



Tortoise v Hare

**How to Choose the Right
Investment Strategy for You**

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When it comes to investing in the stock market, there are countless strategies, opinions, and theories.

But most approaches boil down to a simple choice: Do you want to be the tortoise or the hare?

It's a question worth asking, because the answer often determines not only how much money you'll make, but how much you'll keep when the market inevitably turns.

Let's explore what this really means and why it matters more than ever in today's unpredictable markets.

01

Two Main Paths: Growth or Dividends



Every investor ultimately chooses between two primary goals: growth and income.

- **Growth investing** focuses on buying shares with the expectation their prices will rise. The classic examples are fast-growing technology companies like Tesla, Nvidia, or Amazon. These stocks can generate extraordinary returns when markets are strong.
- **Dividend investing** centres on steady income. Investors target companies that consistently pay dividends—typically more mature businesses with reliable cash flows.



Both approaches have their place. But many investors confuse short-term success with long-term security.

Currencies

Gold ↗

1,911.70

+20.40 (+1.08%)

02

The Allure—and Danger—of High- Growth Stocks

Let me share a true story that illustrates this perfectly.

I recently spoke to an investor who had built his entire portfolio around US growth stocks. For five years, he was on an extraordinary run. He'd accumulated nearly £400,000 in value, largely in technology shares. Each year when we spoke, the conversation was the same:

"Thanks for checking in, but I'm doing very well. I probably don't need any help."

And each year, I'd simply say, "No problem. Let's speak again next year."

This year was different.

In less than 12 months, his portfolio had fallen by 25%. £400,000 had become less than £300,000.

What's remarkable is that this happened while the overall market was hitting record highs.

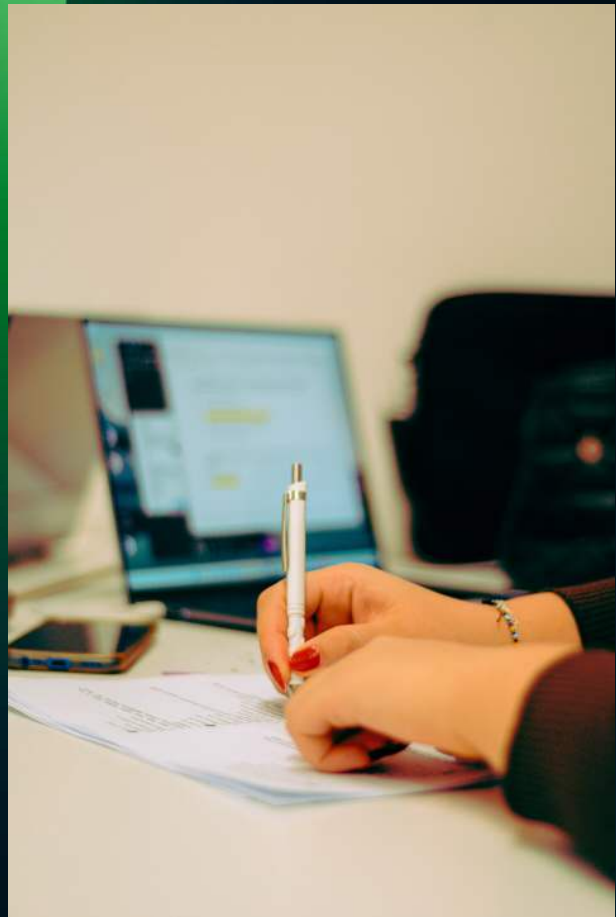
- The **S&P 500**, America's main stock index, reached all-time highs in 2024 and continued climbing in early 2025.
- The **FTSE 100** also hit new record levels this year, surpassing 8,400 points for the first time in history.



Despite these strong headlines, individual stocks can still suffer huge drops. In 2022–2023, many well-known tech names fell 50% or more in a matter of months. For example:

- **Meta Platforms (Facebook)** dropped over 70% from its 2021 peak before recovering.
- **Netflix** fell 75% in less than a year during its subscriber slowdown.
- **Tesla**, despite enormous growth, has repeatedly seen 30–50% swings in value.

