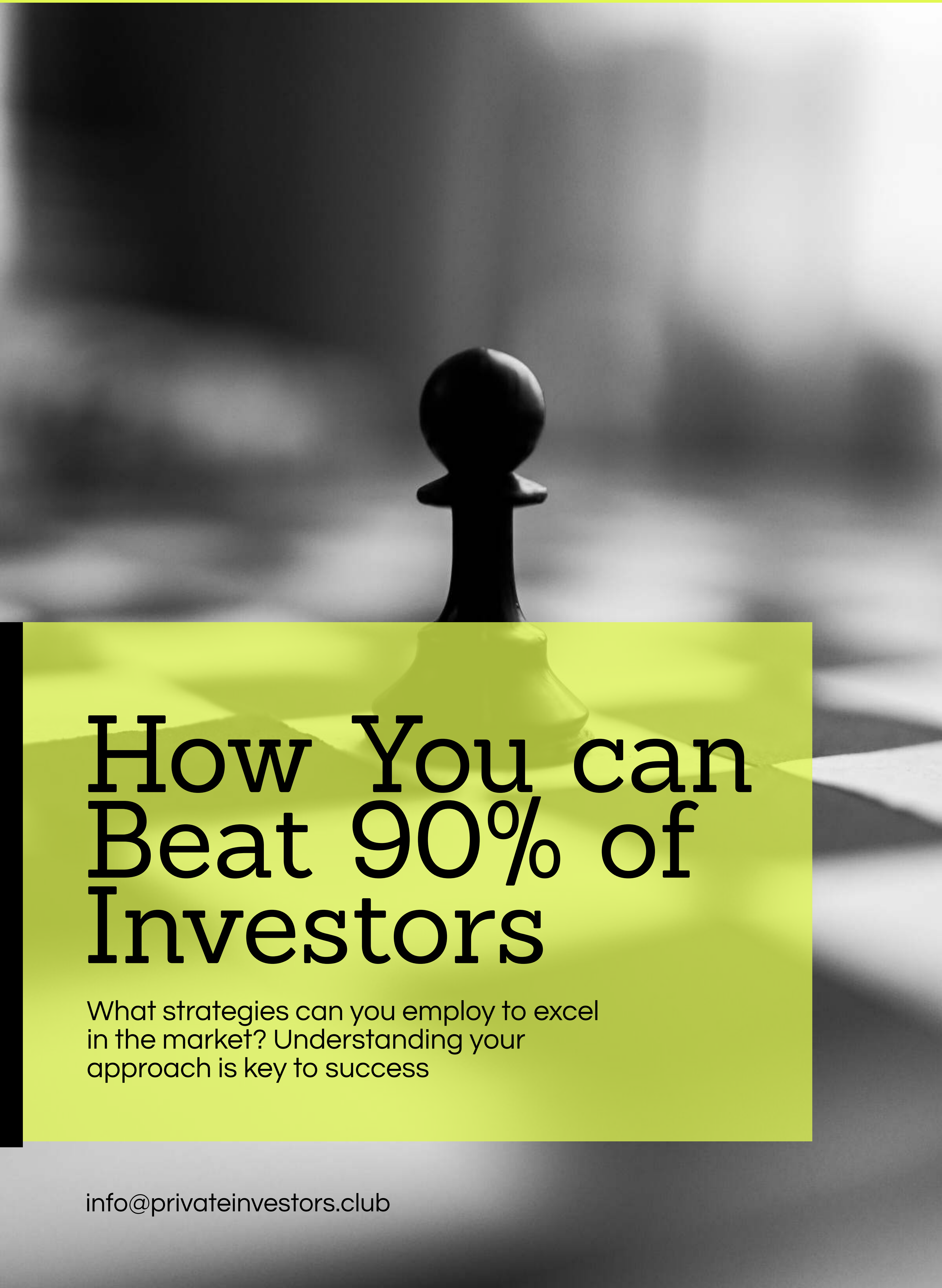

How You can Beat 90% of Investors

What strategies can you employ to excel in the market? Understanding your approach is key to success

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The stock market is often described as a brutal place, a battlefield where most investors eventually end up disappointed. But in truth, it is one of the most forgiving arenas you'll ever step into. Unlike other games of chance or skill, the stock market has a built-in bias. Over time, it always rises.

Think of it like the wind at sea. If you know the wind will always blow in one direction, sailing your boat is not all that complicated. You don't need to be a master navigator to get from A to B. Sure, there will be periods when the seas are choppy, your sails flap uselessly, and your boat seems to spin in circles. But eventually, the wind steadies and defaults back to its one true course. If you're still afloat, your boat gets carried forward.

That's how the stock market index works. The FTSE 100, the S&P 500, any index you care to name – they all represent a collection of companies, the sum of the parts. And because the vast majority of companies are profitable, innovative, and expanding, the index as a whole trends upwards. The weak players are dropped from the list. The new giants replace them. The result is a system that is naturally self-correcting, where the net direction is positive.

But here's the key point: while the index always forgives, individual shares do not.

The Trap of Individual Shares

Not every company shares in the stock market's generosity. Some struggle, some stagnate, some collapse altogether. And when you tie your fortune to a single name, you're no longer sailing with the wind of the index—you're gambling on whether that one company can keep up.

