

# BOUNCING BACK

There is no doubt that the last 12-18 months have been tough - and the big question is have we yet reached the low point?

Let's hope so!

Economic conditions it would appear will remain challenging for the rest of 2009.

The downturn as we know has lead to financial loss, job losses and a great deal of upheaval and uncertainty both in our work environments and at home.

Very few investors will have come through the last 12-18 months unscathed by the financial fallout.

However, despite the loss, suffering and sacrifice, this financial crisis will in the future influence the way we invest.

We should in all, be a lot wiser about the way we invest, where we invest and how we invest in the future.

Let's look at some key points

- Good times don't last forever—Good times come and go!
- Risk is Important—You might well say, well that's nothing new. But it is something that has been overlooked. Higher returns invariably come with higher risk and this was no better illustrated by the collapse of the finance companies.
- Diversify if you must so that next time around all your investments are not all caught by the same investment cycle downturn.
- Hold on to your long term investment strategy. For example, for those of you who sold shares in March 2009 when the markets bottomed out, have missed on a minimum of 19% growth since then. Surprised?!

This makes it increasingly difficult to know when to enter and exit the market so you always need to revert back to what was your long term investment strategy.

- Stick with what you know
  - What you are comfortable with.
  - What you are buying.
  - What you can sleep on!

## ***Purpose with Profit***

*Perriam and Partners Ltd*

*Chartered Accountants & Business Advisors – Christchurch  
Unit 4, 35 Sir William Pickering Drive, Canterbury Technology Park  
PO Box 20-222*

*CHRISTCHURCH ph: 03 358 3108 fx: 03 358 3120*