



The financial year has come to an end, and very soon people will start to receive their annual statements from their super fund, pension fund or other investment funds. So how will things look when they receive their statements?

In short, it will look disappointing for many people.

Despite the fact that we have seen a rebound in investment markets over the last 4 months, returns are likely to be significantly negative for most people. For example, the average balanced superannuation fund achieved a return of -13% for the year ended 30 June 2009 according to research from Chant West.

This will come as quite a surprise to many people, even though there has been widespread media coverage of the Global Financial Crisis and the flow on affects on sharemarkets around the world. However, despite the enormous negative impact on sharemarkets, according to Chant West research, the average balanced superannuation fund has returned 8.0% pa over the last 5 years.

So what should people do? Unfortunately, we can't give a "one-size-fits-all" answer to that question.

In many cases, people will have the investment timeframe to be able to hold their nerve and sit tight through the volatility. In other cases, though, people may not have the luxury of being able to do so.

Our recommendation is that if people have any concerns they should talk to their financial adviser.

As always, if you wish to discuss anything with us feel free to call at any time.

Yours sincerely

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