

MAKING YOUR INVESTMENT DECISIONS

A Good Investment Philosophy to Follow

- ◆ *There are two main rules for investing* –to first preserve capital and second to get a reasonable rate of return over the long haul.
- ◆ *Don't speculate!* Make every investment an informed one either by your own research or by someone you respect.
- ◆ *Diversify* risk using a variety of investments both foreign and domestic and match your overall portfolios (RRSP and investments) with your tolerance for risk.
- ◆ Consider the advantages of *professional portfolio management*.
- ◆ Buy quality investments that are *well priced* and sell when you believe they are close to being fully priced. Don't hesitate to sell your losers if they are no longer performing or their fundamentals have changed.
- ◆ *Invest for the long term* and make a minimum of changes.
- ◆ Base your investment decisions on the *underlying quality* of each investment and its relationship to other investments - not on timing or trends.
- ◆ Consider *tax advantages* in making investment decisions but don't let taxes keep you from selling an investment when it is time.
- ◆ *Use leverage sparingly* or not at all.

• ***Diversify*** • ***Buy Value*** • ***Hold For the Long Term*** • ***Consider Taxes***

If you are intelligent the market will teach you caution and fortitude, sharpen your wits, and reduce your pride. If you are foolish and refuse to learn a lesson, it will ridicule you, laugh you to scorn, break you, and toss you on the rubbish heap.
- Frank J. Williams



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