This is the risk of concentrating in high-growth shares. When sentiment changes, the declines can be both swift and brutal.





03

**From Lion to
Mouse: The
Emotional Cost of
Volatility**



Faced with a six-figure loss, this investor panicked. He sold all his growth holdings and moved his capital into UK government gilts—an extremely low-risk bond yielding less than 4%.

Imagine that: in less than a year, he went from owning some of the market’s most aggressive stocks to the equivalent of cash under the mattress.

This isn’t unusual. Research shows that retail investors often react emotionally to volatility:

- According to a 2023 Vanguard study, investors who traded during sharp market downturns were 40% more likely to lock in losses and underperform those who stayed invested.
- A Dalbar analysis covering 20 years found that the average equity investor earned about 7% less per year than the market, largely due to poor timing decisions.

Selling at the bottom, buying back at the top—this is the classic cycle of fear and greed.

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Why Dividends Can Keep You Calm



So what's the alternative?

If growth investing is being the hare—fast, exciting, and risky—then dividend investing is the tortoise. It may look slow, but over time it often wins the race.

Dividend-paying companies don't just provide income; they also help you stay disciplined. Even when share prices fall, you continue to collect cash payments, making it easier to hold on rather than panic.

Consider this:

- From 1926 to 2023, dividends contributed about 40% of the S&P 500's total return.
- Over 50 years, a £10,000 investment in dividend stocks compounded reinvested dividends into more than £1 million—significantly higher than growth-only portfolios that didn't reinvest income.
- During market downturns like the 2008 financial crisis, dividend-focused portfolios often fell less and recovered faster than pure growth portfolios.

For example, Johnson & Johnson and Procter & Gamble—two classic dividend payers—declined far less than high-growth tech shares during major sell-offs. They also resumed steady upward trends once confidence returned.



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Choosing the Right Strategy for You



It's important to be clear: there's no single "right" approach.

If you're in your 30s and comfortable taking risks, focusing on growth can be a perfectly reasonable choice. You have time to recover from drawdowns.

But if you're in midlife or approaching retirement, the stakes are higher. Losing 25% of your portfolio in a year—especially when the market overall is strong—can derail your plans and force you into decisions you later regret.

Ask yourself:

- Are you comfortable seeing large swings in your portfolio value?
- Could you stay invested through a 50% decline in your biggest holdings?
- Do you have the temperament to avoid panic selling?

If the answer is no, dividend investing offers a calmer, more predictable way to build wealth.



A close-up photograph of a tortoise, likely a Galapagos tortoise, eating grass in a field. The tortoise's head is in the center, with its mouth open, showing its pink tongue and teeth as it chews on a piece of green grass. Its shell is a mix of dark brown and light tan colors, with distinct scutes. The background is a soft, out-of-focus green field. A vertical white line is on the left side of the image.

06

The Tortoise Usually Wins

After nearly three decades in this business, I can tell you this with confidence:

For most investors, the sensible solution is to be the tortoise.

Steadily accumulate high-quality dividend shares. Reinvest the income. Let compounding do the work.

It's not as flashy as chasing the latest tech story. But it's also less likely to end in the same painful phone call I had with that investor this year.





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**Want to
Learn More?**

If you'd like to explore these ideas in more depth, I run a private Telegram group where I share insights, strategies, and examples of how to build a sustainable dividend portfolio.

It's free to join if you qualify with a share portfolio of at least £250,000.

If that sounds like you, just send me a message with the word "Tortoise" to 07930 50 60 35, and I'll send you the link to join.





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Final Thoughts

In the end, you have to decide whether you want to be the hare or the tortoise.

Both can succeed—but only if you understand the risks and the discipline each requires.

For most people, slow and steady doesn't just win the race—it helps you sleep better at night.



Tortoise v Hare -...

In "Tortoise v Hare" discover the crucial choice every investor must face: the fast-paced thrill of growth or the steady, reliable path of dividends. Through real-life stories and insightful analysis, the book reveals how understanding your risk tolerance and investment goals can lead to long-term success. Ultimately, it champions the wisdom of the tortoise, demonstrating that slow and steady often prevails in the unpredictable world of investing.