one measly putt.

Pros say a lot of golfers spend way too much time considering the hills, the angles, the wind, and the terrain just to make a 2-foot shot.

Taking a lot of time preparing for a putt rarely produces a better, more accurate putt. It just aggravates fellow golfers.

Here are 3 tips for quick putting:

Use your time wisely. While waiting for your turn on the green, you can spend the time contemplating your shot.

No second-guessing. Know your speed—and don't doubt it—ahead of time. Find a speed and don't deviate from it.

Remain confident. Perspectives change the look of putts. Putts look different from 3 feet away on the green than from standing directly over the ball. Take a few practice strokes, then step up and do your best work.

Tip adapted from Golf Digest.¹

Recipe of the Week



Soy Glazed-Cod and Bok Choy

Serves 4

Ingredients:

2 tablespoons honey
2 tablespoons low-sodium soy sauce
1 tablespoon balsamic vinegar
4 6-ounce skinless cod fillets
Kosher salt and pepper
1 tablespoon canola oil
3 cloves garlic, finely chopped
4 scallions, thinly sliced
1 small red chile, thinly sliced
1 1-inch piece ginger, grated
3 large heads bok choy (about 2¼ pounds)
Chopped toasted sesame seeds, for serving

Directions:

1. Place oven rack 6 inches from broiler. Heat broiler.
2. Whisk together honey, soy sauce, and balsamic in microwave-safe bowl. Microwave mix until slightly thickened, 60-90 seconds.
3. Pat cod fillets dry and season with $\frac{1}{4}$ teaspoon salt and $\frac{1}{2}$ teaspoon pepper.
4. Spoon half of the glaze over the cod and brush it to coat. Broil the cod until opaque, 6-7 minutes.
5. Spoon remaining glaze over the top.
6. At the same time, heat oil in a large skillet over medium heat. Add garlic, scallions, chile, and ginger. Cook while tossing for 30 seconds. Add bok choy and $\frac{1}{4}$ teaspoon salt.

7. Cover and cook for 2 minutes. Uncover and keep cooking, tossing until the bok choy is tender, 3-4 minutes more. Add 1-2 tablespoons water if necessary.
8. Serve with glazed cod.
9. Sprinkle fish with sesame seeds, if desired.

Recipe adapted from Good Housekeeping.ⁱⁱ

Health Tip of the Week



Curing the Blues

How do you battle depression when you're too depressed to put forth the effort? Here are 9 tips to lift your spirits and to bring some good, old-fashioned cheer into your life.

1. **Enlist Fido and Fluffy.** Hanging out with your pets can be very therapeutic.
2. **Eat smart.** While no specific foods can lift the blues, a balanced diet of fruits, vegetables, and whole grains can take you a long way to happiness.
3. **Eat more mood foods.** Some studies show that omega-3 fatty acids and vitamin B12 help alleviate depression. Think salmon, tuna, mackerel, flaxseed, nuts, soybeans, and dark green vegetables.
4. **Go low-fat carbs.** Carbohydrates help raise your serotonin, a brain chemical that gives you a feeling of wellbeing.
5. **Cut the joe.** Too much coffee can increase anxiety, which often coincides with depression. A cup or 2 might be OK. But a pot? Say no to joe.
6. **Deal with the hurt.** When you're in pain, it's difficult to be in a good mood. Consult your doctor to manage the pain and the depression.
7. **Get a move on.** Exercise works wonders for many depressed people, almost as well as antidepressants. Even a simple stroll can restore the smile.
8. **Get outta here.** Seasonal affective disorder is common in the winter when it's difficult to get outside. The cure? Light therapy, antidepressants, vitamin D supplements, and talk therapy.
9. **Create!** Try your hand at painting, photography, music, knitting, or writing. While you don't have to produce a masterpiece, the point is to express your feelings. Being creative helps give you a better understanding of yourself.

Fighting the blues can be as easy and simple as just adding a little activity in your life.

Material adapted from WebMD.ⁱⁱⁱ

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1. <http://go.efficientadvisors.com/e/91522/siness-decisions--f7be4aa430ff/56w33m/359041160>

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ⁱ <https://www.golfdigest.com/story/these-three-tips-from-rickie-fowler-will-make-you-a-faster-better-putter>

ⁱⁱ <http://www.goodhousekeeping.com/food-recipes/easy/a46651/soy-glazed-cod-and-bok-choy-recipe/>

ⁱⁱⁱ <https://www.webmd.com/a-to-z-guides/ss/slideshow-depression-diet-stress-exercise>