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## Gold No Longer Glitters Quite As Much

I like to pick on John Paulson. He's a billionaire and hedge fund manager and he can take it. A few years ago he was lionized in the book "The Greatest Trade Ever." He made a lot of money - \$3.7 billion in 2007 and \$5 billion in 2010 -- betting that house prices were too high and that people would default on the riskiest mortgages. In the book he's portrayed as an investment genius. He certainly made a great investment. Now, the rest of the story. In recent years he's been convinced that gold prices would continue to climb. They haven't and he's lost a lot of money for his investors in gold and elsewhere, according to trade magazine reports. Not quite bad enough yet for the sequel to be called "The Worst Trade Ever," but enough so the luster is off; his gold no longer glitters quite so much. The moral -- most people aren't investment geniuses and they shouldn't invest their money on the theory that they are. They could get lucky but most people will invest successfully by participating in the market, not trying to outguess it.

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### About Larry Luxenberg

Larry is a Chartered Financial Analyst with 28 years experience as an institutional investor and financial consultant. Larry specializes in retirement planning for Baby Boomers and strategies for maximizing benefits for Social Security. He has been widely quoted in newspapers and magazines and has appeared on CNBC and other television and radio programs.