

## press release

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Stock pickers stay safe by sticking with that they know – but are they missing out?

- Banking stocks top the charts as investors' favourite sector
  - Younger investors fall for the 'tech effect'
- Female investors choose to invest where they shop

As private investors gear up for another year of riding the stock market rollercoaster, new research by retail stock broker, The Share Centre, reveals how the majority of investors stick to their comfort zone, but it warns that this could lead to people missing out on the best returns.

Surprisingly, given the instability of the banking sector over the past three years and the partial nationalisation of two of our largest banks, banking emerged as the most preferred sector for private investors. Whilst banking has traditionally been one of the safer options for investors it is surprising that it is still favoured so highly today with 39% of investors choosing this sector.

**Graham Spooner, investment adviser at The Share Centre, Comments:** "I am not surprised by these findings. Banking stocks have continually remained our most bought and sold shares over the past three years as people have sought to try and gain from the instability in the market and speculate on future growth. However some people will certainly have been burned along the way – as there has been significantly more volatility than previously."

When it comes to how people select stocks, almost a third (29%) buy shares in areas that interest them, as opposed to those that are potentially doing well in less interesting sectors. For female investors aged 35-54 this means a significant bias to retail, with 23% choosing this as their favourite

sector and showing the value of getting next season's fashions right for brands such as Next, ASOS and Marks and Spencer.

Whether it's an HD-TV or the latest smart-phone, having the latest technology is unavoidable nowadays, especially for younger people. Apparently this extends to investing too, 33% of 18-34 year olds citing the technology sector as their preferred sector.

Friends also have an influence – 16% of 18-34 year olds have invested in shares on recommendations from friends, and overall over a third of investors (38%) admitted that at some time they may be interested in forming an investment club to invest with their friends.

**Graham Spooner, investment adviser at The Share Centre, comments:** "It makes sense to invest in companies you like and indeed companies you use. Having a greater knowledge of a company or sector enables the investor to get used to where the trading range lies; to buy when it's at the lowest range and sell at the highest end - if we make them a part of our lives, why not invest a little money and actually get something back in return. If you believe enough in a brand to buy its products, then believe in its performance.

"However it is important that people make sure they don't miss out by exploring other areas. Over the past three years some of the biggest returns have come from the mining sector, which has been less affected by the global financial crisis. By checking out the performance of companies in the financial pages and on the many useful websites investors could start to diversify their portfolio a little and also mean they are not so exposed in the event their preferred sector takes a turn for the worst."

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Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

**About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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