



**NETWORTH**  
*Asset Management Inc.*

## **My View**

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### ***I am Proud of You!***

As a result of the government of China wanting to apply the brakes on what they see as a rampant market and an economic race car, they created a bit of a momentary speed bump for not only themselves, but also illustrated to the rest of the world that ***“what happens in China, does not necessarily stay in China.”***

On Tuesday, February 27<sup>th</sup>, 2007, the TSX experienced its largest one day drop (2.7%) since 2004, while the Shanghai market gave up almost 9%-its hardest fall in more than a decade. Closer to home the American Dow Jones Industrial was off by 3.3%. Going into this week, we are seeing the continuation of the selling pressures. Profit-taking, fear mongering, and a return to a more realistic, deflated market level is being forced upon us.

It is only normal and healthy for the market to give back some of the growth it has experienced over the last six months. Let's face it, none of us want to have a repeat of 2000. So, letting off some pent-up steam creates long term sustainability.

What the Government of China did was fiscally responsible. Obviously, I have little concern over what happened last Tuesday because it was overdue. What I will be doing in the coming weeks is keeping a careful eye on what will be taking place from an emotional standpoint, because investor sentiment is the true danger to the market and our portfolios. Another interesting observation is just how tied together and 'small' our world has become, and is ever more becoming.

***For a 'value investor' such as we are, this represents an opportunity to pick up some great holdings at an even better discount than before.***

***From you we need . . . a calm reaction, faith, no panic and a long term outlook!***

***From me you need . . . a good balance within your portfolios, comprised of a selection of high-quality investment vehicles.***

***When combined together . . . our teamwork, in my opinion, is the key to your sustainable, long-term wealth creation and preservation strategy.***

***Keep up the great work!***

Victor

