

Life Matters



Ellen Schafer

Feel the Fear & Do it Anyway!

Most people are well aware that when you are purchasing a long term investment it is 'ideal' to buy when the investment has gone down in value - but very few actually have the courage to do it.

There is a reason for this of course and it is called FEAR.

Tip Toeing through the tulips.

When you actually get one of those rare opportunities to 'buy low' it's not as though you are walking along a country lane surrounded by wild flowers wherever you look. Where the air is filled with fragrance and the promise of spring! Then someone comes skipping up to you with a big smile and offers you the bargain of a life time.

Nope.....it's nothing like that.

In fact the sky will be dark and menacing. Overcast to the extreme and the breeze that fills your nostrils will be tinged with the fear of a storm the like of which you have never seen before. The lightening and thunder will be so loud it will rattle your bones.....and that's when the bargains will emerge.

The news will be all bad!

What they don't tell you when you hear that you should 'buy low' is that at the time you are expected to 'buy low' the reasons for the asset prices dropping will be many and varied but one thing is for certain the news about the investment is usually all bad!

The investment herd, who scare easy at the best of times, will be running around like chooks with their heads cut off and every ding-a-ling that doesn't ordinarily get a hearing in the press or on TV will be coming out of the wood work with dooms day stories.....but shrewd investors will be out there doing their home work and then buying up at bargain prices.

No buyers means no market.

It is worth remembering that no market exists if there are no buyers out there. So every time you hear that the value of Australia's blue chip shares (ASX 200) has dropped - some investors have just bought the shares at the lower price.....many of whom are probably seriously wealthy because they take 'calculated' risk and they are 'patient'. I think it was Warren Buffet who first coined the phrase 'the transfer of wealth is from the impatient to the patient!'

Blue chip companies are survivors.

Let's look at the survival of share markets in the developed world over the last 100 years or so. They have endured two world wars and dozens of others, numerous economic down turns and even depressions, terrorists attacks, credit squeezes and just about every other economic and human calamity you can think of.....and in the past they have always continued their torturous upward spiral to increase in value.....but then - of course - this time it 'could' be different?

Or could it?

Is this one of those times when opportunity is knocking very loudly? Could it be that within 18 months the ASX 200 will be above its previous highest point? Or could it be different this time? Could it be that even though an atomic bomb off shore didn't stop it in the past - houses dropping in value in the US will finish it off once and for all this time?

Calculated risk

NOPE! Our bet is that this is one of those opportunities of a life time and whether you decide to do anything about it or not is your 'call' - but we wanted you to remember that you heard it first from us

that if you have a five to seven year investment time horizon you could well be looking at the current share market as the buy of a life time!

If you want to hear more you can 'dare' to attend our "Opportunity Knocks" FREE investment workshop to be held in our Buderim offices at 6pm on Wednesday 23rd April.

We don't have heaps of room so if you are interested we suggest that you ring Cathy on 5445 6044 and reserve a seat for yourself and your partner.



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