Citroën DS5 LS - Gallic Charmer?

Mark Andrews

Step inside the glass fronted DS flagship store on Nanjing Xi Lu and prepare to be assaulted by displays vaunting the car's heritage and supposed reputation for quality and safety. Emphasised is the role of the DS in Charles De Gaulle's survival of an assassination attempt and very tenuous links between the car and China!

The reality of the original DS is a car ahead of its time, known for ride quality and innovative technology. Launched in 1955, it remained in production for 20 years. Today's DS is a brand trying to milk this heritage in order to create a more upmarket sub brand for mainstream Citroën.

In China, this means taking aim at the German marques. The flagship hatchback DS5 was considered a bit too radical in styling for this purpose, and so the DS5 LS, exclusive to China, was born. Citroën DS has a joint venture in China with Chang'an, which produces both cars locally.

Externally, the DS5 LS is an attractive but conventional looking saloon accentuated with a chrome strip echoing the roofline. In China, Citroën branding is eliminated with the grille sporting a large DS logo.

While inside the materials are of a high quality, they lag behind the German competition. Our Luxury trimmed version lacked the 'watch-strap' style leather seats of the Prestige trim, but had a high level of equipment. As to be expected, there is a touch screen infotainment system. However, when we tested the car, the GPS at one point inexplicably refused to work for ten minutes. While sporting heating, the electrically adjustable leather front seats lacked the massage function of the Prestige. Our car also came equipped with optional blind spot warning indicators incorporated into the mirrors.

When manufacturers make versions especially for China, it usually means lengthening the wheelbase. Unfortunately, the DS5 LS misses a trick. Like the DS5, headroom is at a premium, despite the lack of the former's panoramic sunroof, and knee space is tight. Added length in the design goes into the rear overhang, meaning a more capacious boot.

Buyers have a choice of three engines. The base model is a conventional 1.8 litre. Better are the two 1.6 turbo units; one delivering a respectable 120kW of power and a higher tuned 147kW version, which as well as giving increased performance delivers better fuel economy. All are available with six speed automatic transmission with a five speed manual unit only being offered with the 1.8 litre engine. Unlike in other markets, there is currently no hybrid version of the DS5 or LS available in China.

We drove a car with the lower powered turbo unit. This proved more than adequate on the *gaojia* and in inner city traffic. Acceleration is very good for a car of this size. Perhaps not surprising as the engine is in fact the same as the one in the current Mini and was developed in collaboration with BMW. There are settings for Sport and Snow on the automatic. With already quite urgent acceleration, the Sport mode is somewhat redundant and makes little difference. It can also be driven in manual mode but there are no paddle shifts.

Road holding is good and the suspension setup is geared towards soaking up the bumps on Shanghai roads. Steering is a little on the light side but does provide a positive feeling as to where the car is heading.

It might not be as distinctive as its hatchback sibling, and it is positioned lower in the market, but the LS attracts attention. Materials and build quality might not be quite up to the German competition, but the price tag also comes in considerably lower. Prices start at RMB 146900 and range up to RMB 246900.

MONEY TALK

What Is The Most Common Mistake Investors Make?

Bill Longstreet

Without doubt, the most common mistake individual investors make is trying to time the market. Neither individual nor professional investors are able to make consistently accurate calls on when to buy and sell their investments. There are a number of expensive newsletters that claim they have the secret to market timing, but just the fact they are selling a newsletter rather than investing is evidence in itself that they don't have all the answers.

When individual investors try to time the market, they are much more likely to buy and sell at the worst possible times. Individual investors tend to use their emotions to decided when to buy and sell. Investors suffer great pain when pessimism is rampant and stock prices fall. They are more likely to buy when everyone is upbeat and prices are near or at their peak. Emotional decisions cause investors, all too often, to shoot themselves in the foot.

When prices are high and returns have been good, individual investors tend to pile into equity funds; when prices are low, investors get worried and tend to sell their equity holdings. It's strange that the stock market is the only place where buyers are wary of discounts and prefer to buy after prices go up substantially.

In the first quarter of 2000, which coincided with the top of the Internet bubble, more new money was invested in equity mutual funds than ever before. Then in the fourth quarter of 2002, which turned out to be the market bottom after a sharp decline in stock prices, investors pulled large amounts of money out of equity mutual funds. Then, in the third quarter of 2008, during the worst of the recent financial crises when stocks made decade lows, investors redeemed unprecedented amounts of equity mutual funds. Our emotions lead us to sell at bottoms and buy at tops, not a recipe for success.

Several studies have tried to measure the cost of bad timing decisions. They all agree that individual investors tend to do much worse than a buy and hold investor who avoided market timing altogether. A well-known study of the so-called "behaviour gap" estimates that it may be as large as five to six percentage points annually over the past 20 years. Other studies have estimated somewhat similar or smaller gaps, but all of the studies agree that emotional investor decisions are extremely costly. Investors can be their own worst enemy.

As an investment advisor, one of the most important parts of the job is to rein in the emotions of clients and provide a degree of rationality. If you are convinced a buy and hold strategy is for you and would like to limit portfolio volatility, I would recommend looking for a diversified portfolio of broad based index funds, ETF providers such as Ishares, SPDR and Vanguard are good places to start.

Bill Longstreet is a partner with Caterer Goodman Partners, a primarily fee based financial advisory firm. For more tips on how to handle your savings, check out their blog: www.chinaexpatmoney.com