

Dear Clients,

The news on Wall Street this week has just been one thing after the next. It reminds me of one of Jennifer's favorite Dorothy Parker quotes, "What fresh hell is this?"

If you have managed to remain calm, then congratulations! The news is filled with enough drama to unsettle even the most dedicated investor. So through all of this, I hope you remember that you are not investing for tomorrow, but for many tomorrows. Years from now we may talk about September 2008, but it will fade to just a blip in time.

If you have cash sitting on the sidelines (not your emergency fund or short-term needs), you should be investing some of it now. Yes, it may take nerves of steel, but you get to buy on sale. The last big buying opportunity like this was the end of 2002. The market timers who let the dot com bust scare them out of the market missed it.

Certainly the news can get worse before it gets better. We just don't know how much patience it will take to ride this one out. Sadly, you can't tell where the bottom is until months after we've passed it.

Ironically, the market is much less risky today than it was 10 months ago. Why? The future expected returns are higher, because stock prices are lower. As you've all heard me say over and over, the best times to buy have been the times when everyone else thinks you're crazy.

So what to do?

1. Make sure your bank accounts are under the FDIC limits (see the November 2007 *MoneyMinute* at <http://www.feelsonly.com/moneyminutearchive.html>)
2. Maximize contributions to your retirement accounts and IRAs by year-end.
3. If you need to refinance your mortgage – consider doing it NOW. Rates have really dropped since the Fannie/Freddie bailout. Conforming loan limits are due to drop back down in January. Don't try to squeeze out another year or two of a now-cheap adjustable rate mortgage. Call Rick Southern at 650-289-2379 if you need a mortgage broker.
4. Watch your spending. If you don't know exactly where it all goes every month, now's the time to get serious. Not a Quicken addict? Then try the free website <http://www.mint.com>. I've been hearing from many of you about how easy it is to use.
5. Don't watch the news or check your account balances every day. It will only make you crazy.
6. Read William Bernstein's book, "The Four Pillars of Investing." It has several good chapter titles, including "Bottoms: The Agony and the Opportunity." In addition to the print version, the book is available on CD and on audible.com.

And most important, lighten up! A sense of humor is a valuable commodity these days. When I need a laugh, I head over to YouTube for Saturday Night Live clips, The Office, or scenes from Airplane! (see links below).

Let us know how you are doing ...

Rich, Julie, and Jennifer

For your viewing pleasure:

<http://www.youtube.com/watch?v=a7PHL4HXm1o>

[http://www.nbc.com/Saturday\\_Night\\_Live/video/clips/palin-hillary-open/656281/](http://www.nbc.com/Saturday_Night_Live/video/clips/palin-hillary-open/656281/)

<http://www.youtube.com/watch?v=Ackekw7ePFo>

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