

## *2007 Year-End Market Commentary: A Stormy Year – More to Come?*

*By Bob Marshalla  
January 14, 2008*

Well, all good things come to an end, at least temporarily. While 2007 was technically the fifth consecutive year of positive returns for the most common equity market benchmarks, the advances this year were confined to narrow portions of the market – and unfortunately with sweet spots somewhat removed from the regions in which we tend to be most strongly represented. Moreover, we seem to be headed for a more foreboding future for the economy, and by extension for the equities and other investment markets, than in any of the past five years at this time.

The story of the past year for investors has three major facets:

- **Credit Turmoil** - The unprecedented turmoil in the credit markets that exploded on the scene this summer, brought on by the collapse of the housing market and emerging sub-prime mortgage problems.
- **Commodities Boom** - A worldwide commodities boom, with rising oil prices causing the most pain for U.S. consumers and non-energy businesses, while bringing good times to some emerging markets and global energy and materials-related companies.
- **Looming Recession** - A slowdown in the economy and a looming recession that seems to grow more likely by the week.

Temptations to over-tune one's investment strategy based on current trends and forecasts are always there, but especially at times like this. Should we cut back on equities? Get out of small cap stocks and real estate altogether? Bet the farm on energy stocks and emerging markets? We all should know the answer by now: these are temptations to be avoided. It is OK to tilt our portfolios modestly at the secondary allocation levels -- although often in directions contrary to current trends -- and I am always searching for new managers and new and better investment approaches. But for long term success, we need to have a well conceived asset allocation and diversification strategy that can be adhered to through thick and thin. Over the past 80 years, the economy has always cycled through expansions and slowdowns, and the stock market has always been volatile, with declines occurring in almost one out of every three years. And still, over long enough periods, equity markets (as measured by broad market benchmarks like the S&P 500) have always done very well<sup>1</sup>.

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<sup>1</sup> There has never been a fifteen calendar year period since 1926 in which an index of large cap U.S. stocks has had negative returns.

The past year has surely been fascinating, if not a great deal of fun for investors. It was marked by the reversals of several strong multi-year investment trends, a great deal of market volatility and drastic differences in performance across different sections of the markets. This year-end commentary is mostly a review of that market performance, along with a brief statement of my outlook going forward. It may sound boring, but for all the upheavals and foreboding economic trends, I don't see that any substantial changes in our investment strategies are warranted. Here is a quick preview of the topics we will discuss.

- Overall Equities Markets – Common large cap market indices returns were okay, but returns for investors like us were less than meets the eye. A very volatile year with drastic differences across market sectors and styles.
- Small Cap Stocks – Underperformed large caps by wide margins after seven years of beating large caps.
- Growth and Value Stocks – Growth took the lead, also after seven years of the opposite behavior.
- Economic Sectors – Energy sector sizzles while financials tank.
- What This Means for Our Portfolios – These trends were not so great for our portfolios, as we continue to favor value and smaller caps, and are light on energy.
- Other Asset Classes – Excellent year for commodities and emerging markets stocks. Commercial real estate finally faltered after seven incredibly positive years.
- Fixed Income – Liquidity crisis was averted, but returns were “topsy turvy”. Worst returns came from categories that have generally been the most stable. Foreign fixed income was the best place to be due to the weak dollar.
- Outlook for 2008 – How much will the economy slow down and what should be our investment strategy going forward.

