



Advisors Access Newsletter for July 2008

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As difficult as it may be to think about winter as the temperatures across the country approach mid-summer highs, winter is instructive in thinking about the market environment we continue to face. As anyone who has spent multiple winters up north will tell you, it is not necessarily the *depth* of the cold temperatures that gets you, it's the *length*.

You can withstand the occasional sub-zero spell, because you know in a few days it will warm back up for a while. But the real test of your mettle is in riding out the protracted freeze-thaw-freeze cycle. Just when the daffodils pop through the ground and the green splendor of the Masters is on TV...wham!...it drops a foot of snow and you're back to shoveling the sidewalk. That's when many people throw in the towel and move south.

Our experience shows that this is the same emotional toll that can wear down even the most stalwart investor. Every prudent investor knows that the markets go up and the markets go down. Almost everyone can withstand the occasional bear market. But a sustained downturn like we have experienced...one step forward, *three* steps back...can cause even logical investors to question their approach.

We call these "blink moments", times when otherwise rational investors make irrational, emotional decisions that cause irreparable harm to their long-term portfolios. The "darkest before the dawn" adage is especially true in investing. History shows us that some of the strongest recoveries happen just when news appears to be the worst. Unfortunately, many investors "move to the sidelines" at times like this and miss the recovery. They don't get back in until the market has a sustained rally and then it's too late. They've missed most of the return that investors can expect from being invested in the market.

These are difficult times. No one can deny that. But don't let this be a "blink moment" for you. With *Advisors Access*, you have a well-diversified portfolio that will recover when the markets recover. Stay invested and continue to contribute to your 401(k) plan. This "winter of discontent" will pass.