

John Templeton - Top 10 Maxims for investment.

1 Invest for real returns

The true objective for any long-term investor is maximum total real return after taxes.

2 Keep an open mind

Never adopt permanently any type of asset or any selection method. Try to stay flexible, open-minded and sceptical.

3 Never follow the crowd

If you buy the same securities as other people, you will have the same results as other people... To buy when others are despondently selling and to sell when others are greedily buying requires the greatest fortitude and pays the greatest reward.

4 Everything changes

Bear markets have always been temporary. And so have bull markets...

5 Avoid the popular

...Too many investors can spoil any share selection method or any market timing formula.

6 Learn from your mistakes

"This time is different" are among the most costly four words in market history.

7 Buy during times of market pessimism

...The time of maximum pessimism is the best time to buy, and the time of maximum optimism is the best time to sell.

8 Hunt for value and bargains

...In the stock market, the only way to get a bargain is to buy what most investors are selling.

9 Search worldwide

...If you search worldwide, you will find more bargains and better bargains than by studying only one nation...

10 No-one knows everything

An investor who has all the answers doesn't even understand the questions.