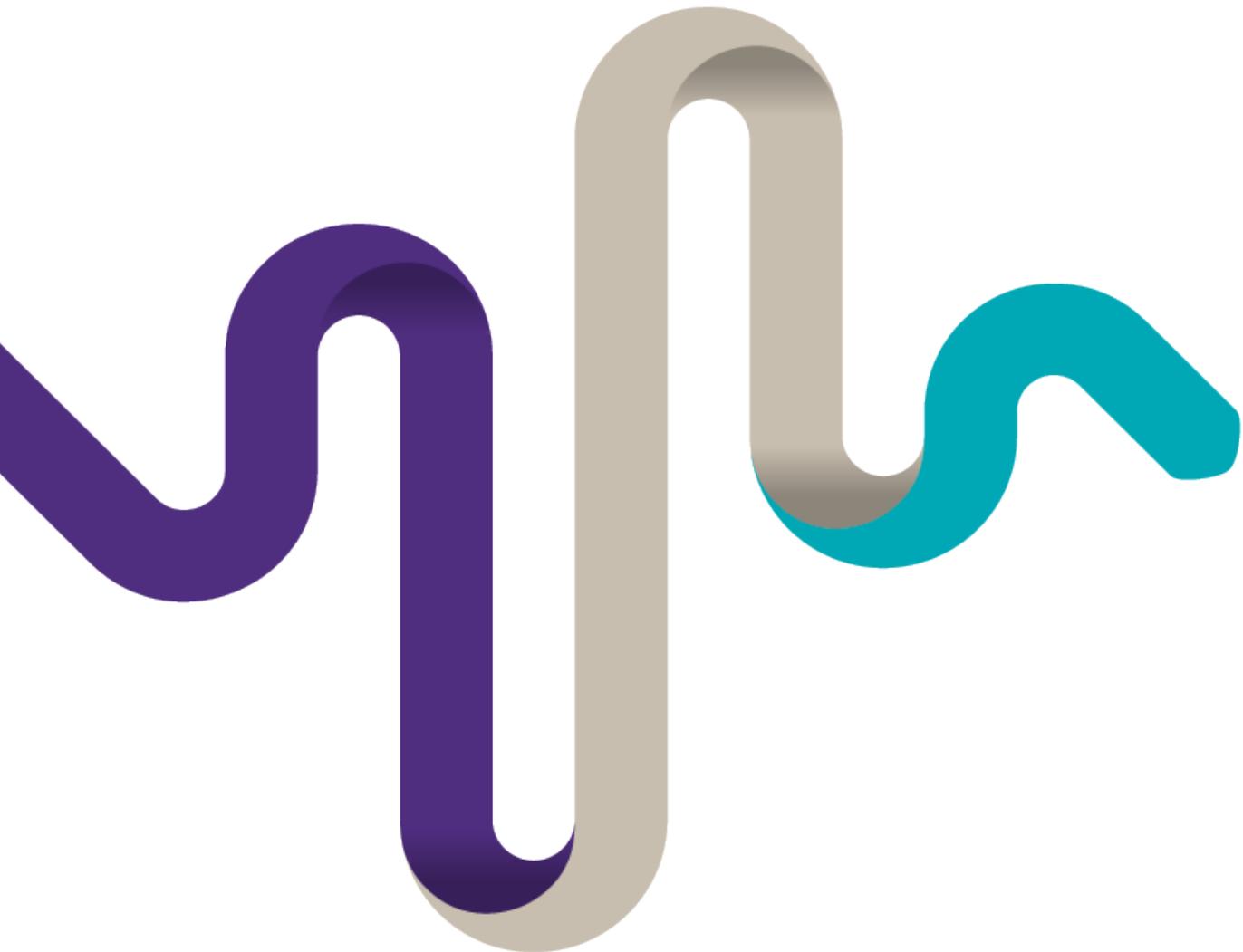


# **Eight steps to successful investing**



# 1 Objectives

Before making an investment decision, it is vital you identify what you are trying to achieve. Having objectives will give you the confidence and discipline to manage your emotions at times of uncertainty.

