

For immediate release

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GUIDELINES FOR INVESTING IN A VOLATILE MARKET

- Free education course available on www.schwab-europe.com -

Recent volatility in the FTSE 100 has seen the benchmark index hovering around the symbolic 4000 mark and has left investors searching for a safe haven for their money. Charles Schwab Europe, the UK's leading online stockbroker, has developed an online education course that details the ways investors can protect their investments from volatility as well as identify buying opportunities.

The guidelines aim to reduce risk for investors who want to continue investing in shares. According to online course, which can be viewed by clicking on the Education Centre on the Charles Schwab website, investors should consider:

1. Including in their portfolio those companies with a low 'beta' – namely those whose share price has not been as volatile when compared to the market as a whole.
2. Shares with higher yields, as they can help offset any falls in share price.
3. Companies in sectors that historically do well in bear markets. Often known as 'defensive' stocks, these could include major pharmaceutical groups, food producers, makers of basic household products and electrical utilities – the companies behind products that will still sell in an economic recession..
4. Avoiding companies that usually do badly. House builders, cars, industrial materials or machinery, advertising and fund management companies have traditionally underperformed in falling, or 'bear' markets.
5. Buying companies with low market values in relation to sales, cash flow or profits, but with low debt.
6. Sticking to companies they know well, whose business model is easy to understand and which can be researched easily.
7. Drip-feeding their money into the market, called pound cost averaging', which can lower the average buying price when the market falls.

These guidelines are part of an online education course available on www.schwab-europe.com. The course describes what bear markets are, how to identify them, and how investors can adapt their investment strategy to them. In addition, Schwab has an online Risk Profile Questionnaire which investors can complete to determine their risk profile, free of charge.

Nigel Reynolds, director at Charles Schwab Europe, commented: "Volatile markets present both short term dangers and long-term opportunities. If investors take sensible precautions then they can defend themselves from the worst and come out on top. The basic rule of thumb is that you should choose your clothing to suit the environment: you wouldn't wear a wetsuit in the jungle and you should choose your financial wardrobe for the same reasons to stay comfortable and safe."

For more information about investing with Charles Schwab Europe investors should visit www.schwab-europe.com, call 0870 606 6655 or visit one of the company's investment centres in London, Birmingham, Milton Keynes, Brighton & Bristol.

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For Further Information:

Rebecca Mayo / David Butcher
Lansons Communications
Tel. 0207 490 8828
rebeccam@lansons.com / davidb@lansons.com

Notes to Editors:

Charles Schwab Europe is both the UK's leading nominee and online stockbroker. It is based in Birmingham and Milton Keynes, and has around 600 employees. To date, more than a million customers have traded with Charles Schwab Europe and the company manages around £5bn in customer assets.

The company offers dealing services in US and UK shares for UK and Swiss residents. Dealing is conducted through a variety of channels: face-to-face, telephone, "Touch Tone" and increasingly, the Internet. For UK residents dealing in UK shares the company offers brokerage services to individuals and investment clubs, and self select ISAs and PEPs. In June 1998 Charles Schwab Europe launched the first UK online dealing service and now has over 100,000 online customers representing over 135,000 online accounts, comprising more than 70% of the company's total business.

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