

Lessons from the Masters of Investment

Things not to do

- Don't buy popular stocks
- Don't buy fad or gimmicky industries
- You are an investor not a venture capitalist
- Be skeptical of the growth stock label
- Avoid heavy industry

Copying the Masters

- Buy stocks the best institutions hold
- Ensure the stocks you buy have excellent management
- Ensure the institution is buying long term, and this is not a hedge
- Ensure the institution is buying repeatedly into the company
- Ensure the institution has a large position in the company, so it cannot offload all the position in one move
- If the institution starts selling, leave and move on.

Principles Common to the Masters

- Buy only into stocks you know something about
- Buy unpopular stocks
- Buy only under-valued stocks
- Avoid being spooked into hasty trades
- Buy one excellent stock than many half-good ones
- Avoid high dividend yield stocks
- When an area becomes popular and over-bought - move on.

