

Wealth News

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Information from Power Investment Services and CFS* to help keep your financial life in balance

Consumer Sense

Steps to Survival

You would be hard pressed to turn on the television and not be bombarded with reports that paint a bleak picture of the ailing economy and failing financial markets. With the recent market downturn, you've likely seen your own portfolio decline in value, and are concerned about how to best weather this storm. Like many investors, you also might be fighting waves of panic as you try to decide whether or not today is the day you liquidate your investment accounts, and stash the remaining cash under your mattress.

In order to be better prepared to manage the ups and downs of this economy, while still achieving your long term financial goals, consider incorporating key investing fundamentals into your overall investment plan. Some fundamental investment principles may include: diversification, and adherence to a long-term financial plan.

Source:

<http://www.sec.gov/investor/pubs/assetallocation.htm>

Have You Read...

The Intelligent Investor: The Definitive Book on Value Investing. A Book of Practical Counsel by Benjamin Graham, Jason Zweig, Warren E. Buffett. *This book is for true investors, not speculators or day traders. This policy is inherently for the longer term and requires a commitment of effort. Where the speculator follows market trends, the investor uses discipline, research, and his analytical ability to make unpopular but sound*

Emotional Investing

In times of uncertainty, investors often allow their financial decisions to be based upon emotions, which may not always prove to be the best approach in the long run. By allowing emotions to drive your investment decisions, you run the risk of missing out on the rewards when the financial markets rebound. Although past performance is no guarantee of future results, those who have stayed invested for the long-term have generally been rewarded for their patience. In fact, many investors perceive market declines as an opportunity to expand their financial portfolios. Warren Buffet is quoted as saying, "Look at market fluctuations as your friend rather than your enemy; profit from folly rather than participate in it." During these volatile times, investors should re-evaluate, and then stick to their financial plan, putting fears aside as to not cloud their thinking.

Reassess Your Portfolio

According to the Securities Exchange Commission (SEC), the practice of spreading money among different investment to help reduce risk is known as *diversification*. If your investments are heavily weighted in just one or two asset classes, then diversifying your portfolio might help minimize the volatility of your portfolio should turbulent markets continue. A regular review of your investment portfolio holdings can help keep you on track to attain important financial goals without incurring unnecessary risk.

Who Can Assist Me?

Now is a great time to meet with an investment professional at your credit union for a financial review. Together, you can analyze your portfolio to ensure that it is properly diversified. To learn more about working with a financial advisor, contact your credit union

Interested in Learning More?

We specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call us to set an appointment to review your investment objectives, and to discuss any questions you might have. We look forward to speaking with you!

Curtis Dabros, Doug Brown & Steve Calcutt
954-538-4428

Do you have a topic you'd like to see covered in future Wealth News newsletters? Email your questions and comments to me at DBrown@PowerFi.org