## Review of Market Performance

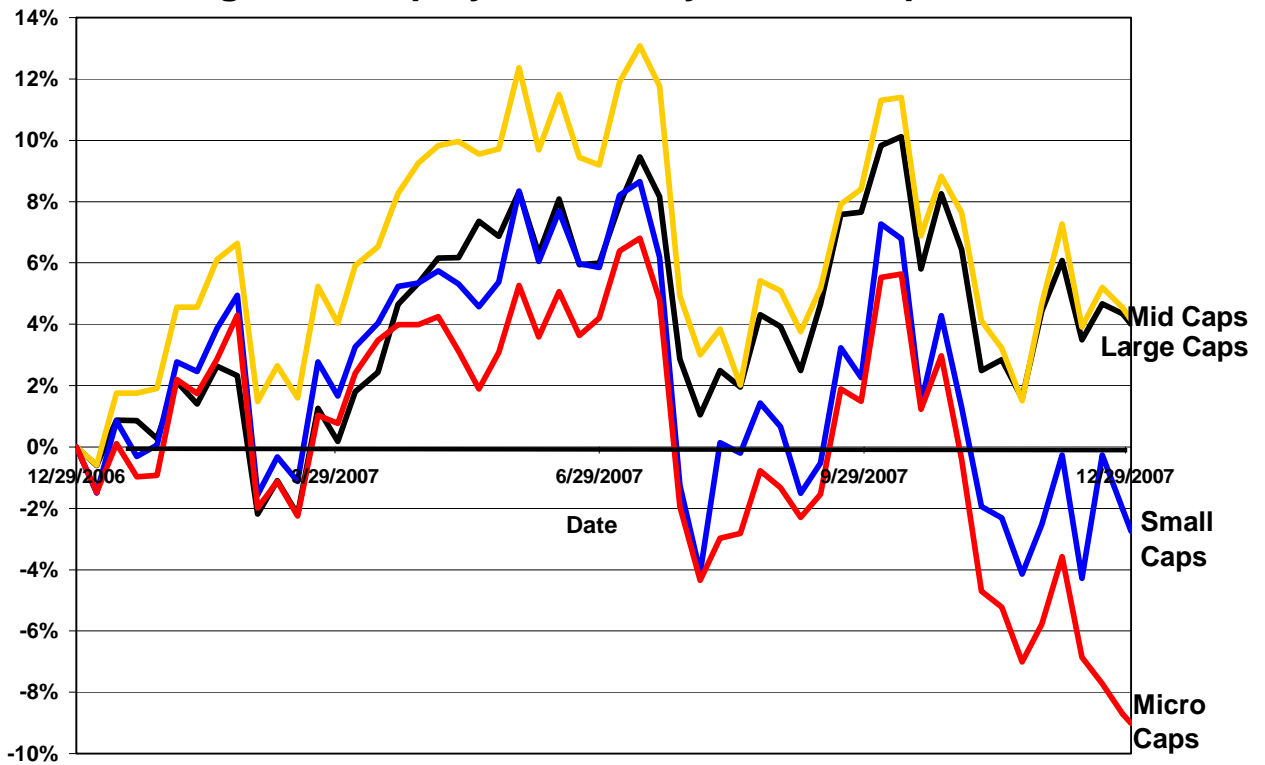
**Equity Markets Overall** – A casual glance at the popular market indices makes 2007 appear to have been a mild and decent year for equity investors. After all, the S&P 500 return was 5.5% and other popular indices like the Dow Jones Industrials and NASDAQ Composite did even a little better. But these broad, large cap averages offer no clues to a year beset by drastic differences across economic sectors and equity styles, nor to the considerably worse performance turned in by smaller cap stocks.

**Larger Versus Smaller Companies** – Small and micro cap stocks performed considerably worse than large cap stocks during 2007, especially in the last half of the year. Figure 1 shows the time paths of performance for large, mid, small and micro cap indices throughout the year<sup>2</sup>. This reverses a clear and consistent trend since the tech bubble burst eight years ago of smaller caps outperforming large caps.

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<sup>2</sup> Large caps are represented by the S&P 500 index (sans dividends in this picture), while mid, small and micro cap stocks are represented by their respective Russell indices (2000, Midcap and Microcap).

