

# The World is Your Oyster

Michael Evans

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# The world is your oyster

means that you can do or achieve anything  
you want in life, because you have the  
ability/opportunity/freedom to do so

# Ability - Learning Curve - MMIC

**BP + ?**

**Tips/Broker recommendation**

**PE, PEG etc**

**Sector analysis**

**Spread betting competition**

**Broker forecasts – behind the curve?**

**The big picture – major trends**

- **Demographics,**
- **Western indebtedness**
- **\$ exchange rate**

# Asset Allocation

Portfolio Performance:

		Your time allocation
Asset Allocation	70%?	70-100%?
Stock Picking	30%?	0-30%?

Model asset allocation – for whom?  
risk profile, age, long term etc

# Asset Diversification

- Cash
- Bonds – Corporate, Government
- Equities:
  - Large cap, small cap, AIM
  - Geographic – UK, US, Asia, Brazil
  - Sectors – Banks, Miners, Property
  - Commodities – Industrial metals, Precious metals, Softs (agricultural)

# Useful Websites

- **Yahoo.com/finance – news, research, international stock market performance.**
- **Selftrade.co.uk – internet broker, research, funds, 340 ETF's, 150 ETC's**
- **Fullermoney.com - cost approx £500/annum. daily audio and written commentary on world trends/asset allocation/charts.**

# ETF's /ETC's

- 10-12 years in UK
- Track the underlying index, sector, commodity
- Do fund managers beat the index – consistently?
- 1700 available
- Transparent – known securities
- Leverage/short x2

# ETF's/ETC's

- Flexible – easily traded like ordinary shares.
- Some priced in \$. Currency exchange rates
- Low cost:
  - TER < 0.5%      Managed Funds 2.0%?
  - No stamp duty on purchase

# ETF - Performance over 1 year

- Brazil +94%
- Emerging Markets Small Cap +116%
- BRIC +87%
- FTSE 100 +29%
  
- S&P 500 Short -34%
- FTSE100 Short -32%

# ETC – Performance over 1 year

- Leveraged Silver +112%
- “ “ “ Zinc +109%
- “ “ “ Sugar +85%
- “ “ “ Precious metals +80%
  
- Leveraged Natural Gas -88%

# Warning

- Is the provider regulated by the FSA? - Compensation Scheme. Does not cover counterparty risk.
- Read the product information sheet.
- You could lose 100% with some leveraged products if the security falls by 50% in one day.

# I Like:

- Emerging markets – large populations of young increasingly wealthy and educated people with aspirations.
- Industrial metals – demand from the above populations, supply limited by recent restricted investment. Weak \$?
- Miners – high metal prices from the above