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## **Avoiding 'big mistakes' crucial in bull market**

In a rising market it is much more important to avoid the big mistakes than it is to pick big winners, warns one asset manager.

Prime Value Asset Management joint chief investment officer Leanne Pan said investors need to remember it is possible to make “big mistakes” in a rising market.

“Sometimes these mistakes are only apparent when the market turns, which is why investors should avoid becoming too comfortable,” Ms Pan said.

Finding good quality stocks at the right value has become difficult this year, she said.

“The market has favoured stock pickers, which suits Prime Value’s style, but we are concerned that valuations are being stretched,” she said.

“It’s dangerous to buy an overvalued stock and hope that it will keep rising on market momentum – we must be convinced in the quality of the management, the strength of the balance sheet, and the company’s long-term prospects,” Ms Pan said.

Prime Value said that avoiding irrational exuberance, sticking with thematic and remembering that “quality is better than hype” are the key principles in avoiding mistakes within the stock market.