4 Common Mistakes to Avoid with Your Investment Strategy in Tampa, Florida & Beyond

In the fourth quarter of 2008, the world witnessed one of the worst stock market panics in history. Any time the market drops radically in this way, it's natural for investors to feel fear and uncertainty. More often than not, these emotions provoke investors to sell most or all of their stocks, but this could turn out to be a costly mistake. Before you do anything rash, the investment advisors at Suncoast Equity Management in Tampa, Florida have compiled the following list of five common investment strategy mistakes that you may want to avoid:

1. Lack of a strategy—Like anything else, in order to be successful, each investor should have a strategy. Your investment strategy needs to be laid out first, providing a foundation you can use to make decisions as time goes on. Your investment strategy should include your goals, a timeline for each goal, a plan to accomplish your goals, and the amount of money you will invest now and in the future. Your investment strategies should also stipulate how much risk you're willing to tolerate.
2. Failure to invest in companies—Instead of investing in stocks and hoping they will perform well, take an ownership approach to your stock purchases. When you purchase stocks, you are buying a piece of a company, so make sure your investment strategy includes researching a company and industry before you buy their stock. Suncoast Equity Management in Tampa, Florida, thoroughly researches companies before investing. This fundamental principle is the core of Suncoast Equity Management's investment strategy. This fact means that Suncoast Equity Management analyzes a company's management style, potential for growth, etc. before buying stock. Clients, in turn, benefit from Suncoast Equity's expertise, time, and research.
3. Chasing market trends—Too often, investors get caught up in the excitement of a certain stock or asset class that is doing well. However, you cannot assume that just because an investment is hot now, it will be hot in the future. A more proven investment strategy is to research the companies you're investing in, buy into the best of them, and then stick with them for the long term.
4. Panicking and Quitting—It can be frightening when a bear market rears its ugly head. Your first temptation may be to sell when everyone else is selling. However, if your investment strategy includes a long-term goal, then it usually pays to stick to your strategy and ride out the occasional market downturn. Otherwise, you will all but guarantee a loss when you panic and sell.

By avoiding the above investment strategy mistakes, you will reap the advantages of long-term investing in high quality stocks. While it's not as exciting as the sound-bites and tickers on TV news shows, the advantages of patient, long-term investing have proven themselves to be dependable through the ages.

For more tips about common market mistakes and building a successful investment management strategy, contact Suncoast Equity Management in Tampa, Florida today.