Mayflower Capital
Independent Financial Advice

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The Five Worst Investing Mistakes

1. **Annuities in an IRA. Annuities provide a tax shelter which would not be needed inside of an IRA. Annuities have high fees, in many cases, and often a seven year early withdrawal (surrender) charge.**

2. **Structured notes that don't pay back all of the principal if the stock they are linked to goes down. This is a disguised contract in which the investor is duped into writing a naked Put option on a stock for a premium which is incorrectly labeled as a "yield" on a "Note". This should not be called a Note.**

3. **Don't buy an investment just because it has big dividends or a high interest rate, that could be a dangerous "junk bond" or junk quality company ready to blow up.**

4. **Avoid commodity futures based ETF's. They usually have significant tracking error so that they don't perform as well as the spot market commodity. They also suffer from "Contango" (negative yield roll) which also may hurt commodity futures investors compared to spot market physical commodity investors.**

5. **Avoid "inverse" ETF's. These are supposed to go up in value when the market is going down because they hold a "short sale" position in investments, but they do very poorly in tracking the results of an actual short sale.**