10 RULES OF SUCCESSFUL INVESTMENT

SUCCESSFUL LONG-TERM INVESTMENT IS NOT ABOUT BUYING LOW AND SELLING HIGH – ALTHOUGH THAT IS ALWAYS A GOOD PRINCIPLE TO BEAR IN MIND.

SHARE PRICES CAN BE SUSCEPTIBLE TO UNPREDICTABLE EXTERNAL FACTORS RANGING FROM POLITICAL NEWSFLOW TO THE WEATHER, WHICH CAN LEAD TO THE IDEA OF INVESTING – PARTICULARLY DURING TIMES OF HIGH VOLATILITY AND UNCERTAINTY – FEELING A BIT LIKE NEGOTIATING A MINEFIELD.

ONE WAY TO MAKE SENSE OF SUCH A POTENTIALLY CONFUSING WORLD IS TO GO BACK TO BASICS – MARKETS MAY RISE AND FALL BUT THE RULES OF SENSIBLE INVESTMENT REMAIN CONSTANT.

1 BUY WHAT IS RIGHT FOR YOU

Just because an investment works well for somebody else does not mean it is necessarily right for you. Consider your own situation – your future liabilities, your investment goals, your timeframes and, most importantly, your appetite for risk – and then make your own decision.

2 DIVERSIFY

Spread your risk by diversifying your portfolio across a mixture of asset classes, industry sectors and areas of the world. If you put all your money into a single asset class, sector or company, your portfolio becomes vulnerable and performance is likely to be volatile. However, mixing it up means that, when the value of one asset is falling, another might be rising and so could help to compensate.

3 INVEST FOR THE LONG TERM

It is hard work – and almost certainly pointless – trying to 'time' your investment so you buy right at the bottom and sell right at the top. Similarly, trying to make short-term profits by constantly buying and selling investments is an expensive, high-risk strategy. Instead, look to target your portfolio at quality companies or funds and then allow them the time and space they need to grow. However...

4

IF AN INVESTMENT HAS RISEN SUBSTANTIALLY, TAKE ANOTHER LOOK

An old rule of thumb has it that 'when your investment doubles, sell half'. Short-term sentiment in stockmarkets can drive values to artificially high levels, in which case you might decide to cash in while you can. Do not get greedy – you should never be ashamed to take a profit.

5

NEVER BUY WHAT YOU DO NOT UNDERSTAND

History is littered with investments that promised a great deal but, when faced with pressure from the market, collapsed with all those promises broken. Some shares or funds might sound very exciting – and perhaps straightforward – but if you do not really understand exactly what the company does or how the fund works, steer clear.

6

KNOW WHEN TO SAY GOODBYE

If a holding has performed particularly badly compared with its peers, you should consider cutting your losses and selling it altogether. It may well be better to sell out and reinvest the proceeds into a better-quality alternative than to sit around hoping to recoup your loss.

7

DO NOT BECOME EMOTIONALLY ATTACHED

It is wonderful if a holding has worked for you, but you do not have to feel, as it were, grateful – the share or fund does not know you own it. You should look at every existing investment with the same clear-headed objectivity as you did before you bought it – and, when it is time to sell, do so with a clear conscience.

8

BE YOUR OWN PERSON – DO NOT FOLLOW THE HERD

Many investors became caught up by the euphoria that surrounded the 'dotcom' boom of the late 1990s, simply because everyone else was excited and they did not want to miss out. Consequently, they bought shares in companies that promised much and delivered little or nothing. It is hard to swim against the current but always take a step back and consider not only what you are buying but why.

