

Fiscal Engineers

Top Ten Investment Principles



- I will not allow my long-term focus and discipline to be affected by short-term market news stories and financial headlines.
- I will stop searching for tomorrow's star money manager, as there are no gurus. Capitalism will be my guru because with capitalism, there is a positive expected return on capital, and it is there for the taking. And for me to succeed, someone else doesn't have to fail.
- I will not market time or invest based on a forecast - whether it is mine or anyone else's. I will recognise that the urge to form an opinion will never go away, but I won't act on it because no one can repeatedly predict the future. It is, by definition, uncertain.
- I will keep a long-term perspective and appropriately consider my investment horizon (i.e. how long my portfolio is to be invested) when determining my performance horizon (i.e. the time frame I use to evaluate results).
- Where appropriate I will continue to invest new capital and work my plan because it is time in the market - and not timing the market - that matters.
- I will adhere to my plan and continue to rebalance (i.e. systematically buying more of what hasn't done well recently) rather than "unbalance" (i.e. buying more of what's hot).
- I will not focus my portfolio on a few shares, or even a few asset classes, as diversification remains the closest thing to a free lunch.
- I will ensure my portfolio is appropriate for my goals and objectives while only taking risks worth taking.
- I will manage my emotions by learning about and acknowledging the biases and cognitive errors that influence my behaviour.
- I will keep my costs of investing low.



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