**Figure 1 - Equity Returns by Market Cap, 2007**



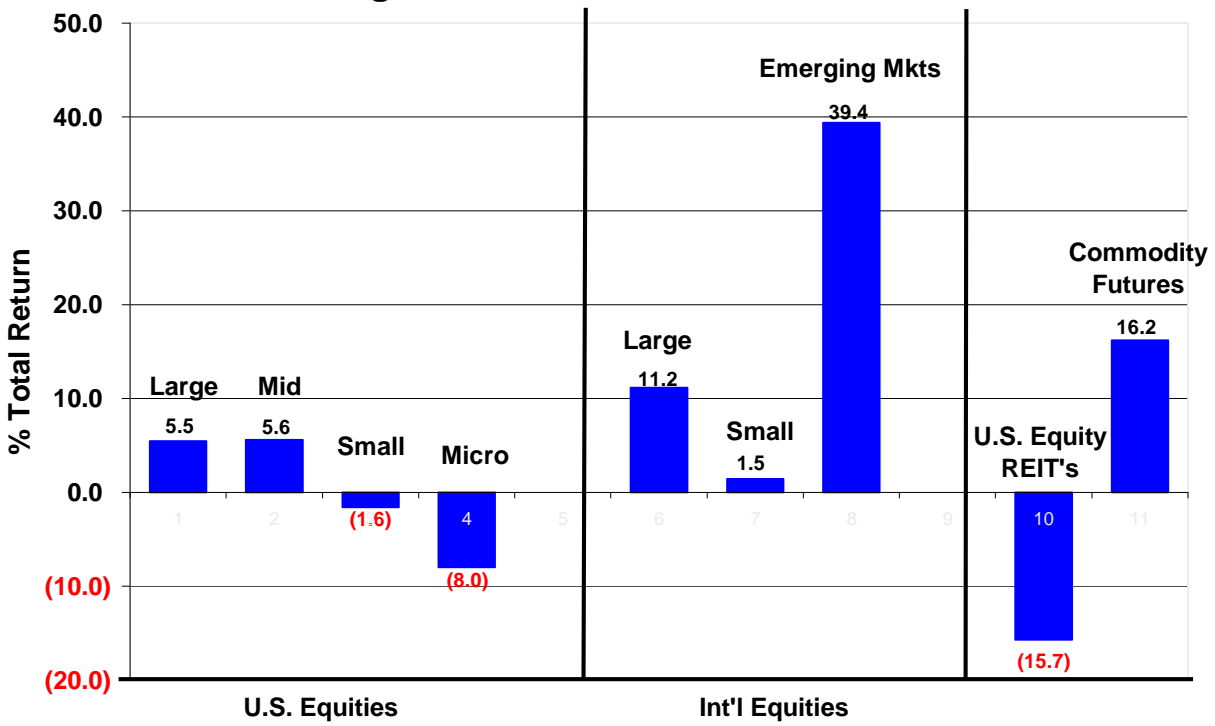
The usual table of investment returns is presented below, showing returns for all of the principal asset classes and categories in which we invest. Alongside the past year's returns, this edition displays the annualized returns for the previous four years, 2003 to 2006, as well. These four years were a clear bull market period for nearly all the major asset classes. Placing this period's returns next to those of 2007 clearly illustrates the many abrupt changes that took place in 2007, not only in the magnitude of returns, but in their patterns – such as the aforementioned shift to outperformance by larger cap stocks. Figures 2 and 3 present much of the same information graphically, first for 2007 and then for the previous four years, respectively.