9

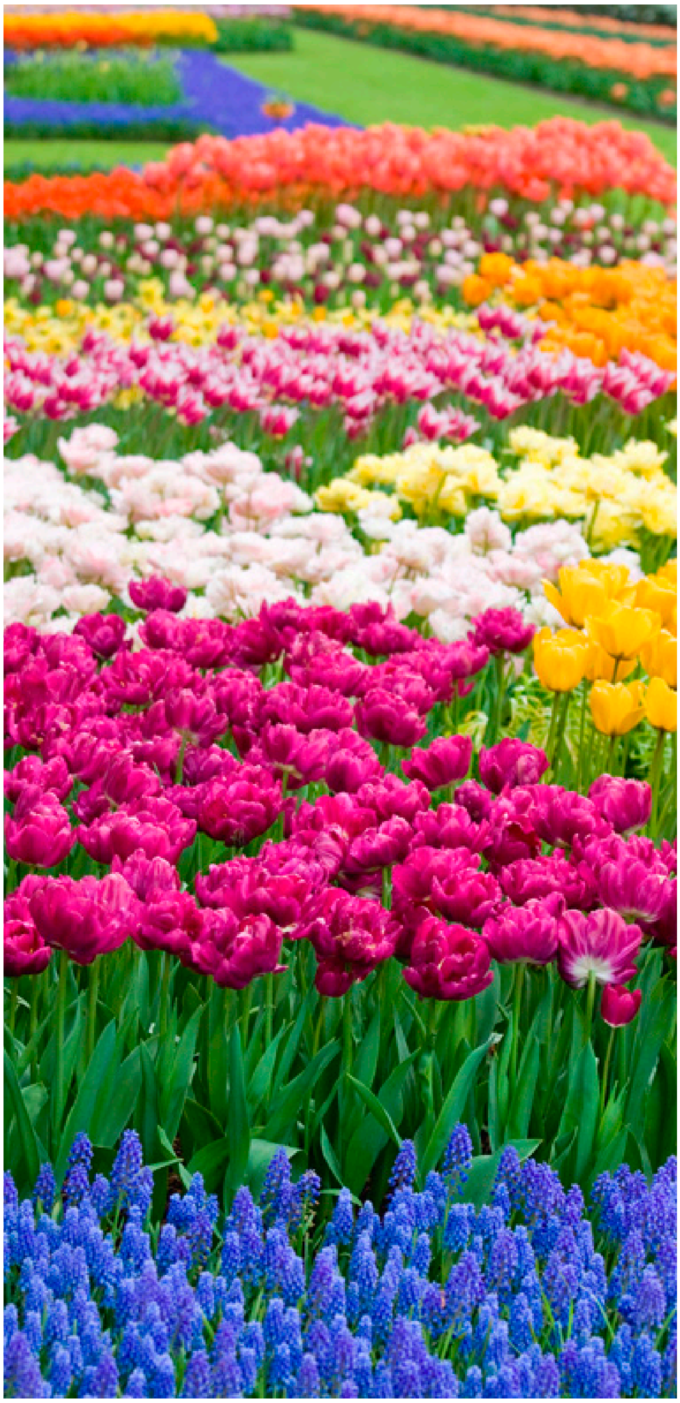
REVIEW YOUR PORTFOLIO REGULARLY

Your portfolio should have been constructed to meet objectives based on your existing needs and your goals for the future. However, over time, your needs and circumstances can change – as indeed can the markets – and your portfolio may require the odd tweak to make sure it keeps up. Review it regularly – perhaps every one to three years – and make sure it stays on track.

10

DO NOT BELIEVE EVERYTHING YOU READ OR HEAR

Headlines on television, in the newspapers and on the internet and social media can initially be just as misleading with regard to finance and investment as they are to, for example, sport or celebrity gossip. Try not to be distracted by day-to-day 'noise'. Instead, make sure you keep a clear head, remain focused on your objectives and take advice from a qualified professional to ensure you are making the most of your investment portfolio.



contact

We hope you found the information in this guide useful and informative. If any of the points are of interest, or you would like to discuss your own situation in more detail, please do get in touch.

This guide is intended to provide information only and reflects our understanding of legislation at the time of writing. Before you make any decision, we suggest you take professional financial advice. April 2015