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From: ShineWing Australia <marketing@shinewing.com.au>
Sent: Tuesday, 4 October 2016 12:08 PM
To:
Subject: Investment Insights - staying in your seat

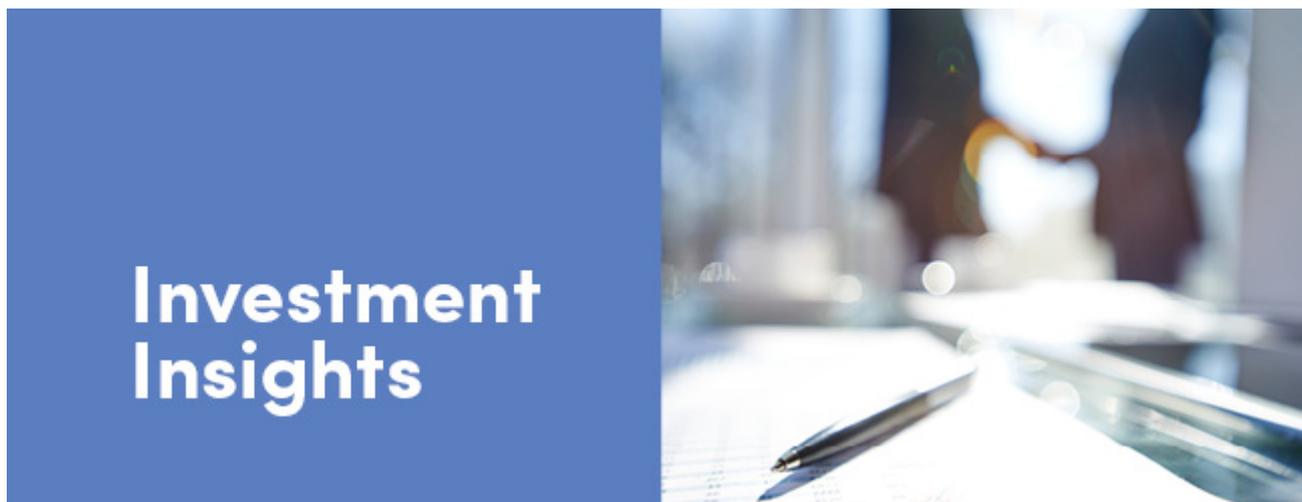
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Hello, and welcome to the first edition of Investment Insights for the 2017 Financial Year.

Over the past few years the team at ShineWing Australia has significantly increased their travel within Australia and overseas as we continue to assist our clients grow and expand their business and personal interests around Australia and Asia. What we often find curious is the behaviour of almost all travellers upon arrival at their destination. You all know the drill, plane lands, taxis to the terminal and as soon as the seatbelt light goes off, EVERYONE jumps up to grab their bags. People push, shove and jockey for position and more often than you think someone gets

inadvertently hit in the head as others reach to pull out their luggage...only to stand around for another 5-10 minutes waiting to actually get off.

This daily occurrence reminded us of the investment philosophy of staying invested, or as we often like to say "**Don't Just Do Something, Sit There!**". Investment markets are unpredictable things, when you think everything tells you they will go up they go down and when everything tells you they will go down they go up. Following up on our last missive in June on the U.K. "Brexit", and other alleged catastrophes, we found this piece from Scott Phillips in The Age which wonderfully captured our sentiments in an article titled ["While the 'smart money' dithered after Brexit, the market jumped"](#).

You should read the article in full, but if you don't have time here are the most important parts:

- Do you remember, back in the day, how people were worried about Grexit? You know, the chance that Greece would leave the eurozone and really upset the apple cart. Yep, didn't happen.
- And how everyone was pretty relaxed about Brexit, because – let's face it – the Poms weren't silly enough to vote "leave", right? But they did.
- Markets went into a [tailspin](#) ... oh, that's right, they didn't. They panicked for the sum total of about a day, before pulling themselves back together and getting on with it.
- And how everyone was worried about the prospect of a coup in Turkey. The newspapers were full of speculation of it happening, the geopolitical ramifications, and shares crashed. You're right – I just made that bit up. No one was expecting a coup attempt.

