

A new year – a great time to plan

- 2008 was a very challenging year for investors. Many people are hurting and in terrible financial situations. Quite simply they need help.
- The good news is that falls in investments of around 50% are the exception rather than the rule. Drops in investment values also create opportunities.
- Many people will return from the Christmas and New Year period with a resolve to take stock of their finances. This is commendable but like all resolutions it can quickly take a back seat to other pressures of life if we let it.
- Now is the time to look at your position, seek professional advice and make sure you are doing the right things. Some of these include:
 1. Protect your assets.
 2. Minimise unnecessarily high interest costs on debt and focus on paying off non-deductible loans as quickly as possible.
 3. Put your assets to work safely and sensibly.
 4. Research thoroughly and understand the investment you are making. If you do not fully understand it or it seems too good to be true - do not do it.
 5. Don't discount your super. Make it work hard for you. Small differences in fees or returns can make huge differences down the track.
- The financial world is overly complex and can be confusing and daunting for many people.
- Having a trusted adviser to assist you by cutting through the clutter and helping you to get clarity is vital these days.
- The rules are always changing (as is the value of investment portfolios) so it is vital you know what you are entitled to.
- The government are encouraging people to investigate their entitlements and we have seen a huge rise in the number of people now eligible for Centrelink benefits.
- Many people have invested in supposedly safe investments (e.g. mortgage funds) only to find out they were not that safe after all.
- We still have many funds where investments are frozen but this situation is changing all the time. You need to revisit this regularly.