**Table 1 - 2007 and Longer Period Returns**

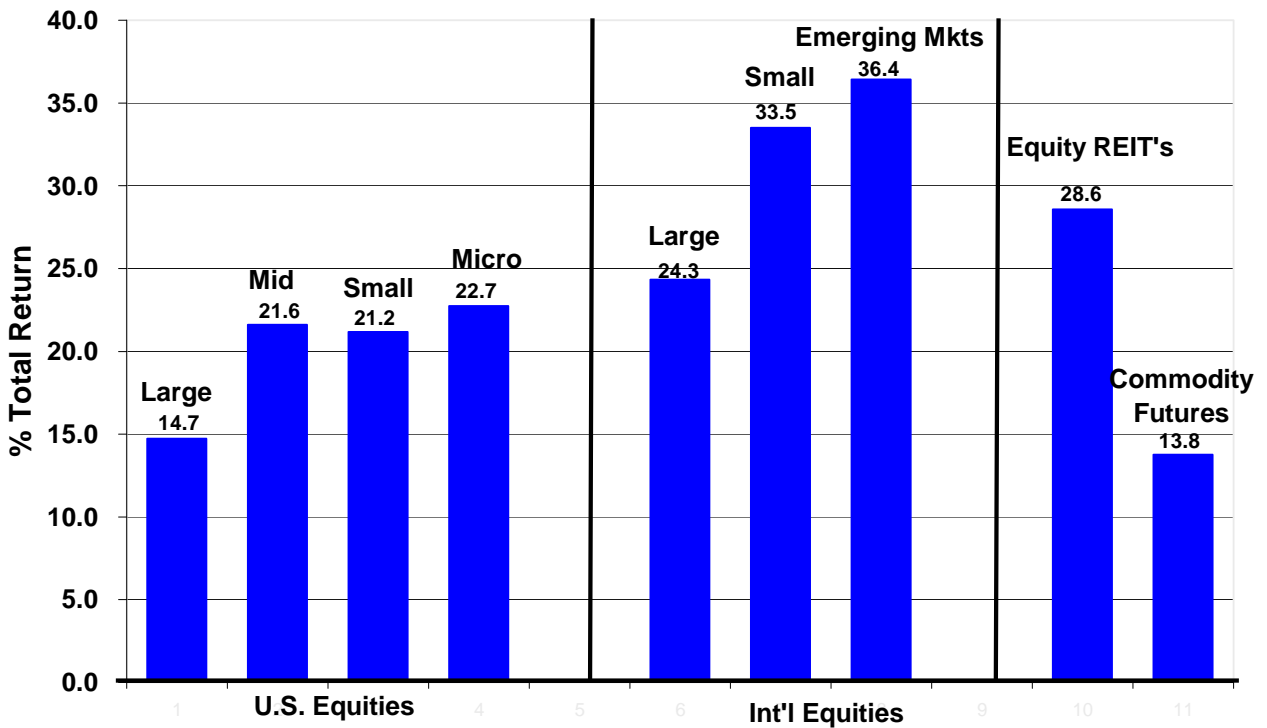
	<b>Representative Index or Fund (blue font)</b>	<b>Year 2007</b>	<b>4 Bull Yrs 2003-2006</b>
<b>U.S. Equities</b>			<b>(Annualized)</b>
Full U.S. Market (98% of Mkt Cap)	Russell 3000	5.1	15.9
<b>By Market Cap</b>			
Large Cap	S&P 500	5.5	14.7
Mid Cap	Russell Mid Cap	5.6	21.6
Small Cap	Russell 2000	(1.6)	21.2
Micro Cap	Russell Microcap	(8.0)	22.7
<b>Value &amp; Growth</b>			
Value Stocks	Russell 3000 Value	(1.0)	19.0
Growth Stocks	Russell 3000 Growth	11.4	12.7
<b>International Equities</b>			
Large Cap	MSCI - EAFE	11.2	24.3
Small Cap	MSCI - EAFE Small Cap	1.5	33.5
Emerging Markets	MSCI - Emerging Markets	39.4	36.4
<b>MAM Equity Benchmark</b>	.8* Russell 3000+.2* EAFE	6.3	17.6
<b>Real Estate</b>			
Equity REIT's - Domestic	NAREIT Equity Index	(15.7)	28.6
	Morgan Stanley US Real Estate	(16.6)	n/a
Equity REIT's - Foreign	EPRA Global ex US Index	(0.9)	n/a
	Eur. Investors Int'l Property	(7.1)	n/a
<b>Commodities</b>			
Commodity Futures	Dow Jones AIG Com Index	16.2	13.8
	PIMCO Commodity Real Ret	23.8	n/a
<b>Fixed Income</b>			
Investment Grade Bonds	Lehman Aggregate Bond Idx	7.0	3.8
Inflation Protected (TIPS)	PIMCO Real Return Fund	11.6	5.1
Int'l Bonds, Developed Mkts	PIMCO Foreign Bonds	10.5	6.8
Emerging Mkts Currencies	PIMCO Developing Local Mkts	13.2	n/a
Floating Rate Bank Loans	Eaton Vance Floating Rate	2.0	5.2
Ultra Short Bonds	Schwab Yield Plus	(1.0)	n/a
Short Term Money	3 Month T- Bills	4.8	2.7

\* Based on mutual fund returns. Others are costless market indices.

