

Diversify

MyWallSt always recommends our users to accumulate a minimum of 12 stocks across different markets and sectors. This is key to a successful investing future.

While there are many lessons to learn when you start investing, diversifying your portfolio is one that can help protect your investments the most.

Investing in a wide range of stocks from different countries, industries, and businesses is a tried and tested formula for investing success.

To achieve a diversified portfolio, investors just need to follow the yellow brick road to diversification wonderland. Here's how!

Buy shares in companies of different sizes

Investing in stocks with different market caps is another option, i.e small, medium, or large-cap stocks is the form of diversification every investor should target.

During times of market volatility, certain industries can fall dramatically. When this happens, if shareholders already hold different types of investments, the effects of market turbulence can be eased.

STOP 1



Picking up stocks in different regions

Thanks to the popularity and power of the U.S. stock market, investors can gain exposure to international companies that are listed on Wall Street.

Some great examples of companies from overseas include MercadoLibre (Latin America), Spotify (Europe), and Tencent (Asia).

STOP 3



Diversify your investment style

Striking a balance between buying individual stocks and exchange-traded funds (ETFs) is also a smart move.

While individual stocks offer the potential for higher gains, ETFs offer instant diversification as they contain holdings in many different companies.

STOP 4



There are so many ways to diversify your portfolio.

To ensure that you don't fall down an investment rabbit hole, it's best to keep it simple.

We recommend investors invest in companies of different market cap sizes, look at different countries and industries, and find a nice balance between ETFs and individual stocks.

Remember, a diversified portfolio is the end destination and the journey to it can be littered with lessons and bumps along the way. Safeguard your financial future by adopting the above lessons to tailor suit your long-term objectives.

