MAKING MONEY WITH BLUE CHIP SHARES ON THE AUSTRALIAN STOCK MARKET

Best-selling author
ALAN HULL

INVE$T MY WAY

*Alan Hull has managed millions of $$$ of other people's retirement funds and didn't lose a single cent during the correction of 2008

Preface

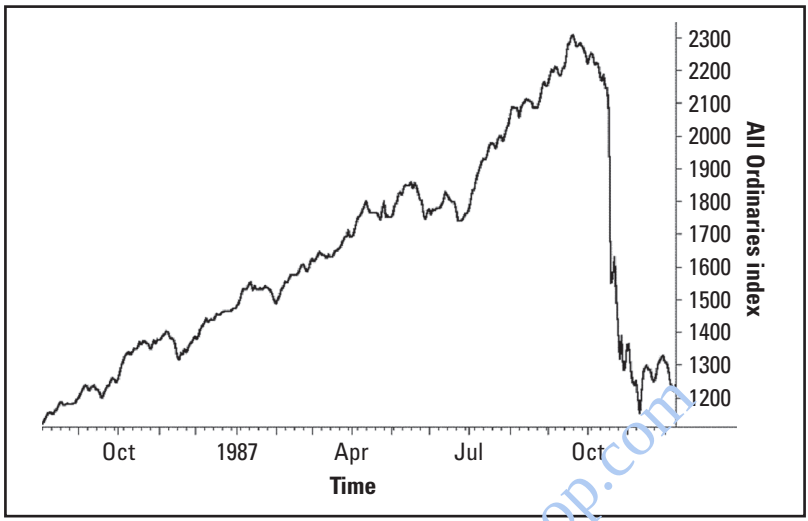
My primary area of expertise is investing in blue chip shares. I began my career in the stock market at the ripe old age of eight, when my father bought me my first share. This initial encounter with the stock market proved fruitful and I've been hooked ever since. I love buying and selling shares and everything related to the stock market. I've never forgotten the feeling I had when I sold my first share for a profit and thought, 'Wow, this is money for jam'.

I started out by trying to invest like my father—big mistake. He's one of these unique animals who gets away with having a totally discretionary approach to investing. He loves doing his own research and spends literally thousands of hours at it. He sends company secretaries around the twist by pumping them with never-ending requests for information; he devours daily, weekly and monthly newspapers and periodicals; and he is constantly studying assay results, annual reports, profit and loss sheets, and the like.

To give you some idea of his discretionary ability, he foresaw the 1987 stock market crash and, as a result, he sold all his shares in September of 1987 and completely sidestepped the carnage (see figure 1, overleaf).

Anyway, initially I tried the same approach, but because I didn't have his appetite for doing the research I cut corners and, as a direct consequence, the stock market cut into my bank balance. Bottom line: if you don't have a real interest in what you're doing then don't do it. A lot of people are in love with the *idea* of taking money from the market, but at the end of the day you have to have a passion for the process, not just the proceeds.

Figure 1: the All Ordinaries index from September 1986, showing the extent of the crash in October 1987

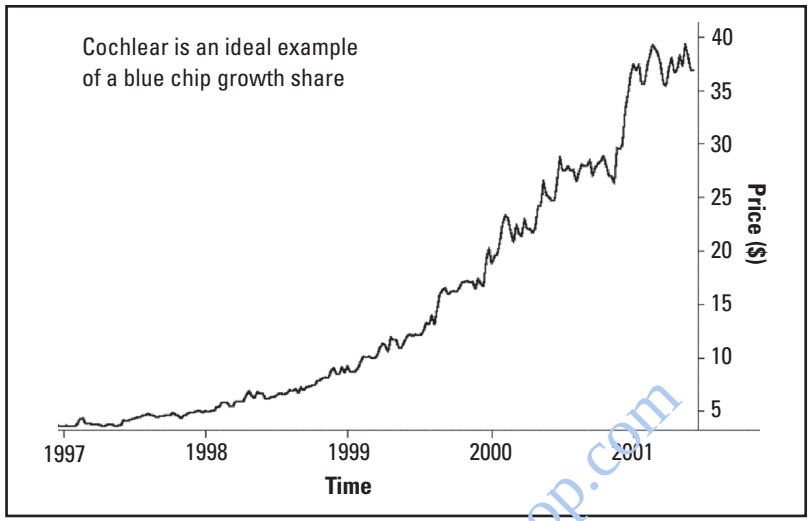


Source: SuperCharts version 4 by Omega Research © 1997.

