Seed Global

In his book *"Richer, Wiser, Happier: How the World's Greatest Investors Win in Markets and Life",* William Green expands on a series of interviews he held over a 25-year period with some of the world's most accomplished investors.

In this article, Ian De Lange Seed Chief Investment Officer, explores the characteristics of a disciplined investor.

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A Disciplined Investor

One of the more notable investors of the 20th century was the late Sir John Templeton. Green had the opportunity to interview Templeton in 1998, when Templeton was 86 years old and actively working at his office in Nassau, Bahamas.

Templeton was a pioneer in the use of globally diversified mutual funds. In 1992 his investment business was acquired by Franklin, to form what is known today as Franklin Templeton, a global investment firm with a reported $1.5 trillion in assets under management.

An interesting story of the late Sir John Templeton was his keen eye for value investments at the outbreak of the Second World War in 1939. As investors fled, numerous American companies saw their share prices plummet. Templeton saw the opportunity, and having accumulated some capital, instructed his broker to invest in approximately 104 companies that had been beaten down to where their prices traded at or below $1, to a point where some of these businesses faced bankruptcy.

Five years later, as the war in Europe was nearing its end, and with the US relatively unscathed, the share prices of most of these companies had recovered sharply. Templeton's' conviction paid off handsomely and he reflected, "*When I liquidated those holdings, I had a profit on one hundred out of one hundred and four, and I made roughly five times my money*."

John Templeton was a disciplined investor which led him to formulate 16 rules for investment success.

1. Invest for maximum total real return.
2. Invest – don't trade or speculate.
3. Remain flexible and open-minded about types of investments.
4. Buy low.
5. When buying stocks, search for bargains among quality stocks.
6. Buy value, not market trends or the economic outlook.
7. Diversify - In stocks and bonds, as in much else, there is safety in numbers.
8. Do your homework or hire wise experts to help you.
9. Aggressively monitor your investments.
10. Don't panic.
11. Learn from your mistakes.
12. Begin with a prayer.
13. Outperforming the market is a difficult task.
14. An investor who has all the answers doesn't even understand all the questions.
15. There's no free lunch.
16. Do not be too fearful or negative too often.

For all of us investors, it is worth reflecting on these.

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If you have any questions about the global investment environment, Ian and our team are here to assist you. We welcome you to reach out to us directly on global@seedinvestments.co.za.

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