Mark Dampier: 'Constantly tinkering with a portfolio can mean you lose more than you gain'

It is time to say a fond farewell. I hope I have guided readers to some strongly performing funds over the years.

After all this time I still believe the main problem for investors is the sheer number of funds available – both active and passive. This column has been criticised in the past for not focusing on passive funds, yet there is little I can say about a fund simply tracking a particular benchmark.

The idea that active fund managers can't add value through stock picking, but passive portfolios can successfully allocate assets, is an absurd one. I see little evidence of many investors mastering asset allocation, yet I see plenty of evidence of good stock picking from a number of active managers.

That is not to say asset allocation should be ignored completely. However, constantly tinkering with a portfolio can mean you ultimately lose more than you gain. Instead, I feel it is far better to keep a foot in both camps and let the fund managers make the underlying decisions on your behalf.

A lot of people are scared out of their investments at exactly the wrong time. This is perhaps not surprising given the exhaustive coverage of finance and economics in the media, most of which turns out to be wrong. This has certainly been the case over the past five or six years, when we have been confronted with worries over a break-up of the eurozone, slowing growth in China and the end of the commodity super-cycle. Yet markets have generally performed well over this time.

Clearly some economic issues will influence markets, but it is usually impossible to know exactly what the outcome will be.

I can think of only a few souls who, at the market’s low point in early 2009, suggested it was a great time to invest. On the other hand, countless commentators were queuing up to suggest greater falls.

One thing you might find helpful is to ask whether these commentators actually manage any money. You will find that many do not. Recently I attended a presentation by the economist and author Harry Dent; it was fascinating to hear him talk about demographics and the untold misery it will have on markets. Of course he might be correct, but the thing is that Mr Dent sells books; he doesn't manage money.

So, let me end on some of my favourite funds. Most, if not all, have been covered in this column at some point. For those looking for an all-weather fund, I suggest looking at RIT Capital Partners – a multi-asset portfolio aiming to shelter investors' wealth in difficult
markets. Placing your money alongside the trust's chairman, Jacob Rothschild, can surely not be a bad thing.

In Europe, Richard Pease is part-owner of the boutique fund manager Crux Asset Management. He has done a tremendous job managing European equities for investors over his career.

In Asia, Angus Tulloch and his team at First State have served investors well and I see no reason why they shouldn't continue to do so. In Japan I would suggest Stephen Harker at Man GLG, and, for a good international income fund, the Murray International Trust.

In the UK, my perennial favourites include Neil Woodford, Nick Train, Giles Hargreave and Harry Nimmo, to name a few.

You will probably note I haven't mentioned America, which has been a source of some frustration over the years; it has been impossible to find the Neil Woodford of the US.

To conclude, remember that patience and infrequent trading are an investor's friend. I would also suggest not focusing too heavily on specialist areas of investment, where investors often get burnt. Instead, maintain a healthy level of diversification.

I wish you many happy years of prosperous investing.