Furthermore, Dad was into small capitalisation mining shares and so, as a result, I was too. In the early days it was easy come and easy go—especially the go bit. My problem was that I never wanted to accept that the music had stopped, and I would hang on to a deteriorating position until it had well and truly turned into a loss. Then I would do something really clever like averaging down by buying more shares at a lower price—only to realise further down the track that all I'd done was compounded the original loss. Really clever stuff!

But somewhere around the traps (I probably read it in an American book) I heard that blue chip shares were the elephants of the stock market—slowly plodding along in a nice predictable manner, not giving their owners any sudden surprises. So I started investing in blue chip shares—where I lost money more slowly. Ideally, blue chip investors target growth opportunities, such as Cochlear was in the late 1990s through to the start of the new millennium (see figure 2).

Figure 2: Cochlear is the type of share that I'm aiming for—plodding slowly upwards



Source: SuperCharts version 4 by Omega Research © 1997.

While this all sounds a bit humorous, it did give me the breathing space to learn my craft, because I now had sustainability on my side. The stock market will teach us how to invest through our hip-pocket nerves, if we just have the ability to hang in there long enough to learn the lessons. The trouble for the vast majority of newcomers to the market is that they just don't stick it out for long enough.

Anyway, I spent many years, starting from the late 1980s, trying every approach to stock market investing and trading imaginable. I tried to ride on the coat-tails of prominent market experts like the Kerry Packers of this world. To cut a long story short I discovered that Kerry was a very slippery character and one that defied mimicking—not unlike his offshore nemesis, Sir Rupert Murdoch.

I hunted for arbitrage trading opportunities—situations where a trader can capitalise on price inconsistencies across different markets. For instance, BHP Billiton trades on both the Australian and London

stock exchanges simultaneously and from time to time it may offer up an opportunity through price deviations across these two independent markets. Of course, this type of trading tactic is far more suited to large institutions that have the sort of big fat purses needed to really make this type of marginal trading opportunity pay off.

I tried to piggyback the overnight movements in the US stock market by buying first thing in the morning when the US market took a dip overnight, and then selling out when the US markets recovered a day or two later. It all seemed very logical, but given the results I achieved it became painfully apparent to me that the stock market isn't an entirely rational animal.

Then there's the rumour mill: buy the rumour, sell the fact. But ask anyone who paid $1 a share for Crown Casino back in the late 1990s just before Kerry Packer bought it out for a lot less and they'll confirm that it doesn't always work that way. The rumour mill works just great if you're receiving accurate and timely intelligence but, as you'll discover for yourself if you try, most of the time you're the patsy buying up the stock from the people who started the rumour!

So, as you can see, I've pretty much covered the entire spectrum when it comes to buying and selling shares. Alas, it was to be many years and tens of thousands of dollars lost before I found my groove in the marketplace — investing in blue chip shares. I am both a trader and an investor in blue chip shares. As you will discover later on in this book, a trader is simply an investor who invests in growth stocks as opposed to an investor who buys and holds income stocks.

Of course, in order to provide a truly complete guide on how to invest in blue chip shares, I have covered both of these primary approaches. They each have a section of this book all to themselves, as they are essentially mutually exclusive methodologies, but where they do intersect is in overall market timing. This is because there's a time to buy and sell growth stocks, and a different time to acquire income stocks.

So another section of this book deals exclusively with market timing, and I dispel the notion that it's 'time in the market, not market timing that counts'. The simple fact is that success in the market requires a measure of both philosophies. And as this material starts to get into a

rather tertiary discussion and requires the reader to have a few basic concepts in hand to fully appreciate it, I have put this section last.

Thus the discussion of 'Financial markets as complex adaptive systems' (chapter 12) appears near the end of this book, and we will start at the beginning with the more fundamental issues of 'What is an investor?' (chapter 1) and 'Managing financial products' (chapter 2). So in the first section we will lay the groundwork for what's to come by addressing the more general concepts that all investors should know.

I will be utilising both the stock market and the property market to illustrate these key concepts. You will discover that while we're dealing in different forms of financial products, there are a very large number of parallels between stock market and property investors. For starters we're all in the *business* of making money.

At every opportunity I have used working examples to illustrate ideas and concepts because I believe this is the best way to teach. Wherever possible, rocket science (read: maths) has been kept to an absolute minimum, but it is obviously unavoidable in some instances. I recommend that you read through the chapters chronologically, as the content has been presented in an order that puts each new piece of information into context to make it easier to understand and retain.

