

Nine Ways to Powerfully Boost Your Investment Performance

Even after the recent correction there are a lot of overpriced, overhyped stocks in the market, but you can still chart your way to success. Here are nine rules you can use to guide your way. I first listed these back in August of 1996, but they work just as well today as they did then.

Investment success hinges on a handful of time-tested principles:

- 1. As Albert Einstein pointed out, compound interest is the greatest mathematical discovery of all time. I write every issue with a compound interest table at hand.*
- 2. Investment results are inversely proportional over time to trading activity.*
- 3. Market timing is a bankrupt strategy whose time has never come.*
- 4. Sales charges and high expenses are the toxic waste of the mutual fund industry and will kill long-term performance if not shunned.*
- 5. Dividends and dividend growth are the dominant considerations for long-term conservative investors.*
- 6. Past performance in the mutual fund industry has virtually no correlation to future results and often is a devastatingly contrary indicator.*
- 7. Stocks will outperform bonds and cash long term and belong as a cornerstone in every investor's portfolio.*
- 8. Since the mid-1920s, the long-term total return on stocks has been about 10% (dividends and cap appreciation). Plot to target a potential 10% consistent long-term total return with as little risk as possible.*
- 9. Diversify, diversify, diversify. None of us has tomorrow's newspaper. Set yourself up to win in any*

investment environment.