At Pinnacle Research and Investment Services, we believe that one can create wealth in markets only by defining clear objectives for the investment, following quality research and having a disciplined investment strategy. While institutional investment is primarily backed by expert decision-making, a retail investor can do fairly well by following the investment best practices enumerated below –

1. Determine your total investment kitty accurately after adequately provisioning for your personal expenses and those of your dependents. Do not compromise or undermine your commitments towards education, healthcare, marriage, insurance, loans etc.
2. Understand the difference between investment and trading clearly. As a genuine investor you would have a relatively longer time horizon of investment, clearly defined objectives, an inclination to avail the right research before-hand and the patience to wait for the appropriate time for making the investment.
3. All investments are accompanied by an exposure to some degree of risk. To avoid heartburn and sleepless nights over an investment gone sour, do estimate the level of risk that you are comfortable with. Websites of several leading investment avenues provide various tests and questionnaires that facilitate the determination of an individual's risk appetite. Note that our risk profiles change over time with age, a job shift, promotion, marriage, child-birth, a new home or other significant developments.
4. Based on your comfort and financial obligations at hand, choose between a one-time and systematic investment (SIP) approaches.
5. Continue to track and learn about the companies, markets and instruments that you are invested in. These are ever evolving and remaining unaware or indifferent to potent developments may prove costly. Avail expert help or advice when necessary, if you are not a good reader or just don't have the time or inclination to manage on your own.
6. For starters, run a pilot investment on a stock to gain adequate conviction about its price movements before making a big investment there-in. The pilot investment will also allow time to cultivate the habit of reading up on the stock related news and developments in the underlying company business.
7. Once you have conducted or availed appropriate research for your proposed investment, do not let rumors, fads, emotions or short-term adverse price movements sway your conviction about the soundness of your investment decision. Act only on concrete information.
8. Switch, diversify or exit once your investment objective has been met. The sector-wise roll-over or churn with time is common to markets as one high performance sector gives way to another. One would do well to track, identify and act on such opportunities thrown up by markets from time to time for bettering the returns through an active management of the initial investment.
9. Avoid acting in haste or too frequent interventions in your investment portfolio. Remember, you are an investor, not a trader. Short-term blips would hardly alter the long-term prospects of a fundamentally sound investment.
10. Qualities of a good investor include good reading and analytical abilities, keen observance skills, patience, an open mind and the humility to accept and learn from the inevitable mistakes and errors in judgment.

Disclaimer: PRiS does not guarantee any specific financial outcome or market performance based on its research & advisory services.