



### 3 Characteristics of Successful Investors

#### Description

No investor is perfect, but many of the more successful investors appear to have specific traits which may give them an advantage over their peers.

Certainly, there are a wide variety of investment styles and methods which can ultimately provide an individual with high returns over the long run. But the constant across success in different methodologies seems to be an individual's character.

The good news is that all investors can adapt and change in order to improve. Here are three character traits that may be worth adopting and which could catalyse your investment performance in future.

#### Decisiveness

With stock markets seemingly changing faster than ever, being able to make decisions in a relatively short space of time is becoming more important in the investment world. That's not to say that decisions should be rushed, or that an investor should try and decide where to invest based on limited information. Rather, it means that if an opportunity presents itself, then making a swift decision could be required in order to [take advantage](#) of it.

For example, the recent volatility in global stock prices presented a buying opportunity. For investors who were decisive, they were able to buy companies on wider margins of safety than today in many instances. For investors who decided to sit and wait, the opportunity may have now passed after a period of improved performance for global stock prices.

#### Moving on from mistakes

As mentioned, no investor is perfect. Even the most successful investors make mistakes at times during their investing careers. However, the best investors usually have an ability to quickly move on from their mistakes and do not become disillusioned with their failures. In fact, it could be argued that failure in the investment world makes for a better investor, since it provides experience and knowledge in new areas.

As such, it is crucial to learn from mistakes, but also to move on from them. Doing so could lead to new opportunities and ideas which may not come along if an investor is focused on a past event which they cannot change.

## **Adaptability**

Successful investors are often principled when it comes to their investment style. For example, they may be growth-orientated or focus on generating a high level of income return. Similarly, they may have specific areas they look at when buying a stock, such as its debt levels, earnings forecasts and valuation.

While maintaining a core set of beliefs throughout an investment career may prove to be worthwhile and could generate a degree of consistency, many of the best investors constantly adapt their style throughout their career.

For example, they may consider additional financial information that they would never normally have looked at in the past, or they could place a different weight on various factors when it comes to their relative importance. Doing so is likely to help make them better investors, with continual improvement potentially leading to better portfolio returns.

## **CATEGORY**

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