

## **Investment Strategy For 2007**

Dear Investor,

One of our three resolutions this year is that it will be the best ever for our investments. If you share this resolution, then read on....

### **LDI's Bulls Eye**

Financial empowerment through investments in the stock market should be based on a simple strategy that:

- is easy to understand;
- recognises and capitalises on dominant market trends;
- is founded and operated on patience; and
- works.

LDI's bulls eye investment strategy is aimed at buying stocks when they are fundamentally undervalued. However, we do realise that this may not always be the case. Therefore, when stocks are overpriced we advise our clients to wait patiently whilst sheltering their money in the money market where the real value of their investments is maintained.

We believe that an investor can become rich beyond his/her wildest dreams by identifying and investing his/her money in very few stocks (maximum of 12) over his/her life time. This method of investment is totally at variance with the traditional practice of diversification inherent in the mutual fund and unit fund – the most wildly applied investment methods.

LDI's bulls eye investment strategy works best with an investor who is patient for an opportunity to buy an underpriced stock. So many investors have lost vast amount of money by being impatient and buying shares just for the fun of it, as a status symbol or because of the need to be involved in the stock market. A good investor must wait patiently for the market to come to him/her.

With LDI's bull's eye investment strategy, stocks are analysed for their fundamental values using performance metrics that include but not limited to:

- earnings trend;
- liquidity (cash);
- asset quality;
- capital adequacy;
- price earnings ratio;
- price sales ratio; and
- management.

The performance metrics also represent a tool to measure the degree to which a stock is either undervalued or overvalued. With this approach, investment decisions are no longer based on subjective factors but on fundamental basis analysis and values.

The problem with most investors is that they fail to take advantage of good investment opportunities because their money is tied in other investments that are not performing or has been lost on a bad stock that should never have been bought originally.

We advise that your focus now should be on planning ahead. Find out which stocks you like and the amount you will like to investment on them. This is perhaps the difficult part in your investment process. Take heart, because this is where we come in with our expertise. We will take the load off your shoulders by presenting you with the best stock investment opportunities (stock picks) based on diligent fundamental analysis of performance and prospects.

It's about nothing but patience. It is just that plain. Best investment method involves looking for dominant market trends and then taking advantage of them when they line up.

P.S. To discuss further, why don't you call us and schedule a meeting with one of our financial advisers. Do it now!

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