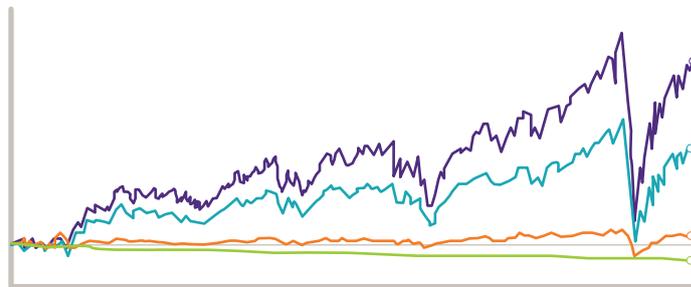


Time horizon can have a significant influence on your investment decisions, as it helps to identify your ability to absorb short term risk for the benefit of long term returns. Generally, a shorter term investment should be taking below average risk, with longer term investments taking above average risk, relative to each investor.

# 2 Time horizon

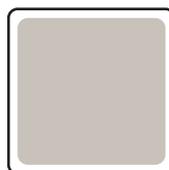


# 3 Risk tolerance



We all have different emotions and biases which influence our behaviour with money. Acknowledging how you react to investing in positive and negative environments helps to identify the types of investments which are right for you. Combining your objectives with time horizon and risk tolerance should set the base for any investment decision you make now and in the future.

Diversification of, and within, asset classes can help reduce risk and smooth investment returns. Diversification across the various asset classes is key to identifying the right level of risk for you and your investment. Diversification within each asset class reduces risk which is specific to an industry or region.



**Irish Equity Fund**  
20-50 companies  
One country

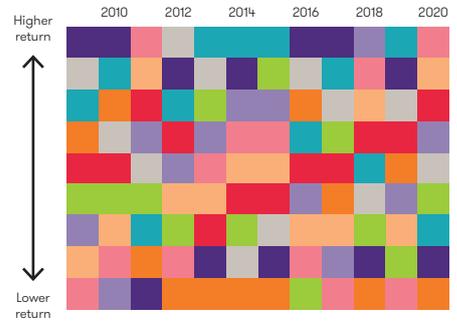


**Global Stock Index Fund**  
>1,600 companies  
23 countries

# Diversify

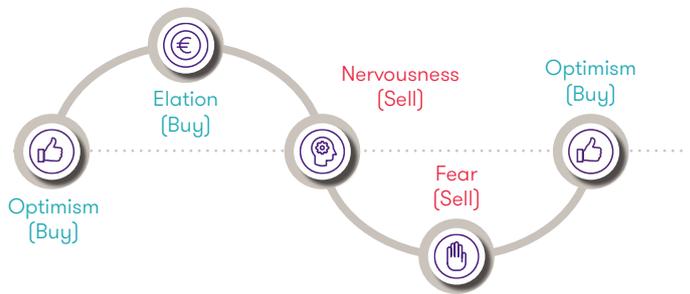
# Avoid market timing

- Emerging market equities
- High yield
- Global equities
- Commodities
- Global corp bonds
- Alternatives (European)
- European bonds
- Global bonds
- Global government bonds



It is impossible to tell which asset class or sector will outperform in the years ahead. Global diversification within the right mix of asset classes will allow you to benefit from investment returns whenever and wherever they occur.

It can be difficult to separate your emotions from investing. Acting on these emotions can lead to irrational decisions which damage your investment's performance over the long term.

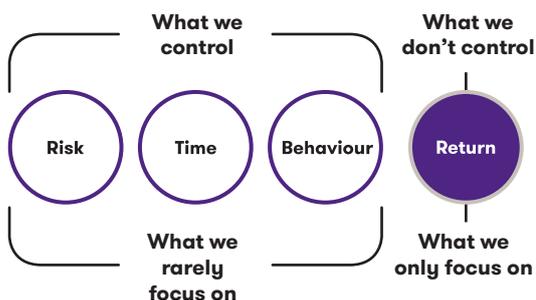


# Manage your emotions

# Filter through the noise

The constant stream of information through online platforms and 24-hour news can be overwhelming, and compel investors to be reactive with their investments. It is important to remember these sources are speaking to a general audience. They are not aware of your current objectives and long term goals, so do not let them influence either.

- Stocks tumble on virus fears**  
February, 2020
- Crash, bang, wallop**  
September, 2008
- PANIC!**  
October, 1987
- Stocks lose 10 billion in a day**  
October, 1929



As humans, we are drawn to chase returns and the next big winner. However, we have no control over the returns on offer in the future. What we can do is ensure we give our investments the best chance of success by focusing on what we can control; time, risk and behaviour. This usually requires the help of a professional, to ensure human behaviour does not impact your long term returns and objectives.

# Focus on what you can control

## Contact

Should you have any queries in relation to the contents of this article or would like to discuss your investment strategy, please feel free to contact us.



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