



DHWA Investment Update 2008

Vol. # 2

Now What?

We have waited to contact you until certain information has become available. There is a somewhat clearer picture forming, now that the Federal Reserve, the US Treasury and the Senate Finance Committee appear to be on the same page. Most of our clients have been inundated, ad nauseam, with moment by moment updates, opinions and other talking head utterances over the past week. But at the risk of becoming part of this group, we would like to pass on some additional salient information. Perhaps surprisingly, it comes from TD Ameritrade's Chief Strategist, which is not someone we regularly highlight, but in this case their opinion closely follows ours:

Key Take-Aways:

- The current market sell-off has been agonizing for investors. But the markets do recover, often in stronger form, as they always have in the past.
- This crisis is most similar to the Savings & Loan crisis of the late 1980s/early 1990s and the Long-Term Capital Management/Russian Debt Default crisis of the late 1990s.
- This crisis is unique due to more globally connected markets, the use of highly leveraged, yet opaque financial products, and the expansion of non-traditional players acting as both lender and investor.
- We may be nearing an inflection point, making it critical that investors use discipline over emotion in managing their investment portfolios.

Visit http://img.ipost.com/client/t/tdwaterhouseinst/Giroux_Strategy_Alert.pdf to read the full opinion.

Most importantly, we believe the most damaging action we could make at this time would be to run for cover, attempting to shield your portfolio from further risk by selling growth asset classes and placing them into riskless investments. Clearly, the most efficient way to grow back the equity portion of your portfolio is to position it to take advantage of the next bull market from the day it starts. We remain disciplined and patient, and keep to the long term plan we formulated when you first became a client.

We want to compliment our client base for understanding the need to be calm, even when most news services are doing their best to raise your blood pressure as well as their viewership and advertising dollars during these challenging times. We welcome any questions you may have.

Sincerely,

Dixon Hughes Wealth Advisors