

## **BONUS REPORT NUMBER 2**

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### **10 RULES OF INVESTMENT**

- 1. Buy Number 1 company in the industry using the following measures; Earnings growth, Profit Margins, Return on Equity**
- 2. Confirm that earnings in the last 3 years have increased by 25%, Return on equity by 17% and that Current Net Earnings are increasing**
- 3. Buy shares worth more than \$50 (American shares)**
- 4. Sell your shares when they drop by 10% and don't try to "bottom guess".**
- 5. Decide your "in" and "exit" strategies before you buy**
- 6. Prefer shares where top management are buying the shares too**
- 7. Diversify your portfolio by concentrating 80% of your portfolio on the top companies in 6 industries**
- 8. Buy shares that institutional investors are buying and sell shares that institutional investors are selling**
- 9. Prefer shares for companies with superior products or services**
- 10. Always analyze your performance regularly so that you can improve on previous knowledge and strategies**

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