

# Surviving Turbulent Times

*Despite popular opinion to the contrary, markets are probably less risky now than they were two years ago. Right now it's time to consider your long term plan, look at your circumstances, and find the strength to get back into the market.*

*The markets will not recover overnight but they will recover !*

Surviving poor performing investment markets can be very trying. Many of you are probably feeling disappointed and disillusioned at best and depressed and despairing at worst. Financial markets are not providing much inspiration at present. However, these periods never last and there will be light at the end of the tunnel. The question is : How long is the tunnel ?

The most important thing to remember is that markets fall, then rise again. The last 2 years have seen some of the worst returns in equity markets however, some of the greatest returns in equities come after some of the worst.

In turbulent times people are driven by fear. They become afraid and stop investing. If you could remove the emotions (very difficult) you would be saying "It's a great time to invest, everything is such a bargain". Unfortunately, human response is emotional, and fear influences our thoughts and our rational actions.

While no one can predict when the market will rise again, history tells us that eventually it will. If you are invested at this point you'll experience good gains.

How differently would we react if we saw headlines like :-

***"Sharemarket - best opportunity for decades"***

***"Companies for Sale – Mega Markdowns"***

Savvy investors are already looking for the bargains.

The best way to deal with current market conditions is to focus on the long term and remember your initial investment goals.

It might still take six months or more, but the economy will gradually start to recover. Many of you will be feeling the pain of another negative return. Remember the simple rules to long term wealth creation and the pain may subside.

## **What you can do!**

- Focus on your long term strategy not short term fluctuations.
- Start or increase regular investment.
- Retain existing investments
- See a financial adviser.

## **Why?**

*This may help alleviate the pain suffered whilst your balance is in the red.*

*Buying more units at lower prices.*

*Eventually markets do recover and your investment is returned to its former balance and beyond.*

*For reassurance and to keep your financial plan on track.*

## **What you shouldn't do!**

- Panic and withdraw your investment.
- Decide you hate the share market and will never invest again.

## **Why?**

*You cash in at a low point and lose money.*

*Historically share markets have been the asset class which has delivered the greatest returns.*