

November 20, 2008

Dear Clients/Friends:

I am forwarding the most recent commentary from Vanguard that you might find helpful. The economic climate will remain difficult (terrible and miserable are also appropriate adjectives) throughout 2009 and I believe into 2010 but, as with all storms, it will end and we will enjoy sunshine.

Most wealth is created through good buying opportunities when prices are depressed so PLEASE maintain your regular retirement savings program and if possible add some extra. Unfortunately, statistics are showing a sharp decline in 401K and IRA contributions. Do not join this group. Encourage your friends and family to maintain their retirement contributions as well. Of course, an emergency fund is important too. For those of you relying on your portfolio for all or a portion of your income, please take a close look at your withdrawal percentage which might have increased if your portfolio balance has declined. A rule of thumb is to keep your portfolio withdrawals to 4%.

The market and your savings will start to recover before the general economy but since we don't know exactly when, don't get lulled into thinking you can time the market or guess which asset class will rebound first. Maintain a diversified portfolio.

Despite the beating we have all taken or possibly because of it, I am hearing many of you and others express deep feelings of gratitude for your blessings, particularly loved ones, good health and the freedom we enjoy as Americans. This may also turn out to be a most meaningful holiday season as we work together to understand and solve the crisis and support our communities.

Wishing you and your family a Thanksgiving of blessings.

Sincerely,

Brooke