

In the Financial Planning Email Update a few months ago, I began a series entitled “The Top 10 Reasons Why Investors are Successful” in which we reviewed the #10 reason is “The Successful Investor has a Positive Attitude”, the #9 reason is “The Successful Investor leads a Balanced Life”, the #8 reason is “The successful Investor has a Sound Investment Philosophy”, the #7 reason is “The successful Investor has a Contrarian Investor Behaviour”, the #6 reason is “You have a strategy against the Media” and the #5 reason is “You utilize smart money strategies”. This month we will discover what the #4, #3, #2 and #1 reasons are that investors are successful.

#4 Have a Financial Plan and Set Financial Goals in Life

Do you remember what the Cheshire Cat said to Alice in Wonderland?

“If you don’t know where you are going, then it doesn’t matter which road you take, does it?”

Many people spend more time planning the purchase of their next car or vacation than they spend planning for their retirement. Can you imagine going on a vacation without first deciding where to go? Would you go to the airport and choose your destination by looking at the departure screen? But that is basically what a lot of people do during RRSP season. They choose the GIC of the month, or the mutual fund of the month, or the investment at the most convenient financial institution. Without thinking of what they are trying to accomplish with it other than this year’s tax deduction. They don’t plan to fail; they just fail to plan.

Many years ago, my son Jason was first learning to drive, he focused on the white line in front of the hood of the car. He was weaving around trying to keep the car about 6 inches from that line and just couldn’t do it. We told him that that was not his goal. His real goal was several blocks away. When he focused on the right goal the car seemed to stay automatically about 6 inches from the white line.

It is similar with the stock market. If you look at a chart of the 6 month or 1 year returns the returns are a zig zag but the 10 or 15 year returns are a fairly smooth curve. When you focus on long term goals, then life becomes a lot smoother and the bumps appear smaller and more manageable. If you don’t have a plan then you don’t know which goals to focus on. If you don’t know where you are going, how will you know when you’ve arrived?

#3 You have confidence and faith in the future and a belief in our world economy, professional money managers, and Investment markets.

In investments, we have business cycles like the four seasons, which we have faith and believe that each will come and go.

#2 You are Persistent, Patient and Calm

Remember, the old Chinese symbol for Crisis is opportunity and danger.

I am reminded here of all my earliest clients from the early to Mid '80's. Much patience and persistence was required to stick out the crash of 1987, the Middle East War of 1991, 9/11 Terrorist Attacks as well as the Financial Crisis in 2008-2009. Today this patience has been rewarded as these clients, including myself and my family have accumulated significant wealth as a result.

AND the #1 Reason why investors are successful.

They have a dedicated, educated, service oriented, experienced, committed and trusted financial advisor.

The Mutual Fund or Investment Fund Industry has taken the concept of compounding and gone too far with the increasing number of funds available over the years. When I began in Financial Planning in the early 80's, when you looked in the newspaper under Investment Funds, all the available funds took 4 square inches of line space and totaled 162 funds to choose from. Today there are a total of 23,710 Canadian mutual funds and 871 Canadian ETF's (exchange traded funds) listed on the Morning Star research database. This makes investing much more confusing to the average investor.

As your financial planner Amanda and I establish an investment plan based on your goals and concerns. We send out a quarterly report and anniversary review and follow up with a personal telephone interview (if we can track you down). We perform ongoing research to identify the best investment opportunities and monitor our recommended portfolio and make any recommendations to change, if this is in your best interest. We are constantly advising clients on various other financial matters such as Estate Planning, Tax Planning and preparation (to take advantage of all the tax laws), budgeting, car purchases, interest rate trends re: mortgages and GIC's. Well you get the idea!!! We are here to help you in any way we can.

Well that's the Top 10 Reasons why Investors are successful, according to my observations.

A few years ago Harvard university did a survey of 95 year olds in the United States and ask them if you had your life to live over again what would you do differently?

The study concluded that there were three ideas:

1. They would reflect more
2. They would Risk more and
3. They would do more that will live on and have meaning to others after they are gone

I hope this has helped each of you. It is really me, sharing with you, my life's journey and passion. Financial Planning and the pursuit of financial success is like climbing a mountain carrying a heavy back pack. If you would like, I invite each of you to get together with Amanda or I, sit down, take off your back pack and plan how we will get to the top of the mountain.

Amanda and I are both qualified CERTIFIED FINANCIAL PLANNER® professionals at your service to assist in all areas of comprehensive financial planning including financial goal discovery, cash flow/budget analysis, retirement income planning, tax savings, estate planning, insurance needs analysis, investment planning, education saving planning, special purpose or major purchase planning.

I wish to thank you for your continued confidence and for the opportunity to serve you in all aspects of Financial Planning. As always, I will continue to keep in touch with you but if you have any questions or concerns that you would like to discuss or review, please do not hesitate to email or call Amanda or I at 519-894-2661 or toll free 1-800-716-5538. Have a great day.

Respectfully Yours, Gary

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