EPH

EXPAT PENSION HOLLAND

THE ESSENCE OF INVESTMENTS

Research

Half a century of independent research has shown that investors who implement the following essentials in general generate a better return on investment:

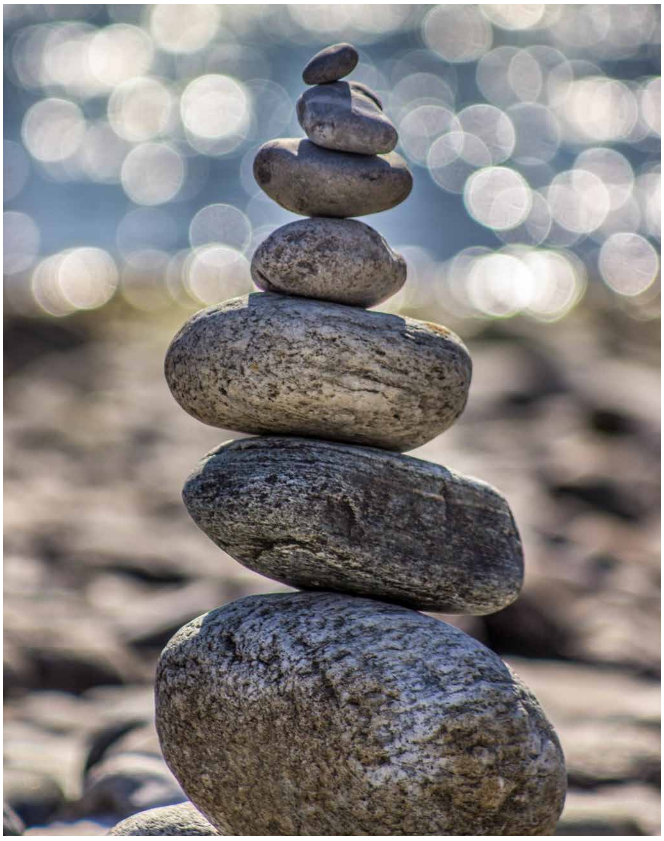
Tip 1: Spread for Risk Reduction

Investments like Equity, Bonds and Real Estate have a certain risk.

- The General Risk related to having investments of such an Investment Category cannot be evaded.
- The Specific Risk of having a certain kind of investment within that category however can be reduced by substantially spreading over many kind of investments within that category.

It is recommendable to spread over several Investment Categories as well as within each category.

Therefore we recommend Investment Funds as they provide a fine spread in an easy manner, if their costs are low.



Tip 2: Low Costs Matter

The future return on investment of your investments will be uncertain.

The cost level can be chosen. Research shows that the height of the costs is one of the most predictive paramaters of the future return on investment of Investment Funds.

Please make sure you have total insight in all kind of costs and their exact amounts and how they are paid by whom as funds are not always that transparant about costs.

For example differentiate:

- Costs related to opening and having an account. (Often none.) : Paid directly by investor?
- One time transaction costs: What percentages? : Paid directly by investor?
- Annual management costs: What percentages? : Paid directly by investor?
- Fund costs: Processed into the capital of the fund? : Not paid directly by investor?

Tip 3: Don’t Trade

No one knows how the markets will behave in the future.

Therefore actively trading does not sound logical and only increases costs.

So don’t trade, no matter if initiated by yourself or by ‘advisors’.

Tip 4: Choose the right Investment Mix

The only responsible way to invest and not to speculate is to:

- First accurately determine your Personal Risk Profile and Investment Horizon;
- Second to determine the Investment Categories that fit within your profile;
- Third to select and spread within each Investment Category;
- Fourth to never in the future go beyond your Risk Profile/Investment Horizon.

Tip 5: Keep It Simple

We often see many kind of complex strategies that are sold as being ‘best.’

The more you stray from the mentioned basics and your situation gets clouded by not transparant parameters and costs, the greater the chance that accidents not might but will happen.

Tip 6: Morningstar Evaluation

Analyses of Equity can provide additional information, but it remains only the opinion of an analist.
An often quoted analist is Morningstar. They rank Equity with Stars where 5 Stars are maximum.

The score of a certain stock depends on the outcome of:
- Their opinion about the independence of the company;
- Their opinion of the fundamental value of the company;
- The extent to which they are uncertain about the previous two factors;
- The current market value of the shares.

The rating is updated on a daily bases.

Conclusion

Stick to your Basics and Keep it Simple.
That way you can Understand and Controle your Investments and Costs.

International experience and Network

We have more than 20 years of experience in international expat and collective pension consultancy. Thus we have an elaborate international network. If so desired, we can advise and act swiftly in international matters.

Contact

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