

Building Investor Resilience

World Investor Week (WIW) is a week-long global campaign promoted by the International Organization of Securities Commissions (IOSCO) to raise awareness of the importance of investor education and protection and to highlight initiatives by securities regulators in these areas. This year, WIW focuses on the themes of “Investor Resilience, Digital Deception and Scam Alert”.

In conjunction with WIW, Brunei Darussalam Central Bank (BDCB) is sharing practical guidance to help the public make informed investment decisions, recognise potential risks and better protect their money. As part of this effort, this article looks at investor resilience and how a clear investment plan can help you make considered decisions, particularly during changing or uncertain market conditions.

Stay Prepared for Market Changes

Even when you invest through a licensed financial institution, the value of your investment can fluctuate depending on market conditions and economic developments. Seeing your investment rise and fall in value can be unsettling. When markets are uncertain, it may be tempting to sell immediately, follow the latest trend, or constantly check prices.

Having a plan can help you stay focused and make informed decisions, especially when emotions run high.

1. **Invest only what you can afford to set aside**

Before investing, review your essential expenses, debts and savings. Keep enough money accessible for emergencies so that an unexpected bill or loss of income does not force you to sell an investment at an inconvenient time. Avoid investing money you may need in the near future.

2. **Give every investment a purpose**

Are you investing for education, retirement or another long-term goal? Your goal and the time you have to reach it should guide how much risk you take. An investment that works well for a long-term goal may not be suitable if you need the money soon.

3. **Expect values to rise and fall**

Investment values can go up and down, and past performance does not guarantee future returns. A fall in value deserves attention, but it does not always require an immediate response. Check whether the investment still fits your goal, timeframe and ability to bear losses.

4. **Avoid putting all your money in one place**

Spreading investments across suitable products can help manage risk, although diversification cannot eliminate the possibility of losses. Review your investments from time to time, especially when your income, commitments or financial goals change.

5. **Keep your emotions in check**

It is also important to recognise what may be influencing your decisions. Fear of missing out, excitement over a recent gain, or anxiety during a downturn can all lead to impulsive choices. Taking time to pause and reassess can help you make decisions based on your plan rather than your emotions.

Investor resilience is built on financial readiness, realistic expectations and a clear plan. Take time to understand what you are investing in, why you are investing, and whether it still supports your financial goals. If you need guidance, speak with a licensed professional and make sure you understand the advice and any fees involved.