I am often asked why I sacrifice the time and effort to write books if I am so successful at investing in the stock market. The reason is that it's not just about money: writing books is about sharing my knowledge with others. And by passing my knowledge on to others I greatly amplify its worth, hopefully improve the quality of other people's lives to some degree and reinforce my own understanding by having to write everything down. Thus I hope you learn as much from *Invest My Way* as I have learnt from writing it.

Alan Hull

June 2012

Chapter 1

What is an investor?

I always like to start any discussion by defining terms, just to make sure we're all on the same page (excuse the pun). So let's start with a succinct definition of the word *invest*, taken directly from the fourth edition of the Australian Concise Oxford Dictionary: *Apply or use money for profit*.

That sounds simple enough, but to really understand the full impact of this statement we need to answer some other questions first and, while they may seem completely unrelated, I would suggest they are not.

- What is a worker?
- What is a manager?

These seem like simple enough questions, but if we probe beyond the brief and obvious answers, we will uncover some very interesting definitions and distinctions.

Worker

Put very simply, a worker is someone who works for someone else in exchange for money. But if we want to be a little more precise about this apparently straightforward function, then we could also say that a

worker is someone who sells his or her time for money, and that time includes both that person's labour and expertise. A typical working situation would be an individual who spends 40 hours per week working for someone else in exchange for approximately $65 000 per year. This is a typical situation, given that these parameters are based on the current Australian averages for hours in a working week and annual wages.

The average person will spend about 40 years of his or her life (from the age of 20 to age 60) working for someone else in order to finance their lifestyle and, hopefully, their retirement. For our purposes, we will define a worker as someone who is directly involved in the process of manufacturing a product or supplying a service. A self-employed person is someone who is a self-managed worker — that is, he or she both manages and is directly involved in the process of manufacturing a product or supplying a service. But if, for instance, someone oversees the production of goods but doesn't have to be directly involved in the production process itself, then he or she would fit into the next category — manager.

Manager

A manager is someone who controls a system or a process as opposed to being directly involved in the process itself. While it may be argued that a management role is in fact a form of work, and therefore a manager is a worker, for the purpose of this discussion we will define working and managing as two distinctly separate functions or roles. For example, although managing my investments does take time and some degree of effort, it would be inaccurate and somewhat misleading to say that I'm working my investments.

Investor

Now that we've clarified the difference between these two functions, let's apply this understanding to acquiring money. In the first instance we have the worker who sells his or her time for income; this is the most common and conventional way for any of us to acquire money and unfortunately very few of us go beyond this simple method of feeding and clothing ourselves.

But the few of us who do, see ourselves as managers where we control systems or processes that generate money — we are businesspeople. Harking back to the example of my investments, I manage (as opposed to work) my portfolio of blue chip shares, which takes about 20 minutes per week. Or, to put it another way, someone who manages a system or process that generates money is said to be *making* money as opposed to a worker who sells their time to someone else to *earn* money.

Now we come to the meat of the matter, because any business that utilises financial products, such as shares and property, is said to be an investment business. And finally, anyone who manages an investment business is an investor and they are *applying or using money for profit.*

While this explanation of what an investor is may all seem very longwinded, it is of the utmost importance that investors see themselves as businesspeople if they want to be successful.

And now we need to differentiate between investors who manage their own affairs and those who have others manage their money — and it's all a question of control.

Control

Unfortunately the average individual assumes that others have the expertise and resources that they don't — a common and erroneous assumption (also one that the investment industry loves to feed on through clever advertising). Although many people do lack the necessary knowledge, it can be easily acquired through books such as this one; you would be surprised at the vast array of resources available to the average do-it-yourself (DIY) investor.

It is often said and it is very true that no-one will take better care of your money than you will. I'll add to this: you can get someone else to make investment decisions for you, but ultimately the responsibility for your money stays with you. Advisers are paid to give advice (for which they are responsible), but you will find it very hard to hold them accountable for your money if anything goes wrong, such as

the losses suffered by shareholders in the failure of the insurance behemoth HIH Insurance Limited.

But given that you're reading this book, I think it's a fairly safe assumption on my part that you are more willing than most to become a self-manager of your financial situation. And it may interest you to know that the reason for the current boom in DIY investment is because many self-managed DIY superannuation funds are reportedly doing far better than many managed investment vehicles.

There are several reasons for this: DIY investors aren't as restricted as fund managers when it comes to investment tactics; DIY funds don't attract many of the fees that the managed funds charge; and a DIY investor's sole motivation is the performance of the fund and, in the vast majority of cases, nothing else.

