

Steve Dodge writes on “Masterful Inactivity”.

I’ve been seeing a lot of clients lately mostly to try and re-assure them that their Investment Portfolios are fine and there no action they should take, unless they need more regular income or some capital to spend.

The difference between folk never ceases to amaze me.

One lady client asked to see me a couple of months ago but because of her and my commitments we only managed to get together recently. She actually sold all her Pep and ISA holdings direct back in February.

“What on earth did you do that for”? I asked when we met.

“I panicked” she replied “the papers were full of doom and gloom” and I thought I really was going to lose everything”.

It had taken me years to build up her portfolio bit by bit, year by year investing in Peps then ISA’s and all her investments were tax free to her, only suffering income tax on the dividends.

Now we are back to square one. She is now only receiving a paltry rate of interest, which is taxable with no prospects of capital growth. Not only that but the market has increased by over 12% since February so she really did mess things up big-time. All she had to do was nothing and her portfolio would have been fine. “Masterful Inactivity” as I call it.

Another client also very concerned about markets wanted to know what if anything I suggested she do. “Masterful Inactivity” I told her. “There’s nothing wrong with your investments it’s a global problem that is gradually getting better.”

She has quality funds well spread and there seems to me to be no point in moving funds around for no really justifiable purpose.

After much discussion and realising that the market had rebounded quite well between February and May she was much more relaxed about the situation and was happy to leave her investments as they stand.

“What did you call it”? She asked. “Masterful Inactivity” I replied.

“You mean doing bu&&er all” she quipped back as I fell about laughing.

These are worrying times but do see your IFA’s and if they say to you there’s nothing they wish to change then believe them, if you do not have an IFA, now really is a good time to consult one.

Stock-markets are offering very good value for money today and you should not miss out on perhaps the opportunity of a lifetime.