

TIMING

It is, of course, a truism that successful timing of buying and selling investments is very important if one wishes to get the best investment result. If we always got our timing right, and always sold at the top and bought at the bottom, we would probably not be here but sunning ourselves in the South of France.

In the past I have sometimes been criticised for rather playing down this fetish of timing. So convinced was I that equities were cheap compared with fixed interest securities that I always recommended, as a policy for pension funds, that they invested in equities the accruing funds as soon as they became available, and not to try to be too clever because I visualised an upward adjustment of prices as the investing public became more sophisticated. Now that we have more of a parity in the relative long term attractions of equities and gilts, timing of investments plays a more important part and so indeed does the selection of investments. Gone are the days when we could almost buy any equity and make a profit.

LORD SINCLAIR

I might cite another example of this point. Some time ago, one of my colleagues asked me if I had any good investment suggestions as he had some money available for investment.

You will appreciate that at any moment a person like myself has a favourite share or one concerning which one has special information, and I mentioned such a company to him. His face dropped, and he confessed that the reason why he had money available was that he had just sold his shares in that company. His stockbroker had apparently persuaded him to take his not inconsiderable profit. I expressed my disappointment and gave him my detailed views and

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information on the company. To cut a long story short, he swallowed his pride and bought back his shares at a few pence more than he had sold them and mentally wrote off the expense to experience. I am glad to say that the company in question has continued to prosper and grow.