

Market Overview

As 2018 draws to a close investment markets will be remembered for the volatility experienced during the year. Not since 2008 have we seen such sharp sharemarket moves (both down and up). It has been a rollercoaster ride with a 10% sell off in February/March over fears of an expected rise in Global interest rates, from peaks at the end of January. Then a significant rally when these fears subsided which saw markets reach all time highs at the end of September.

Sharemarkets were underpinned by strong corporate earnings and improving global economic activity however volatility re-emerged in October when the much publicised USA/China trade tensions played out. This resulted in a "Sentiment" driven sell-off of another 10% from peaks.

Corrections are not enjoyable, however are not unusual either.

The reality is that "healthy" market corrections are much more common than significant declines, such as the global financial crisis - which are usually driven by a large shock to the economic system. In contrast, corrections can typically be the result of short-term sentiment driven by fear or the news of the season. For a time, this tends to overshadow the longer term, more stable economic environment.

In fact, long-run performance suggests that investors should typically expect at least a 5% drop in share markets at some point every year, and a 10% fall every other year. Because of growth in the rest of the year, this hasn't stopped 75% of the past 70 years delivering a positive outcome for share markets – and 90% of all 5 year periods. This is the long-run potential that share investments provide.

Pat to retire

At the end of this year Pat will have completed a combined 21 years as an adviser with Financial Strategies and Sentry Financial Services Ltd. Pat has decided to retire with his last day being Friday, 21st December 2018. ***"This has not been an easy decision, but it is time for me to fulfil some of my personal goals and enjoy more quality time with my wife Ginny. In addition, we are about to become grandparents, which is exciting news, and we will be able to assist our daughter and son-in-law in caring for their baby daughter"*** - says Pat.

Pat worked some 27 years with the BNZ in numerous locations throughout NZ as well as 3 years in Sydney, Australia. In 1997 he joined the office of Financial Strategies to work with Paul Murphy and then moved with Paul to the newly formed Sentry Financial Services business in 2004.

For Pat the past 21 years have flown by and they have been filled with plenty of ups and some downs. He has enjoyed his association with Sentry's clients and the friendships he has made with many. The team at Sentry wish Pat all the very best in his retirement.



Christmas Message

Ian, Pat, Judith, Katrina, and Kathryn wish you a very merry and safe Christmas and we hope the New Year brings you much success and happiness.



Our office will be closed from 4pm 21 December 2018 and will re-open on Monday 7 January 2019.

Brain Teaser

There is a family with both female and male children. Each of the boys has the same number of brothers as he has sisters. Each of the girls has twice as many brothers as she has sisters. How many boys and girls are there in this family?

The answer is on page 2

Sentry to cease giving insurance advice

Following Pat's decision to retire and with the regulation changes happening in the Insurance Industry next year, Ian has decided to **transfer the administration of Sentry's insurance business to another adviser** who specialises in this field.

With the best interest of clients in mind Sentry has entered a business relationship with **SHARE**. SHARE is a New Zealand based network of financial advisers with a common brand, systems and processes that specialise in insurance advice. They are unique amongst adviser networks in NZ because SHARE advisers own their business which drives them to protect their excellent reputation for providing a transparent, respectful and knowledgeable service.

SHARE have appointed **Fergus Smith** as the adviser who will be the point of contact for Sentry clients. So, if you have existing business and have a query or wish to discuss a personal insurance matter – Fergus will be the person to call. Fergus is a Registered Financial Adviser and has worked in the financial services sector since 1996 in roles in the United Kingdom and New Zealand. He has been an insurance adviser in Christchurch since 2008. He is very well qualified to assist in all aspects of personal, family and business insurance matters.

Fergus' contact details:

Office phone: 03 377 6168

Mobile: 021 288 2121

Email: fergus.smith@sharenz.com

Address: Unit 5, 12 Princess Street, Riccarton, Christchurch

Introducing: Patrick Clemenger

Patrick will join Sentry as an **investment adviser** in January 2019. He is a Certified Financial Planner (CFP) and an Authorised Financial Adviser (AFA). And he is a member of Financial Advice NZ (FANZ).

Patrick has a passion for the Investment Advisory Industry and believes in providing customers with objective, impartial financial advice that will ultimately assist them in reaching their financial goals and aspirations. Prior to becoming a Financial Adviser, Patrick worked as a Business Advisor and Financial Analyst at Inland Revenue. Ian and Pat have known Patrick for some time and are confident his work ethic and commitment to clients will fit well with Sentry's ethos.



Welcoming Kathryn

I joined Sentry Financial at the start of July this year and have been welcomed into a great team, everyone has made me feel very welcome. I am really enjoying my role as Receptionist.

I haven't worked in Administration for very long but so far, I am enjoying learning new skills and putting to use what I learnt while studying.

Outside of work my main hobby is hockey. I come from a hockey family that have all played throughout their lives and I myself have played for 17 years.

I am also a big animal person, currently living with family in Leeston we have 3 dogs, sheep, ducks and a rabbit, we are also looking at getting goats at some stage.

Brain Teaser Answer

4 boys 3 girls



Staff Movements

Out with the old and in with the new – as the saying goes: -

In July we said farewell to **Lydia** and wished her all the best as she set off to Europe on her BIG OE.

And we welcomed **Kathryn Farmer** to the Sentry Team - as our receptionist and first point of contact person. So next time you are in the office, Kathryn will greet you with a warm smile.

Friday, 21 December will be **Pat's** last day at Sentry. Pat has decided to take down his Investment and Insurance Adviser *shingle* and join the ranks of retirement. We will miss Pat and his story telling and his unforgettable contagious laugh.

In January **Patrick Clemenger** (yes, another Patrick, purely a coincidence) will start at Sentry Financial. We are looking forward to Patrick becoming part of our team.

The market is a pendulum that forever swings between unsustainable optimism and unjustified pessimism. Long-term investors are realists who sell to optimists and buy from pessimists.
Benjamin Graham (1894-1976)

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