

### WHERE TO OBTAIN ADVICE

One of the difficulties which you will encounter is where best to obtain advice. One of the most obvious sources is the stockbroker but it is very necessary to discriminate between those who can be relied upon to provide investment advice and the very large number who are merely market operators. I sometimes think that the test of whether a man is an investor or a market operator is when he picks up his Financial Times in the morning whether he turns to the back page containing the list of prices and fluctuations since the day before, or whether he immediately turns to the middle page which contains announcements of the latest profits and dividends.

So often I find brokers recommend shares not on their long term investment merits but because they are convinced that for some technical reason or special information which they have, the price of the share is likely to rise during the forthcoming week. To an investor this is of no particular interest because he would have no real thought of selling his investment a week later and for whom it is the long term prosperity of the Company concerned in which he is interested.

Jobbers, on the rare occasions on which the public meets them, by nature of their calling, have an outlook which is perhaps even more short term and they are concerned in what the price of a share is going to be the next day or even the next minute. Stockbrokers, however, of whichever category will invariably be able to provide you with access to one of the statistical card services, such as Exchange Telegraph or Moodys.

These cards, as many of you will know, provide details of the principal items from the accounts for the past ten years and the

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last two balance sheets. It is very difficult, however, to interpret accurately the cold figures provided by these services, but they do provide other information which might give you an opportunity of learning more about a particular Company.

There is listed the names of the Directors and the Secretary and who may be quite willing to answer questions concerning his Company. I am not suggesting that the Directors or Secretary are likely to disclose confidential information which is not available to the general body of shareholders or investors, but so often one can obtain a general impression concerning a Company by merely talking to persons more closely concerned with it.