So, in summary:

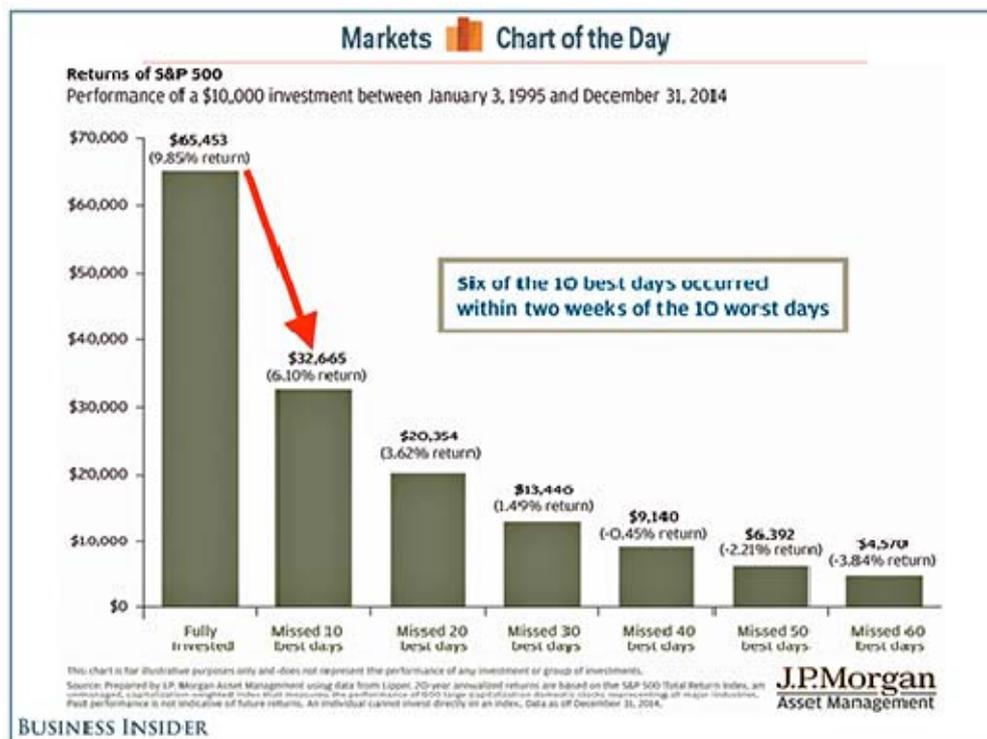
- Markets panicked about something that didn't happen (Grexit);
- Didn't panic about something that did happen (Brexit), but that was a financial non-event; and
- One that no one saw coming and almost happened, but didn't (the Turkish coup).

After the Brexit vote, yes markets did fall, but since then have continued to rise and are up about 3% since the vote (and at one point where up as much as 10% post vote) so those who got out of the market before Brexit and didn't go back in almost immediately after the drop (and they wouldn't have for fear of a further drop) are out of pocket somewhere between 3% and 10%. So what does this microcosm of events that happen almost monthly tell us?

Just like getting out of you seat as soon as the seatbelt sign is turned off doesn't get you off the plane any sooner (and puts you in danger of being hit be someone else's luggage), getting out of the market and then trying to work out when to get back in is unlikely to get you a better return.

Still not convinced?

How about the chart below (*Hat Tip to Business Insider and JP Morgan Asset Management*). Trying to jump out of your seat, miss the bad times and then sit down again for the good times can have a significantly detrimental effect to your long term financial health.



So our advice has been and always will be, stay invested as no matter how smart you are (or think you are) you will likely miss the upside. As a bonus this quarter, we also recommend the next time you fly stay in your seat once the seatbelt sign has been turned off, at least you won't risk being hit by an errant suitcase.

If you would like to discuss any aspect of your strategy and investments, or you would like help putting one together, please contact one of our advisors today.

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