



PORTFOLIO STRATEGIES

c o r p o r a t i o n

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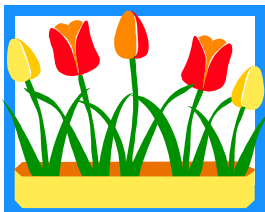
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Random Thoughts

Every thought is a seed. If you plant crab apples, don't count on harvesting Golden Delicious.
~Bill Meyer

Every day may not be good, but there's something good in every day.
~Author Unknown

A good plan is like a road map: it shows the final destination and usually the best way to get there.
~H. Stanley Judd



Did you know....

The NASDAQ stock exchange was totally disabled for 82 minutes in December 1987 when a squirrel burrowed through a telephone line.

TIP is the acronym for "To Insure Promptness."

The term "Blue Chip" comes from the color of the poker chip with the highest value, blue

A million dollars' worth of \$100 bills weighs only 10 kg (22 lb).

Emotional Investing: Why We Buy High and Sell Low

I recently came across a reprint of an article from BusinessWeek magazine dated August 13, 1979 titled "The Death of Equities". After 13 years of rapid inflation and ten years of returns on equities averaging less than 3%, it appeared to be all over for equities. No one would ever buy them again.

However, shortly after that cover story ran, the spectacular bull market of the 1980s took off. Over the next four years, stocks doubled in value and showed a 2,500 % return over the following couple of decades.

<http://stockcharts.com/freecharts/historical/djia19601980.html>

Business Week recently commented on this historic article with the following: "The story has aroused some controversy over the years, as the stock market staged a strong comeback in the decades that followed its publication. But few, if any, market forecasters were willing to call such a recovery at the time".

This article shows how even the media can get caught up in short term trends, which can have a huge impact on our investing decisions. Emotions play a big a role in the way people invest, such as buying or selling out of an overreaction to the latest news. "Buy low, sell high", is the golden rule of successful investing, or as Warren Buffet quoted "*Be fearful when others are greedy and greedy when others are fearful*" It makes sense, yet sometimes, you find yourself doing the exact opposite. You are not alone

Yes, markets fluctuate and your investments decrease in value from time to time. You know that you have to ride the ups and downs, however, you do want to come out ahead in the long run.

So, what happens when the markets take a serious plunge? Suddenly riding things out may no longer seem like such a great idea. So you sell—low. Then at some point, you notice that the markets have been doing well for a couple of years. Investing seems like a good idea again. So you buy—high. Unfortunately, this is how many investors operate.

To avoid selling at the wrong time, make sure you know what your long-term investment goals are, and whether your current investments still fit with those goals. Make sure to:

- Choose top quality, diversified investments.
- Refrain from thinking about how much the market has fallen, or worrying about how much further it will fall.
- Stick with your goals, and review them often
- Resist the urge to constantly check up on your investments if doing so creates anxiety.

As a financial advisor, I stay up to date on current investment news so I can help you to make informed, objective decisions. If your income, time horizon, or investment needs have changed, we can review whether your portfolio needs to be adjusted.

I encourage you to stay informed about financial matters. Just make sure to use a reputable source that provides balanced and reliable information.

Keeping emotions out of financial matters seems almost impossible, but it is crucial to successful investing. Please call our office if you have any concerns.

Let us know what you think of our newsletter. Reply to this email, and your name will be entered into a draw to win a movie date night.

Keeping you informed:

2012 federal budget highlights

<http://www.canada.com/business/2012+federal+budget+highlights/6380795/story.html>

Who to choose as executor?

<http://www.moneysense.ca/2012/04/17/who-to-choose-as-executor/>

Investment Warfare: "Be Fearful When Others Are Greedy and Greedy When Others Are Fearful"

<http://www.gurufocus.com/news/4199/investment-warfare-be-fearful-when-others-are-greedy-and-greedy-when-others-are-fearful--warren-buffett>