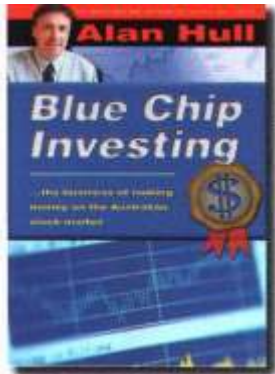




# BOOKREVIEWS

**Kel Butcher** provides a roundup of the latest book titles to hit the shelves.



## **Blue Chip Investing**

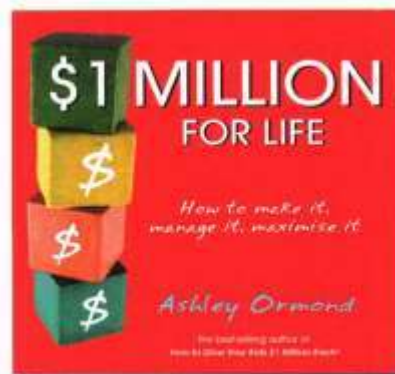
Alan Hull (171 pages, John Wiley & Sons)

Alan Hull focuses on what he tells us he is best at – making money investing in blue chip shares. 'Blue Chip Investing' begins with the statement: "In order to be an investor one must know what an investor is. Most traders and investors launch into the markets without having fully considered this simple concept. Having attended a seminar or workshop on trading, they form the mistaken belief that they can jump straight into the market without any real concept of what an investor or trader really is."

In Chapters 2 and 3 Hull discusses at length many of the psychological aspects of the markets, which can combine in a number of ways to wreak havoc on the mind and wallet of the unwary beginner. Selected aspects are presented in ways that readers will easily identify with and learn from. This is not a lot of jargon and psychobabble, but a practical lesson about many of the internal and external influences that can affect a trader's or investor's performance. Of special relevance is a section on the need to consider investing as a business. Like any business, our investing and trading activities need to generate a profit and an appropriate monetary reward for the time and effort involved.

Chapters 6 and 7 provide details of a system Hull uses to trade and invest in ASX-listed blue chip shares. It includes the use of some simple parameters to select and then purchase shares as the starting point for a blue chip share portfolio, and includes the stop loss and other exit rules that Hull employs within this system. Example trades are included. The system is explained further in Chapter 8, where the whole process is worked through to create a portfolio. This is then monitored for 13 weeks, with all the buys, sells and other adjustments detailed as the trades unfold over time. Five years of trade results are also provided in an Appendix.

Chapter 9 discusses managed funds and financial advisors. Hull points out that a conflict of interest occurs with many financial advisors who may be recommending investments that pay them the highest commissions and ongoing fees rather than those that may be the best fit for the investor.



## **\$1 Million for Life – How to make it, manage it, maximise it**

Ashley Ormond (409 pages, Wrightbooks)

In this follow-up to 'How to Give your Kids \$1 Million Each', Ashley Ormond presents a range of practical tips and tools that can be used to build wealth. This is not a book about specific trading or property strategies, or 'get rich quick' schemes. It is a book about simple and effective ways to build wealth. In this well researched book Ormond gives information to the DIY investor and beginners about various aspects of investing. More experienced investors will already be aware of most of the information.

Ormond suggests that most people's struggle to become financially successful occurs because life is great. In the over-commercialised world in which we find ourselves we are spoilt for choice, with an apparent need to have all the latest gadgets without being fully aware of the long-term financial cost. Consumer items are high on the list of people's wants, funded largely by debt. Ormond points out that with an increased awareness of the real cost of these depreciating items and some simple steps to reduce spending, virtually anyone can find the money they need to pay off the mortgage and begin a savings and investment plan.

A detailed look at investing, both within and outside superannuation, is provided, including an overview of current superannuation arrangements. This section provides much valuable information about 'super' in a clear and concise way. Information is also provided for those considering starting a self managed super fund. Details of investing in shares and property outside super are also examined, including a range of strategies that can be used within these investment classes. Alternate asset classes, such as hedge funds, private equity funds, and derivatives trading are also briefly discussed.

Chapter 9 looks at the important issues of insurances; the need to have a well prepared will; and the set-up and management of appropriate structures. The concluding chapter provides some case studies of people who are living their life's passion as a result of adhering to their investing strategies.

This is a great book for all those interested in creating wealth and taking control of their life and financial destiny.