WEST X CAPITAL

Wealth Management Basic Principles

- ☐ Save enough **CASH** for emergencies – a minimum of 12 months expenditure for your 'rainy day fund'
- ☐ **DIVERSIFICATION** reduces risk of capital losses and helps keep you invested – spread across asset class (bonds, equities, property), region (global) and manager (specialists)
- ☐ Remember **COMPOUND** interest is very powerful (see Einstein quotes) – target consistent positive returns (7% pa doubles your money every 10 years)
- ☐ Make the most of government approved **TAX** breaks. Tax efficiency makes your money work harder and compound faster
- ☐ Keep an eye on **COSTS** – like tax, they reduce your net returns (keep under 1.5% pa if possible)
- ☐ Consider drip-feeding into financial markets to help reduce market **TIMING** risk, especially during times of heightened uncertainty
- ☐ Invest according to your objectives and **RISK** profile. Understand what you can afford to lose and what you hope to achieve
- ☐ Investors should demand higher returns from higher risk investments. However, higher risk investments do NOT always produce higher **RETURNS**
- ☐ Invest for the **LONG TERM** as markets can be very volatile and unpredictable in the near term
- ☐ The sooner you start, the better. **'TIME IN the market'** is more important that 'timing the market'
- ☐ If an investment sounds too good to be true, it probably is. You are doing well if averaging more than 3-5% pa above **INFLATION**
- ☐ Get good advice if you can afford it but **EDUCATE** yourself and stick to the basics - keep it simple
- ☐ By far the best investment you can make is in **YOURSELF** (Buffett). So check out www.westxcapital.co.uk and help your education

THIS IS NOT ADVICE, JUST TIPS FOR WEST X FRIENDS IN 2020.