Fund managers

Of course at some point or through circumstances, we've all had to outsource the management of part if not all of our investment capital to a third party. Most commonly this when we got our first job and we had to make contributions to a compulsory superannuation fund. So let's take a brief look at some of the key issues associated with employing someone else to manage your money.

If you've ever made enquiries about joining a managed fund then you were probably shown a glossy brochure containing a pie chart giving the breakdown for allocating capital to different investment media, such as 40 per cent to property, 50 per cent to Australian equities and 10 per cent to fixed deposits. These pie charts are often far more complex than this and will even delve into capital allocation per industry sector and residential property versus commercial property and so on.

But here's the silly bit: because they've disclosed these allocations to you when they signed you up to the fund, they are committed to them. Hence if the stock market goes into a sustained decline then your money will go into a sustained decline along with it. And many investors well know the pain of being exposed to shares during 2008, when the market lost nearly half its value.

This is why it's so important when someone else is managing your money to have regular interviews with your financial adviser so you can authorise any changes they need to make in the event of changes in the investment environment. Modern disclosure and compliance rules mean that fund managers can't necessarily take your money out of the market, even when that may be the best course of action.

Of course, as a DIY investor you can withdraw your money from the market, because you aren't subject to the same disclosure rules. The reason for this is quite simple, as the idea of disclosure to yourself would be a bit silly.

Anyway, having been directly involved in funds management myself, I can personally attest to the fact that the primary concern of many managed funds is not performance. This is partly due to the fact that the fees charged by most funds are directly proportional to the amount of capital under management as opposed to their performance, and partly due to the cost of meeting regulatory requirements.

Funds management companies will typically put their energies into attracting new money into their funds rather than into achieving the best possible performance, as it is usually the former that primarily determines their profitability. I do appreciate, however, that these two objectives aren't entirely mutually exclusive.

Then there are the administrative and compliance issues to deal with that, unfortunately, can have considerable sway over the design of an investment strategy. In other words, an investment strategy can be compromised (read: watered down) for the sake of streamlining the administration processes, minimising overheads and reducing or eliminating potential compliance issues.

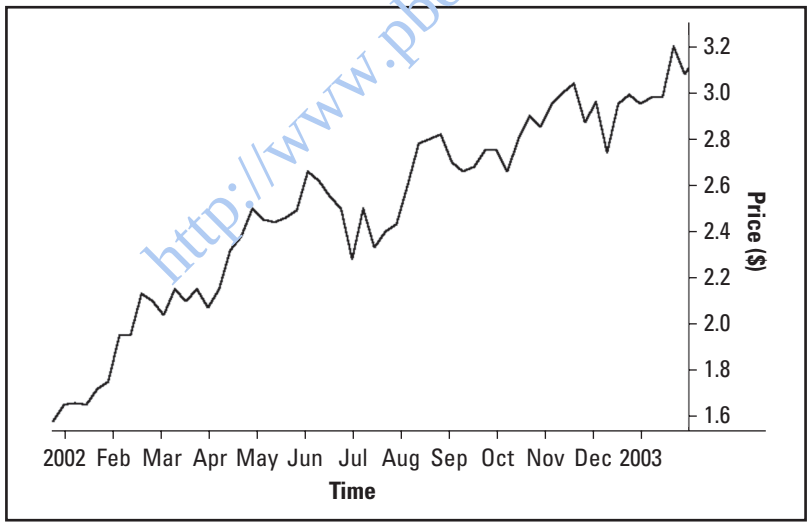
As you can see, employing someone else to manage your money is actually a bit more of a minefield than most people would imagine. Suffice it to say that even when we employ others to manage our money for us, we are still stuck with the task of managing the managers. Consequently, whether we manage our own money or let others do it for us, it pays to have a good working knowledge of the business of investing and what we are investing in.

Self-management

So let's take a look at how easy it is to manage your own portfolio of blue chip shares using a very simple set of criteria. Now this simple set of criteria is designed to identify what is commonly referred to as growth stocks—these are shares that we would buy in the hope that the share price will rise over time and we will realise capital growth: hence the name growth stocks.

Our main criterion is this: we want to identify quality blue chip companies where the share price is trending up. This means that we want large capitalisation companies that are financially very sound—that is, blue chip companies—where the share price is already rising in value. More specifically, where the share price has already risen over the course of at least one year. This is a very important point because, if the share price is already rising, then the balance of probability suggests it will continue to do so. The chart in figure 1.1 is a typical example of the sort of price activity we're looking for.

Figure 1.1: example of a weekly price chart



Source: MetaStock.

