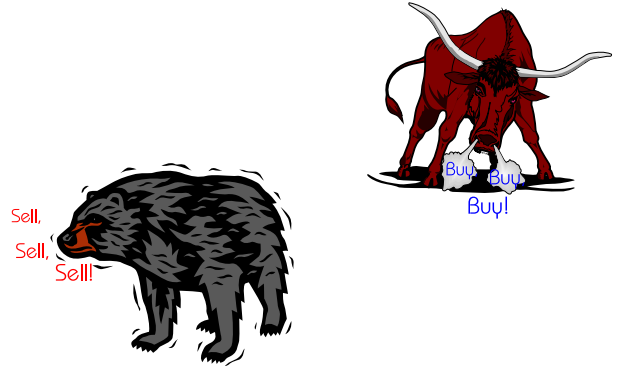




## THE PSYCHOLOGY OF INVESTING, PART 1

As 2008 comes to a close, investors may be feeling the disappointment of capital losses. Those with superannuation policies may be feeling dismay as they contemplate staying at work a little longer than planned. And, others may be worrying about whether or not they will keep their job in the new year. The last thing we might be thinking about is our own wealth creation plan. We may be more interested in preserving cash. Some in the US have even placed their cash in term deposits bearing 0% interest.



It may be interesting to know that we think alike. And, in the case of the share market, there are many of us, each thinking the same way. From the accompanying issue of HQ, we know that we can react with fear or greed. And when we do, we may ultimately cause share prices to decline (times of fear) or rise (times of greed). The research on investing calls this tendency social herding.

But there's more, there is also The January Effect. In December each year, investors tend to sell out of their investment 'lemons', in turn, causing share prices to fall. In the subsequent January, investors find themselves cashed up (from previous sales, holiday pay and bonuses). So, they tend to buy new shares for their portfolio, in turn, causing share prices to rise. This Effect is more pronounced during late December / early January and less pronounced in early December / late January.

Part 2 of Psychology of Investing will be released in December 2009. It will look at other psychological aspects of investing. In the interim, you may like to be alert to when people are acting in concert with one another. You may find that this is not limited to the share market. And, once you have identified any social herding, you may like to think about whether it is worth your while to come on-board with everyone else, or whether alternate action might better serve your interests. And for the rest, you can look forward to a wealthier 2009 and beyond.

### OUR MISSION

To provide a professional service, using best practices.

### OUR MOTTO

- Be Proactive.
- Take Charge of Your Career.
- Look After Your Health.

Membership: \$55 per calendar year.

As membership grows, so too, do your benefits.

Applications for membership can be made by completing the reply slip on the back of HQ™. Send it, along with your cheque, to the address shown below. And, remember to keep us posted on your correct contact details.

Your opinions are important to us. Your comments, thoughts, reflections, and feedback on this and future issues are always welcome. Enquiries, or requests for further information can also be made to the address below.

## FOOD FOR THOUGHT

In *The Creative Edge*, Brent Taylor tells us that our most successful icons were 'outsiders' in their youth. These icons also directed their energies towards their talents from a young age.

Whilst it may be too late to start nurturing our own innate abilities from yesterday, we can do so from today. And, you may be delightfully surprised to discover where your passions and interests can lead.

## MORE FOOD FOR THOUGHT

In the current economic climate, many may be worried about their job security.

It may thus be a good time to take stock of your career and fortify your KSAs for the future. You may like to consider where your employer is headed and whether you have the necessary skills to travel with your employer. If not, you may like to seek out relevant training. You may also like to work on a team project where you can learn new skills or showcase your capabilities.

It may also be worth your while to identify opportunities your employer can tap into. And once you have found those opportunities, you can consider what you have to offer your employers that would help them tap into those opportunities. The more unique your contribution, the more valued, and ultimately the more employable, you will be.

So, how will you keep yourself employable for 2009 and beyond?

## SEASONS GREETING

We would like to wish all our clients, members and colleagues all the best for the festive season and 2009. We will be open over this period, except for Christmas Day and New Year's Day.

## LIBRARY HOUR

The **RACHEL ABRAMSON & ASSOCIATES** library is open following our **SEMINARS OF THE FUTURE™** and **PPP™** seminars. It is also open by appointment.

## DIARY DATES FOR 2009

### March

PP1: Setting Up Your Practice: What You Need to Know  
PP11: Databases and How to Make them Work for You  
Overcoming Barriers to Your Career Success

### April

PP46: Staying 'A-live' - Reviewing the Basics  
PP2: Handling the Paperwork, Including the GST  
PP12: Websites and Marketing for the New Millennium

### May

PP3: Processes and Procedures that Work  
PP13: Entrepreneurial Spirit: Qualities of an Entrepreneur and How to Develop it  
Managing Office Politics

### June

PP4: Determining Your Price and Fee Setting  
PP14: Entrepreneurial Spirit: Identifying Opportunities  
PP47: Staying 'A-live' - Reviewing the Enterprise

### July

Managing Workplace Conflict  
PP5: Budgets and Cash Flows  
PP15: Entrepreneurial Spirit: Evaluating Opportunities

### August

PP6: Marketing Your Practice: Your 'Product'  
PP16: Entrepreneurial Spirit: Developing Your Business Strategy  
PP48: Staying 'A-live' - Reviewing the Staffing

### September

PP17: Entrepreneurial Spirit: Managing Partners, Other Entrepreneurs and Venture Capitalists  
Harnessing the Mind-Body Connection for Your Career Success  
PP7: Marketing Your Practice: Promotion Strategies that Work

### October

PP8: Marketing Your Practice: Getting Your Image Right  
PP18: Security Issues: Your Self, Your 'Product', Your I.P., Your Staff  
PP49: Staying 'A-live' - Consolidating the Growth

### November

PP9: Marketing Your Practice: Alternate Places for Your Product  
PP19: Growing Your Business as a Saleable Asset: Harvesting Your Business' Worth and Exit Strategies  
Unlocking Your Inner Career Potential

### December

PP20: Going Global: Issues to Consider  
PP50: Staying 'A-live' - The Next Steps  
PP10: Marketing Your Practice: Databases for Your Practice