



Your
guide to
key
financial
issues of
today

This month: **January
2012**

Helping you maximise the
effectiveness of your financial
planning

Business & Personal Investment
Limited
Tel: 01494 442 700
E-mail: info@bpinvestment.com
Web: www.bpinvestment.com
49 Castle Street, High Wycombe,
Bucks. HP13 6RN

Registered in England at the above
address, No. 3852280.

Business & Personal Investment Ltd.
is authorised and regulated by the
Financial Services Authority.

Investing in difficult times

Remember, just like a free lunch, in investment there is no such thing as “a sure thing”. Here we look at investment fundamentals in precarious markets.



Which way to jump?

Market downturns are a fact of life. Macro economics dictate that markets, by their very nature, will fluctuate between boom and bust. However, very valuable lessons have been learnt through these gyrations. Ensure your portfolio is as diverse as possible. Equities, Fixed Income, Commodities, and Property should all play a part in your portfolio; however, make sure you can track each asset class you are invested in. Also ensure that you maintain liquidity by keeping a degree of cash to enable you to take advantage of any opportunities that may crop up unexpectedly.

As it is almost impossible to call the top and bottom of markets, patience is a virtue, so be prepared for any market lag that inevitably occurs.

Remember also that you personally cannot affect the markets – unless you are a George Soros or a Sovereign Wealth Fund. Multiple influences are at work; financial, legal, political, economic and demographic.

Are Eurobonds the answer?

With Greece, Ireland, and Portugal currently receiving the largesse of the ECB and the IMF to ensure that they do not default on their sovereign debt, the problems are compounding with both Spain and Italy being forced to accept unsustainably high interest rates to service their current refinancing requirements.

Can Eurobonds – sovereign debt underwritten by all 17 members of the Eurozone - be the answer? By definition, Eurobonds thus denominated would appeal to many of the struggling countries as they would benefit from the security offered by the perceived strength of countries such as Germany.

Prioritise protection.



Just about everyone is conscious of the need to be sure that in the event of untimely death of a breadwinner there is adequate financial provision for the ongoing needs of their family. Not everyone acts on this because of other financial priorities or perhaps because they (unwisely) feel confident they won't be the one falling victim. There are various forms of income protection, critical illness and life insurance that play a vital part in protecting the financial security of families.

If you would like us to help you solve financial problems, or to assist with financial planning, contact us on 01494 442 700 or e-mail: info@bpinvestment.com