If this all sounds simple then that's because it is. The first thing I point out to anyone who wants to learn about the stock market is that it's not at all complicated, but that is in fact the problem. Most people won't hold with simple truths because they assume that success can

only be achieved through complexity—otherwise everyone would be doing it, right? Wrong. First, most people won't take on the risk of failure and, second, success in most cases comes from having the discipline to stick with simple ideas that work.

I can give you the simple ideas that work, but dealing with the risk of failure and having self-discipline can only come from within ourselves. Hence it is not knowledge that is the elusive factor when it comes to success, but these other personal traits, or rather qualities, that unfortunately cannot be learned through reading books.

Proven results

It might provide some motivation if I show you what can be achieved using the simple criteria cited above. From July 2000 I began conducting a series of seminars where we applied these criteria to the Australian stock market to construct portfolios of about eight blue chip shares. The purpose of these seminars was to illustrate the effectiveness of this simple set of criteria in real time. Those who attended these seminars could monitor the performance for themselves during the coming year. Four portfolios were developed over a total period of four years and five months, from July 2000 to December 2004. Note that this period largely predates the recent boom. Tables 1.1 to 1.4 (overleaf) show the complete set of results.

Table 1.1: portfolio results, 2000–01

Share	Weight	Change	Status	Profit or loss
BKL	12.5%	3.45%	Sold	0.43%
IDT	12.5%	–30.42%	Sold	–3.80%
COH	12.5%	–4.38%	Sold	–0.55%
TOL	12.5%	162.30%	Open	20.29%
SGN	12.5%	61.27%	Sold	7.66%
LAC	12.5%	27.09%	Sold	3.39%
CPU	12.5%	7.37%	Sold	0.92%
FLT	12.5%	35.12%	Sold	4.39%
All Ords ⇨ down 5.44%			**Total profit = 32.73%**	

Table 1.2: portfolio results, 2001–02

Share	Weight	Change	Status	Profit or loss
COH	11.11%	–2.49%	Sold	–0.28%
NFD	11.11%	45.34%	Open	5.04%
SFL	11.11%	60.00%	Sold	6.67%
BRS	11.11%	7.35%	Sold	0.82%
GLD	11.11%	35.87%	Sold	3.99%
WSF	11.11%	–4.61%	Sold	–0.51%
TOL	11.11%	8.87%	Sold	0.99%
WES	11.11%	3.64%	Sold	0.40%
MIG	11.11%	–0.36%	Sold	–0.04%
All Ords ⇨ down 4.69%			**Total profit = 17.08%**	

Table 1.3: portfolio results, 2002–03

Share	Weight	Change	Status	Profit or loss
ALN	20%	48.93%	Open	9.79%
ANN	15%	–22.48%	Sold	–3.37%
GNS	10%	53.46%	Open	5.35%
SHV	20%	50.60%	Open	10.12%
AVJ	10%	101.04%	Open	10.10%
FKP	10%	84.56%	Open	8.46%
BRS	10%	37.74%	Open	3.77%
FFL	5%	8.25%	Open	0.41%
All Ords ⇨ up 10.12%			**Total profit = 44.63%**	

Table 1.4: portfolio results, 2003–04

Share	Weight	Change	Status	Profit or loss
RUP	15%	47.46%	Open	7.12%
GUD	15%	60.37%	Sold	9.06%
FAN	9%	49.85%	Sold	4.49%
FBU	9%	–3.87%	Sold	–0.35%
FWD	10%	51.28%	Sold	5.13%
SMS	15%	8.69%	Sold	1.30%
AVJ	12%	4.79%	Sold	0.57%
UTB	15%	0.79%	Sold	0.12%
All Ords ⇨ up 24.13%			**Total profit = 27.44%**	

You will see in the Status column that some of the shares were sold before the end of their respective simulations. This is because they breached a predetermined stop loss limit and were therefore automatically eliminated from the portfolio. Interestingly, the use of stop losses is considered an essential practice by most DIY investors when managing a growth portfolio, but is not a practice widely used by modern fund managers.

Business skills

The results shown in tables 1.1 to 1.4 are testimony to what can be achieved using a very simple approach that requires very little time and effort. But this simple approach, which will be elaborated on at greater length in later chapters, is only part of the total skill set needed for achieving success in designing and running our own investment business.

As you can see, we can take the view that we're in business for ourselves whether we have a job, are self-employed or even retired and just managing our investments. And seeing ourselves as businesspeople gives us the ability to steer ourselves towards a financial destiny of our own choosing—if we possess the appropriate skills.

