**ARE YOU OWNED BY AN INVESTMENT?**

Sometimes in life we are lucky or skillful enough to place our money in an investment that performs so well that it exceeds our wildest expectations. While this good fortune might sound like a blessing, it does create some issues that have to be carefully managed to prevent this investment from taking over your life.

It might seem strange for someone to write about a successful investment becoming a problem in someone's life; surely such good fortune cannot be problematic? The recent announcement that Koos Bekker was retiring as CEO of Naspers provides a great example of how good fortune can become a real problem. According to Forbes, Naspers shares represent more than $1 billion of Mr Bekker's assets. It is nearly impossible for most of us to imagine this level of wealth. Now try imagine that the bulk of this is linked to one single business that you don't manage or control? What happens if the new CEO takes the company in a different and disastrous direction that causes the share price to plunge thereby evaporating your wealth? I am certainly not predicting this outcome for Naspers but it does illustrate how vulnerable such a vast fortune can be to a single event.

While this type of example might seem extreme, there are other more realistic examples. Decades ago, the earliest investors in companies such as Remgro, Didata and Liberty Holdings found themselves in a position where these specific shares became the largest asset that they owned.

Didata for example, had a meteoric rise in its share price, creating many millionaire shareholders. The company listed on the JSE at R1,50 in 1987 and 13 years later the share price was R70 a share. Sadly by 2003, the share price had plummeted to R2, just three years later. For those who invested a significant amount of money in Didata in the early days, the share would have represented a massive proportion of their wealth by the late 1990's. Can you imagine their horror when they watched the share price lose more than 80% within three years? The price never recovered and the company was delisted when it was bought out.

One cannot underestimate the impact of the stress caused by these types of price movements in one investment. This is especially true for those who are not experienced investors. The Wall Street Journal provided a great example in Mr Ross Miller who was a Finance Professor at a University in the USA. He invested in a company whose share price rocketed upwards within the space of a few months. Unfortunately the investment peaked and became very volatile posing real risks to Mr Miller's newfound wealth. According to his wife, the stress of monitoring this investment and trying to decide what to do with it became so severe that he died of sudden heart failure at age 59.

My advice to people who have such a significant exposure to one brilliant share is to sell small portions of your shares periodically to ensure that you have sufficient money stashed away for a rainy day. If you don't believe that this investment will ever have a collapse in its share price, remind yourself of the Didata example. You don't need to sell all your shares, sell just enough so that a significant drop in the share price will not compromise your current lifestyle.