

Me and My Money

Small portfolio keeps it simple



With 10 to 20 stocks on his watch list, and just five to 10 in his portfolio, Neel Roberts is able to profit

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Neel Roberts, 44

Occupation: *Accountant*

Portfolio: *Currently in cash, but his watch list includes WestJet, Rogers Communications, Imperial Oil, Tim Hortons and possibly the new General Motors in 2011 when it has its IPO, "but that's a long shot!" he says.*

Prudent Financial Manager

While he specializes in helping late tax filers, Neel Roberts has always stuck to the straight and narrow. "My parents taught me to pay your bills on time and put away something for a rainy day, and that's helped me throughout my life," he says. "I bought my first house at 20, by the time I was 33 I had my own farm. I've always had surplus funds."

How He Invests

"I'm a big believer in buying low and selling high." To do that, he'll watch any stock he's interested in with the goal of picking it up when the price is soft. "I like to look for big names that are reputable and have been in business for a long time." This approach explains why he's currently all in cash, as he's waiting for some of his favourite names like WestJet to pull back.

Cash is King

Key for him is a positive cash flow, along with a lot of cash on hand. "Cash is the lifeblood of a business," he says, pointing to Microsoft as a great example. "If they produce a version of Windows that's a flop, so what?"

Keeping It Manageable

Mr. Roberts tends to only have 10 to 20 stocks on his watch list, and just five to 10 in his portfolio. "If you have fewer stocks to watch it just makes your life easier."

His Limits

Mr. Roberts typically doesn't look to own a stock for more than 12 months. If he makes a decent return, say 10 to 30 per cent in a few months, he'll typically sell. "I don't believe in getting greedy."

Best Move

His approach delivered a nice return when he bought FedEx Corp. in 2009. "I'd worked for them and have an idea of how the company is run," he says. "They have a lot of cash reserves, and if you have a lot of cash on the balance sheet you can ride things out." Mr. Roberts paid less than \$50 (U.S.) a share, and sold at around \$80.

Worst Move

Mr. Roberts tried buying a few penny stocks, using an aptly named source, pennystockchaser.com, but none of them panned out. "If you are going to gamble, which I don't recommend, you have to be prepared to just write it off."

Advice

"First thing you have to do is develop a savings program," he says. "There's no point developing an investment program if you're running negative cash flow in your life."