

Client: Chi Med
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Date: 01 October 2012

Diary of a Dumb Investor: the stock that just keeps on giving

Panic. This Dumb Investor is into his fourth decade. Lurking behind what may seem a disjointed attempt at running an investment portfolio is a genuine longer-term desire to prepare myself for a bigger challenge: feeding, clothing and sheltering myself when I'm old and crusty.

Of course I like showing off, splashing my money around and courting readers' abuse. But I'm also hoping that by investing this £10,000 – which isn't in itself designed as a retirement pot – I'll acquire some of the skills to build up a proper stash in the future.

Because in many newspapers old age is now portrayed as a slow, unhealthy, lonely decline into penury, with politicians, journalists, bankers and immigrants all in line to slip rusty razor blades into your gruel. The launch of a new automatic pension programme today – with accompanying horror stories about the perils of not saving enough – is a reminder of how desperate the situation is.

I want to take control of my own investments in the future, but I remain ill-equipped to do so; possibly more detached from the world of investing than in my pre-DI days. That's because, over-riding any meagre insights into valuing shares or learning how to time the market, has been the deluge of investment choice, information and voices confronting me. It is like being dropped at sea, house-sized waves crashing down on you, who-knows-what below, with only a familiarity of doggy paddle to survive.

Unless you are retired (or maybe work in the City) there just isn't enough time to grasp the full, rapidly moving picture.

So instead of bashing head-on into the investo-sphere this week – as I normally do – I'm going to take stock of my plans. Clear my head a bit after three weeks many miles from DI HQ. Answer a few questions that readers put on my last column while I was on holiday.

First off, to the back of the class where the lumbering dunce of my portfolio, time-waster BP (BP.L), sits on a loss of 15%. I have no choice but to hold on until there is news waiting for news on the Gulf spill court case and sale of its Russian business. In the meantime global economic growth will begin a slow recovery and oil prices will flow in the same direction. As soon as I make back a good part of my losses on BP I'm outta there.

I still haven't bought Hutchison China MediTech (HCM.L) despite the comparisons that were made between me and fellow investor Anthony Bolton, who also has a soft spot for the stock, a punt on the rising Chinese consumer. I'm waiting on a dip in the share price.

I also wrote how I wanted to buy into energy company SSE (SSE.L). I still think it'd make a good addition to my portfolio, but with so little spare cash it doesn't perhaps offer strong enough returns to deserve a slot. I'll keep an eye on this one. It'll go onto what I call my 'watch list' alongside China Meditech.

I also haven't yet invested in any junior oils. I said I would and I haven't. To those of you who made recommendations, please bear with me. I'm still weighing it all up (and still don't really get it all).

Then there's Standard Chartered (STAN.L). The stock that just keeps on giving. I'm holding on. The shares have risen 22% since my one and only decent investment decision to buy them low on that heady August day. And there could, remarkably, be more to come if reports of a potential takeover are true. Mind you, perhaps that's a

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hope too far: experienced FT hack John Gapper wrote that expectations of a StanChart takeover are as time-worn as speculation that the dollar will lose its status as a reserve currency.

Alongside my two emerging market funds – which are just brilliant profit-makers – in Asia-focused Standard Chartered you may even be able to catch a glimpse of the strategy I outlined when I took on this portfolio: invest big in emerging markets. Maybe I'm better at this than I realise.

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<http://www.citywire.co.uk/money/diary-of-a-dumb-investor-the-stock-that-just-keeps-on-giving/a622878>

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