

[youtube:http://www.youtube.com/watch?v=UZr8jisOm6o auto]This video is a warning to any investor who thinks they are seeing the bargain of a lifetime. How millions were lost in Icelandic bank accounts and lessons to learn about how to make money and how to avoid heavy losses.

Every month I come across people who are taking huge [risks](#) by investing in some scheme or other, that is offering much larger financial rewards than anything else in the market. While bargains can be found, there are always

[risks](#)

attached to these high-promise offers. In a globalised world where funds managers controlling trillions of dollars are constantly chasing small increases in yield, you have to ask why others are not investing. Example: if this property development company really is guaranteeing a higher rate of return than you can get anywhere else, why are they so short of capital that they need some from you? Every bank, real estate investment fund and so on would be beating a path to their door.

Having said that there is the old economist joke: an economist and a banker are walking along the road and see a \$10 bill on the ground. The banker goes to pick it up. "Don't bother", says the economist. If it was real, someone else would have grabbed it by now. And it is also true as we have seen in the credit-crunch and sub-prime crisis that the markets are capable of huge emotional swings on certain stocks that go far beyond the realities of the situation. It is not hard for example to find stocks that are currently valued at less than if the company was liquidated and sold off piece by piece. And in a recession, those with cash can often pick up real bargains.

Other issues which are covered by this video: How to make money and increase your wealth. Real rates of return on investments. Assessing [risks](#) in fund management and real estate investment. Exchange rate [risks](#) and how they impact international investment. Economy risks, political risks, industry [risks](#) - all need to be priced into decisions about where to put your money. Portfolio management. What economists think about global risks, banks, banking, insurance and other industry investments.

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