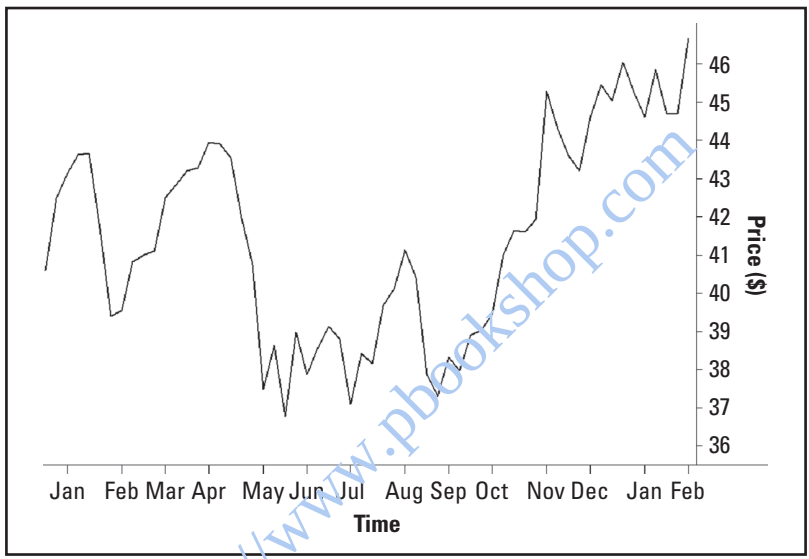
Charting

And speaking of the appropriate skills, I find that while most people who are even just a little bit curious about the stock market possess a rudimentary knowledge of fundamental analysis (the interpretation of financial data), there are quite a few who have virtually no knowledge of technical analysis. Technical analysis is simply the study of price charts (as opposed to financial data), and having a basic understanding of both forms of analysis is almost essential in this modern technological age of investing. So before moving on, I thought this would be a good juncture to quickly cover the basics of technical analysis, colloquially known as charting.

What we are looking at when we study a price chart is the change in price over a given period of time. Hence the vertical scale on any price chart is the price of the instrument in question, while the horizontal scale is time.

The line-on-close chart of BHP Billiton in figure 1.2 showing slightly more than 12 months of weekly price activity is a typical example of the sort of chart you would see in a newspaper or magazine. This chart would technically be referred to as a weekly line-on-close chart, and it is created by drawing a line connecting the weekly closing prices of BHP Billiton (BHP) during the period shown. I've used this type of chart already in this book—it is the simplest form of price chart available.

Figure 1.2: BHP Billiton—line-on-close chart



Source: MetaStock.

The closing price is considered to be the most important piece of price information, but there is more to the story than just the closing price. There are in fact four individual bits of price information to consider and they are:

- open—the price the market initially trades at when it first opens
- high—the highest price the market trades at during the trading period
- low—the lowest price the market trades at during the trading period
- close—the last price the market trades at just before the market closes.

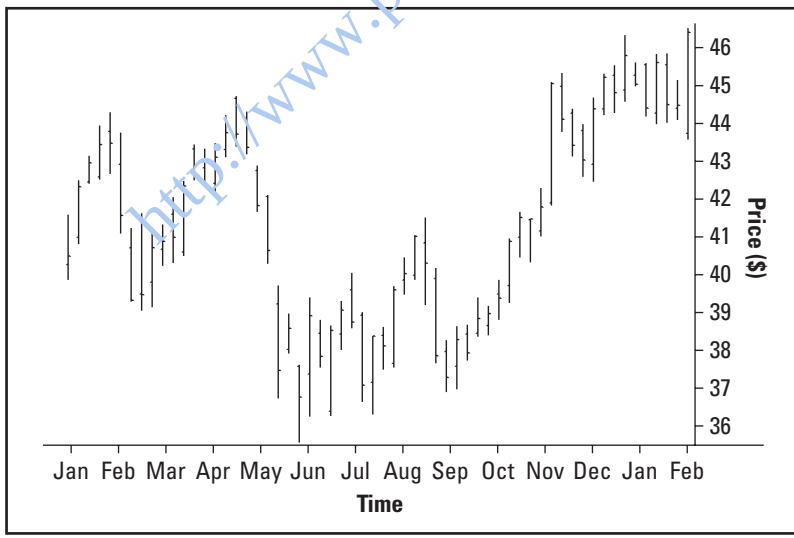
Note the use of the word *market* in the previous explanation; in this context I am using it in its generic form. In other words, I may describe the buying and selling of any individual share or financial instrument, such as BHP Billiton, as a market, or I may use it to describe the stock market as a whole. Whichever the case, it should be reasonably obvious what I mean from the context in which I am applying it.

