

6 INVESTING AT ITS BEST AND

will find the Registry's plan of investment most uninteresting, for it affords no such chances, and aims solely at maintaining capital intact and ensuring a regular income. The pleasurable excitement caused by watching price quotations of a rising tendency cannot be enjoyed when this plan is applied. All those stocks which lend themselves to speculation are excluded, the plan being confined entirely to that class of investments which is least likely to attract the attention of speculative operators.

It is true that the plan aims, among other objects, at a gradual increase of capital, but the process for attaining this end is slow and deliberate, as it is based upon real improvement in value, and not on market manipulation.

Sound Investment.—Stability of capital value and regularity of income are the essentials of sound investment. To obtain these with mathematical certainty is impossible. Every investment, whatever its nature, and however safe it may appear to a prospective purchaser, has an element of inherent risk.

The best system of investment can only reduce the risks and minimise their bad effects by a scientific method of averaging, but it cannot remove them from any single stock. The best constructed list of investments is bound to show some variations in total realisable value from year to year, but such variations should be small in comparison with the amount of capital invested.

During recent years lists of investments consisting solely of British Trustee stocks have depreciated over