

"Cat" Markets

We hear about "bull" markets and "bear" markets; in light of stock market experience of late maybe we now need to talk about "cat" markets.

Cat market? Ever heard the old saying--I don't know its origin--that a man who carries a cat by the tail learns something he can learn in no other way. As the markets do their gyrations, people are learning something about investments they can learn in no other way.

Of course, the way to hold a cat is exactly how it wants and exactly when. How and when to hold stocks is a little tougher to figure.

Even whether to hold stocks may be hard to figure. Sometimes holding them may be more like holding a panther than a pussycat.

Most people don't understand how uncommonly cooperative this kitty had been for the 10 or 15 years through early 2000. One expert recently commented regarding this period in the stock market that even a monkey throwing darts at the financial page might have done well.

As mature adults, we are all much smarter than monkeys, most of us are prettier, but we may not be as lucky. (Not even with a RABBIT foot!)

Often, I hear people brag about their portfolio rate of return. Too often, this return is in fact lower than unmanaged indices used as benchmarks for such investments.

But, hey, maybe these people have bragging rights anyway, considering that 80% of mutual funds fared worse than the S&P 500 index on average during the great years. And the managers of these mutual funds are for the most part well educated, highly dedicated, well organized and long experienced teams of professionals--not amateurs.

Bulls and bears, pussycats and panthers, rabbits and monkeys? Has investing begun to seem as though you're in a three ring circus? You may even feel you have your head in a LION'S mouth!

How do you escape?

Assuming a person's real concern is secure assets and income, not bragging rights, his focus should be less on stock picking--or bond picking or mutual fund picking or annuity picking or CD picking--and more on planning. Becoming extremely clear on what one wishes to accomplish, equally clear on the vehicles that in combination may work to get one there, then coordinating and strategizing to protect in the best way possible from existing threats -- these kinds of planning will serve well.

How? The first step is to seek help from a professional, one whose style is to guide you through this process. You will recognize him or her by several traits:

1. He will ask many questions about your circumstances, life goals, fears, tax situation
2. He will listen a lot
3. He will offer possible solutions ONLY after listening a lot
4. He will be well educated, and specialized in serving mature adults.

Follow these simple suggestions and you may soon be less concerned about the "cat" market, maybe even feel like a FATCAT, but more importantly you may enjoy the well deserved peace that comes as you see your finances PURRRing right along.