Furthermore, as a form of shorthand, I may identify a specific share, such as BHP Billiton, by just its share code and not its full name. Usually I will use the company's full name initially but then refer to it by its share code from that point on. Anyway, let's get back to our discussion on price charts.

OHLC bar charts

Probably the simplest way in which to display all four bits of price information is with the aid of the OHLC bar chart (see figure 1.3). OHLC is shorthand for open, high, low and close.

Figure 1.3: BHP Billiton — OHLC bar chart, where each bar represents a single trading period



Source: MetaStock.

In figure 1.3 each trading period (a week) is represented by a bar that has a tick to the left of the bar and another tick to the right. The top of

the bar and the bottom of the bar represent the price range of a given trading period (that is, the high and the low), while the tick to the left of the bar is the opening price and the tick to the right represents the closing price. That's all fairly straightforward, and probably the simplest way of displaying all four bits of price information.

Candlestick charts

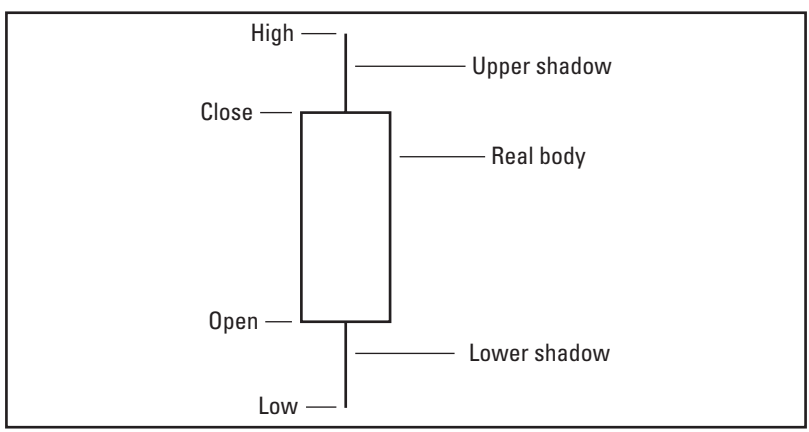
Now let's move on to the type of chart that's my personal favourite: the candlestick chart. It also conveys all four bits of price information, and while it is the type of chart that I'll be using later on in this book, you will also see the other chart types from time to time. Hopefully this will help you to familiarise yourself with all these different types of price charts.

Anyway, candlestick charts are a little more complex than the chart types we've looked at to this point and so they warrant a slightly more detailed explanation. Candlestick charts are so called because they use a single candle for each trading period. The larger section of each candle is called the 'real body', whereas the thin parts on the top or bottom are called 'shadows'.

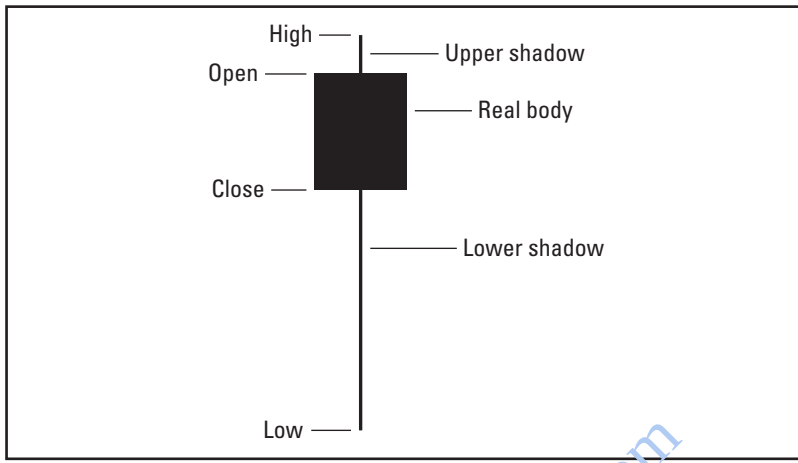
Candlestick charts originated in Japan and have been in use for several centuries. There is a vast body of material on how to interpret these charts, including a wide variety of names for the different shapes of candles that can occur (see figure 1.4).

Figure 1.4: elements of a candlestick chart

white candle



black candle



Let's go back to our 12-month chart of BHP, but this time let's use candlesticks. Compare figure 1.5 with figure 1.3 (the OHLC chart of BHP, on p. 13) and you can see how it provides a far more meaningful visual impression than the OHLC chart does.

Figure 1.5: BHP Billiton — candlestick chart

Source: MetaStock.

