



What are equity investors' worst mistakes?

Melda Mergen, Head of Equities



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I think the biggest mistake is short-term investing.

A lot of investors are looking at, although their outcomes require them to be in the market for longer term, maybe two, three, five years, they make a lot of decisions in a more shorter term, like, you know, three to six months. And that's a mistake because equities is a long duration asset class. So you need to be in the market to be able to really get what you see as a headline as an equity market return. That's the biggest mistake.

I think a lot of people assume if I'm in the equity market through an index fund, I get what I need. That's the other mistake, and they need to be careful, understanding what that outcome and what their needs are. Let's take income. When you need income, when you are in retirement, you also need some growth in your asset base. So you need to be in equities. But when you are in equities and you are in retirement phase, you need to be very careful with the volatility. Being in the market by buying an index means that you're exposed to full volatility of the equity markets, but you can actually pick an active strategy where there's better downside protection, and that way you actually match your needs with the outcome of your equity strategy.

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