In investing and trading, you often hear about concepts like **expected value**, **variance**, and **time horizon**. But one phrase that doesn't get enough attention is "*time is not neutral*". What does it mean? Why should it matter when you're deciding where and how to put your money to work, especially in fast, flashy environments like weekly options trading offered by many brokerage apps?

This post breaks down why time's directionality affects expected returns, risk, and the transparency of your investing decisions. Along the way, we'll call out some common traps—like mistaken beliefs about "risk," hidden trading costs, and the illusion of easy wins in casino-like trading products. If you want to grasp what separates smart money management from gambling dressed up as investing, keep reading.

Understanding Expected Value: The Real Dividing Line

First, a refresher. Anyone talking about money decisions without **expected value** is just trading based on feels or blind luck. Expected value (EV) is the mathematically precise way to capture what you expect to make or lose on average per trade or investment, factoring in the probability-weighted outcomes.

For example:

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- Buying broad equity ownership (like an S&P 500 index fund) typically has a **positive expected value** over the long run. The market tends upward despite short-term dips.
- Playing casino games or certain speculative trading patterns (like many options strategies offered as weeklies) often have **negative expected value** once you account for the house edge, fees, and commissions.

The sign in front of the number matters here. A positive EV investment grows your capital on average over time; a negative EV approach bleeds it away, no matter how exciting the short-term volatility.

Time Horizon Investing: Why Time Is Not Neutral

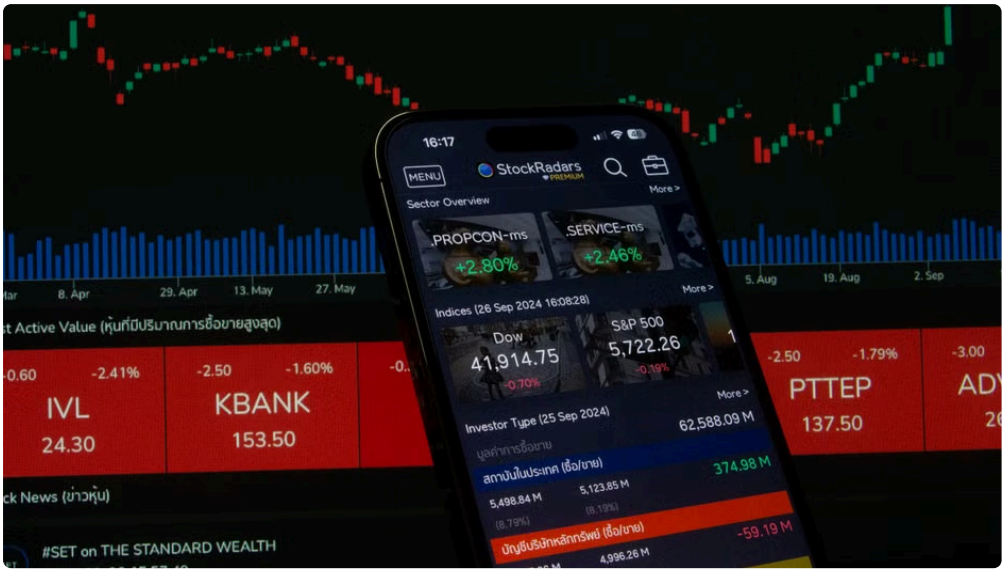
Here's the kicker: **time is not neutral** when it comes to money decisions, especially in strategies involving weekly options. What does this mean?

Imagine you can buy an option that either pays $100 with 50% chance or loses $100 with 50%. The EV is zero, right? But over a single week, it's a coin toss. If you run this trade repeatedly week after week (the *law of large numbers*), your average results will hover near $0.

But many options strategies hide an important detail:

- **Theta Decay:** Options lose value as time passes, known as theta decay. This means your option's price erodes each day, working against you if you're the buyer.
- **Assignment Risk:** Exercising or assignment can force you to buy or sell shares unexpectedly, impacting your capital and risk profile.
- **Spreads and Commissions:** Often underestimated, these add real costs that grind down your edge further each time you trade.

When you trade weekly options, these factors make the *expected value* worse each week you hold or roll your position. If your strategy's EV per week is negative, the longer your time horizon, the more certain you are to lose money.



This is why **time is not neutral**. Time works against you in negative EV trades due to these consistent, small value leaks. But in positive EV investments, time lets your capital compound and smooth out temporary variance.

Broad Equity Ownership vs. Casino-Like Trading

One of the most powerful points often missed:

1. **Positive EV Broad Ownership:** Owning diversified stocks or index funds gives you statistically positive returns in the long term. You might endure volatility (variance), but your return expectation is positive, and time helps by compounding gains.
2. **Negative EV Short-Term Trading:** Weekly options and similar short-term derivatives often resemble casino games. They may look like trading, but once you factor in theta decay, bid-ask spreads, commissions, and assignment risk, their EV turns negative.

That doesn't mean you can't win in the short term. But it means over many repeated trades (your actual investing horizon), you'll almost certainly lose money. Variance (swings in your results) can fool you into thinking you have skill or a winning system, especially if you neglect time's role.

Transparency Matters: RTP Published vs Hidden Trading Costs

In casino games, **RTP (Return to Player)** is published—clearly stating your expected value is 92%, 95%, or whatever. This transparency means you know if you're likely to lose in the long run.

In many finance apps offering weekly options, the negative expected value is *hidden*. Why?

- **No published "RTP":** Your app doesn't tell you the expected value of the trades. It shows price and profit potential but hides theta decay and spreads.
- **Gamification:** Confetti, badges, and colorful interfaces turn trading into a game, distracting you from real costs.
- **Opaque commissions and assignment costs:** Fees, taxes, and assignment impacts are not upfront or easy to forecast.

This opacity lets negative EV strategies sustain because many participants mistake them for skill-based or neutral-edge investments when, in fact, the odds work against them. As always, *the sign in front of the expected value* and transparency are what matter.

Variance vs. Return: Understanding Your Outcome over Time

Variance is how much your returns bounce around on any given day, week, or month. Return is the average growth of your money.

In short-term trading:

- Variance can be dazzling—big wins, big losses.
- Variance causes emotional whipsaws, tempting early exits or chasing losses.
- But if the **expected return** is negative, variance only speeds up your losses over your trading episodes.

In broad ownership investing:

- Variance can be frustrating in down markets.
- Return is usually positive over long horizons.
- Time helps reduce the impact of variance thanks to the law of large numbers—it smooths results.

Failing to separate variance from expected return—or pretending time is neutral when it's not—is a recipe for financial disaster, especially for retail investors tempted by flashy weekly options or "gamified" trading apps.

Summary: What You Should Take Away

- **Time is not neutral:** It can either work for you (positive EV trades held longer) or against you (negative EV, short-term trading with theta decay and hidden costs).
- **Expected value is king:** Focus on positive expected value investments; understand and respect the sign in front of the number.
- **Transparency is essential:** Know your cost structure, including spreads, commissions, and assignment risk. Don't accept gamified apps hiding these costs.
- **Time horizon matters:** Use long-term investing in broad equity ownership to leverage the law of large numbers and smooth variance.
- **Don't confuse variance with risk:** Volatility isn't inherently bad. Expected negative returns over time are.

Next time you open your brokerage app and see tempting weekly options offers, remember that the clock is always ticking against you. The sign in front of your expected value and how much time you plan to spend in the trade are the real numbers that decide your fate—not the flashy interface or shiny potential multipliers.