So we've now covered the basics of charting and, when appropriate, we will delve into the science of fundamental analysis, although that's actually not until part III of this book, when we look at how to manage an income portfolio.

What we need to do next is take a look at the nature of shares and our two main modes of investing: investing for growth and investing for income.

About the author

A second-generation share trader and investor, Alan Hull owned his first share when he was just eight years old. As a result of his early start in the stock market, most of the lessons that the average investor will learn during their adult life were second nature to Alan by the time he was in his twenties.

Alan has also had a keen interest in mathematics from a very young age and was an IT expert from the early days of personal computing. Employing this combination of skills and his experience over the past two to three decades as a modern share trader and investor has transformed Alan into one of Australia's leading stock market experts.

Alan is highly respected within the Australian investment industry, regularly writing articles and presenting for the Australian Securities Exchange, the Australian Technical Analysts Association, the Australian Investors Association and the Trading and Investing Expo.

Apart from writing his own best-selling books, he has also contributed to other publications, including Martin Roth's best-selling *Top Stocks* series; Daryl Guppy's international book, *Better Stock Trading*; Jim Berg's series, *Shares to Buy and When*; and *The Wiley Trading Guide*.

Rather than being content as a private investor, author and educator, Alan is also a licensed financial adviser. In recent years he has successfully managed millions of dollars of other people's money, consistently beating all the major ASX market averages.

One of Alan's most notable decisions as a fund manager was to move all his holdings to cash in the latter half of 2007 and not reinvest in shares until mid 2009, preserving his clients' capital throughout one of the worst financial crises of recent times.

With a focus on the practical, Alan covers all the bases in this comprehensive guide on investing in Australian blue chip shares. Like his other books, *Invest My Way* is compulsory reading for anyone who hopes to make consistent profits from buying and selling Australian shares.

Contents

First published in 2012 by Wrightbooks
an imprint of John Wiley & Sons Australia, Ltd
42 McDougall St, Milton Qld 4064

Office also in Melbourne

Typeset in ITC Berkeley Oldstyle Std Book 11/14

National Library of Australia Cataloguing-in-Publication data:

Author:	Hull, Alan, 1962-
Title:	Invest my way: making money with blue chip shares on the Australian stock market / Alan Hull.
ISBN:	9781118319314 (pbk.)
Notes:	Includes index.
Subjects:	Blue-chip stocks. Investments. Finance, personal–Australia.
Dewey Number:	332.6322

Cover design by Peter Reardon, Pipeline Design <www.pipelinedesign.com.au>

Back cover image: used courtesy of Sky News

Microsoft Word, Microsoft Excel and Microsoft Paint screenshots used with permission from Microsoft.

Adobe product screenshots reprinted with permission from Adobe Systems Incorporated.

Printed in Singapore by Markono Print Media Pte Ltd

10 9 8 7 6 5 4 3 2 1

Disclaimer

The material in this publication is of the nature of general comment only, and neither purports nor intends to be advice. Readers should not act on the basis of any matter in this publication without considering (and if appropriate, taking) professional advice with due regard to their own particular circumstances. The author and publisher expressly disclaim all and any liability to any person, whether a purchaser of this publication or not, in respect of anything and of the consequences of anything done or omitted to be done by any such person in reliance, whether whole or partial, upon the whole or any part of the contents of this publication.

Some investors want income and others seek growth. Regardless of your strategy, do you know when to own shares and when to stay in cash?

Designed for DIY investors looking for simple, low-risk strategies for managing their shares, *Invest My Way* is the definitive guide to buying blue chip shares on the stock market. Beginning with the basics of investing, this book includes information on managing portfolios for optimal capital growth and dividends.

Sharemarket expert Alan Hull explains the ins and outs of investing in blue chip shares in easy-to-understand and engaging language, including how to:

- hunt down and manage growth and income shares
- use charting and fundamental analysis to your advantage
- manage risk like the professionals with the 2 per cent risk rule
- time the stock market to maximise your returns.

Make money from blue chip shares—invest Alan Hull's way!

Alan Hull has been investing in blue chip shares for decades and is one of Australia's most respected sharemarket experts. He has appeared on Sky Business channel and is a popular speaker on the seminar circuit. Alan is the best-selling author of *Active Investing* and *Trade My Way* which, together with *Invest My Way*, provide readers with a complete stock market solution.

Martin Roth, best-selling author of *Top Stocks*, and **Simon Sherwood** have contributed chapters to *Invest My Way*.

Wrightbooks
www.wiley.com

ISBN 978-1-118-31931-4
9 781118 319314
AU$29.95 NZ$33.99
INVESTING/SHARES