Taylor Wimpey is a classic case. It's a household name in the UK, one of the country's biggest housebuilders. In theory, it should be a winner: Britain needs more homes, government policies often support builders, and house prices are historically resilient. Yet despite this, Taylor Wimpey's share price has been a long story of disappointment.

Look back over the last five years and the chart tells the story. While the broader FTSE index has gone sideways with an upward bias, Taylor Wimpey has only gone one way: down.

If the index is the steady wind, Taylor Wimpey has been the leak in the hull.

And yet, this is the very stock on which I booked a return of more than 20%—a stock on which around 90% of investors have lost money.

Why Most People Lose with Taylor Wimpey

The reason is simple. Most investors buy Taylor Wimpey for its income. The stock often flashes an eye-catching yield—currently around 9%. To the casual investor, this looks like a no-brainer.

A near double-digit return just for holding the shares? Who wouldn't want that?

The trouble is, dividends are only one part of the story. You can't look at the yield in isolation. If you buy a share for £1 expecting 9p a year in dividends, but the share price drops to 80p, you've lost more in capital than you've gained in income. And with Taylor Wimpey, that's been the repeated pattern.

So while 90% of investors piled in for the dividend, 90% also lost money on the capital. And in my view, it's often the same people. They chased the income and ignored the direction of the share price.

The Minority View

The other 10%—the small minority who have actually made money from Taylor Wimpey—look at it differently. I count myself among them.

For me, the stock was never about income. The dividend was irrelevant. What mattered was timing and principle.

I bought Taylor Wimpey at 102p and sold it above 120p, booking a gain of more than 20% in a few months. That was not luck. It was based on two simple rules I've developed for trading difficult stocks like this:

1. **Only buy Taylor Wimpey below £1.** That psychological level has been tested time and again. Sub-£1, you are buying near the floor. Above it, you're in risky territory.
2. **Buy ahead of strong ex-dividend dates.** The dividend, while not the reason to hold long term, can act as a short-term catalyst. Ahead of an ex-dividend date, you often see buying pressure as income hunters step in.

Put together, these two rules give you an edge. You're not trying to ride Taylor Wimpey for years. You're not trying to squeeze out income from a structurally weak share. You're making a tactical trade, in and out, when the odds favour you.

Why This Trade Matters

It's worth pausing here. Why does a 20% win on Taylor Wimpey matter so much? After all, plenty of investors have made 20% on easier trades.

The answer is credibility. If you make money on Apple, Microsoft, AstraZeneca—stocks that grind higher year after year—it doesn't say much about your skill. The rising tide lifted all boats, yours included.

But if you can make money on a stock that has only gone down for half a decade, where the majority have lost, you've done something different. You've played a hard game and come out ahead. That speaks to discipline, timing, and an ability to see what others miss.

The Broader Lesson

Does this mean you should rush to buy Taylor Wimpey? Absolutely not. In fact, unless you really know what you're doing, it's best avoided. This is not an easy stock. There are smoother trades, clearer setups, and safer paths to profit.

The real lesson is bigger than Taylor Wimpey. It's about understanding the difference between the forgiving nature of the index and the unforgiving nature of individual shares.

- **The index will carry you forward.** It drops the weak and keeps the strong. Over time, it's almost impossible to lose if you stay invested in the whole market.
- **Individual shares demand precision.** Some will be huge winners. Others will bleed value for years. The difference between the two is not luck—it's judgment.

And with judgment comes responsibility. You need to know not just what you're buying, but why you're buying it, and when you plan to get out.

Where Taylor Wimpey Stands Now

As I write this, Taylor Wimpey is back under £1, currently trading around 98p. Once again, it's hovering at that crucial level.

On 9th October, it goes ex-dividend with a yield of nearly 5%. That's a short-term opportunity. The same rules still apply: buy below £1, buy ahead of ex-dividend.

But let me be clear. I'm not recommending that you buy. I'm simply pointing out the setup. For me, Taylor Wimpey is a stock for traders, not investors. A stock for those who understand its game, not those seduced by its yield.

Conclusion

The stock market is forgiving. It trends upward. The index is your friend. But within it are traps, pitfalls, and false promises. Taylor Wimpey is one of them.

Most who have tried it have lost. They chased income and ignored the fundamentals. But with a different mindset, a clear strategy, and strict rules, it is possible to make money where others fail.

I did it once, and I'm proud of it—not because it made me rich, but because it proved a point. Success in the markets isn't about following the crowd. It's about seeing differently, acting differently, and knowing when to step in and when to step away.

Taylor Wimpey may continue to disappoint. It may remain the leaky boat in the index fleet. But for those who understand the wind, the sails, and the timing, even this old vessel can carry you forward—if only for a short while.

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How I Beat Taylor Wimpey When 90% of Investors Lost

Navigate the turbulent waters of investing with confidence as you learn to harness the power of market indices while avoiding the pitfalls of individual stocks.

Discover two essential rules for trading challenging shares that can set you apart from the 90% of investors who lose money.

With discipline and timing, you can transform your approach and uncover opportunities where others see only risk.