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10 Investment Tips in a Post Vaccine World



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1. The early bird catches the worm

The stock market compounds over time, therefore start early and invest for the long term. Don't try to time the market. Time in the market is more important than timing the market. Warren Buffett (probably the world's best known investor) famously said "I started investing at the age of 11 but regret getting in late"

2. Don't put all your eggs in one basket

You don't need to own everything but don't have it all in one stock or theme. Covid has seen scores of sector specific investments and start-ups (who tend to be on the higher risk end) wiped out. We also receive questions about cryptocurrencies – treat this as another asset class and diversify.

3. Patience is a virtue

Bide your time as some investments take longer than others. Just because it has gone down in the short term doesn't make it a bad long-term investment! Albert Einstein said that compounding was the eighth wonder of the world.

4. All that glitters..

Fees also compound over the long term. Also watch out for layers of fees (platform fee, fund fee, funds of funds etc.).

5. Fortune favours the brave

The market reacts faster than individuals, therefore look forward and invest for the long term. Be proactive rather than reactive.

6. Best in class

Research and find the best company/management/sector. You may have to pay a premium, but it generally works over time.

7. Don't judge a book by its cover

Buy what you like and actually understand the market you are investing in.

8. No one is an island

Don't just look at UK companies. We live in a global economy and some of the best companies are found abroad. This can be exaggerated at the smaller end of the market.

9. Adversity and loss makes you wise

If you get it wrong or things change then acknowledge this, sell and move on.

10. Don't let the tax tail wag the investment dog

Try to keep things as simple as possible - however investing within wrappers such as ISAs and SIPPs can be prudent. We have experts to help with this. Fellow entrepreneurs can be tempted back into the investment world with the EIS/SEIS/VCT carrot. However, we feel the investment rationale should be able to stand by itself.

... and one final thought..

Investing can be tricky and if you prefer the idea of working with a professional to manage your hard-earned money please do get in touch. Vermeer Partners investment teams have a long track record of successful investment and we would be delighted to hear from you.

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