**Figure 2 - 2007 Total Returns**

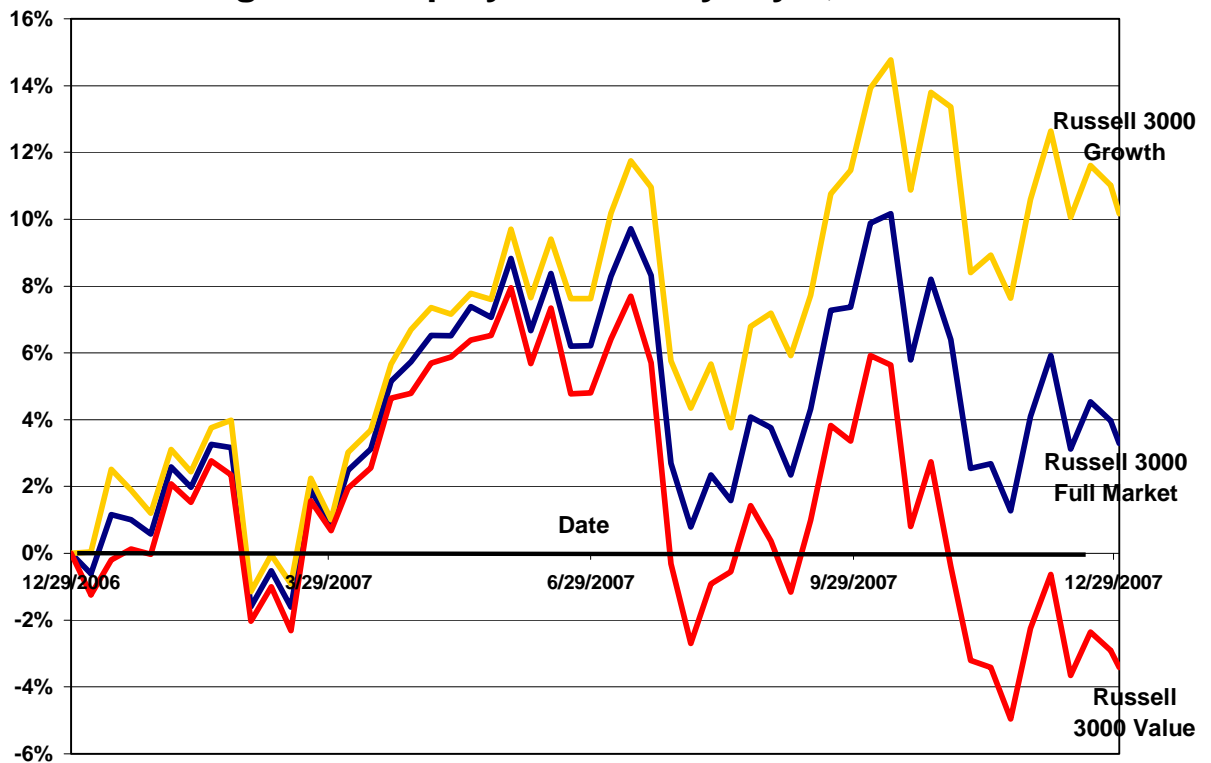


**Figure 3 - Annualized Returns - 4 Bull Years 2003-6**



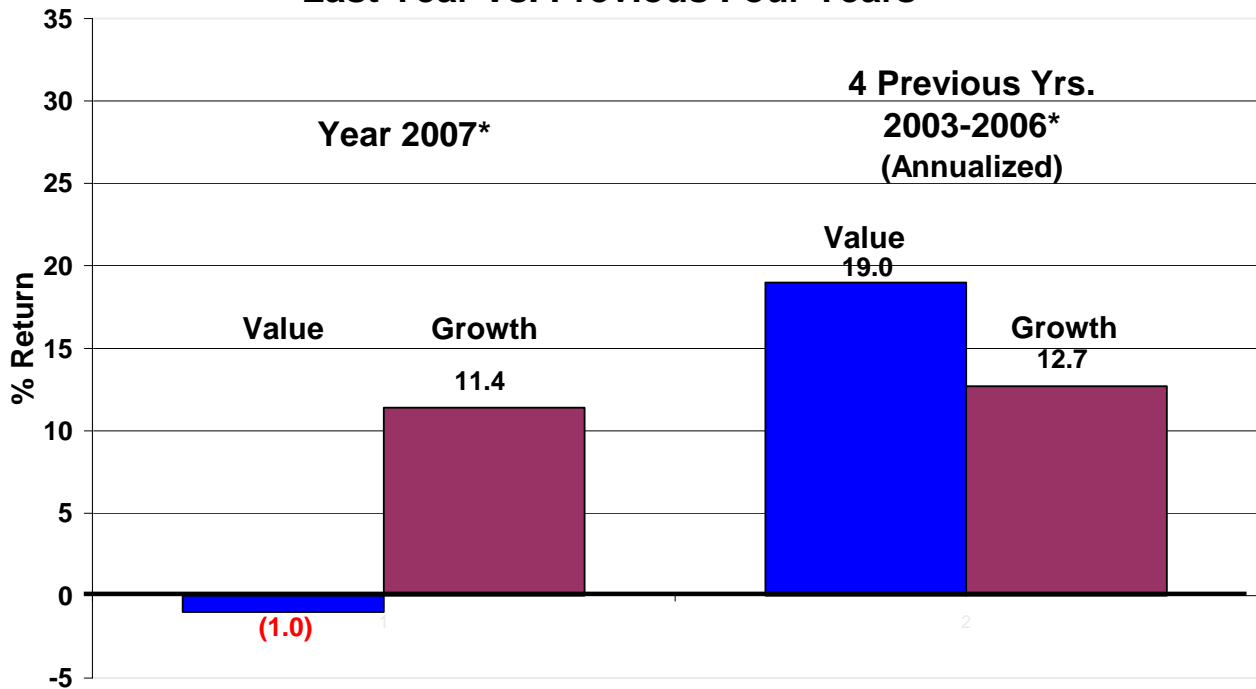
**Growth and Value** – Another long ongoing trend that was abruptly reversed in 2007 was that of value stocks outperforming growth stocks. While value generally does outperform growth over long periods, growth stocks as a group had been underperforming not only value stocks but earnings growth itself for seven years running – a long time!. Furthermore, even though value holds the clear long term advantage, growth and value have a long history of alternating in market leadership over multi-year cycles. Well, growth finally did make its long anticipated comeback in 2007, and it did so in dramatic fashion. As shown in Table 1, growth stocks in the Russell 3000<sup>3</sup> returned 11.4% last year versus a 1.0% loss for value stocks. Figure 4 displays the time paths of returns throughout the year, and makes it evident that growth really got going about the middle of the year, about the time of the sub-prime induced credit crunch. If we look at returns by size class (not shown in the table), the differences were even more dramatic, with small cap growth outperforming small cap value by 17 percentage points, plus 7.1% to negative 9.8%. Finally, the bar graphs in Figure 5 dramatize how different the results were in 2007 than in the previous four years.

**Figure 4 - Equity Returns by Style, 2007**



<sup>3</sup> The Russell 3000 is a very broad, market-cap weighted index that covers 98% of the domestic equity market as measured by market cap.

**Figure 5 - Growth and Value Returns  
Last Year Vs. Previous Four Years**



\* Based on Russell 3000 Growth and Russell 3000 Value indexes.

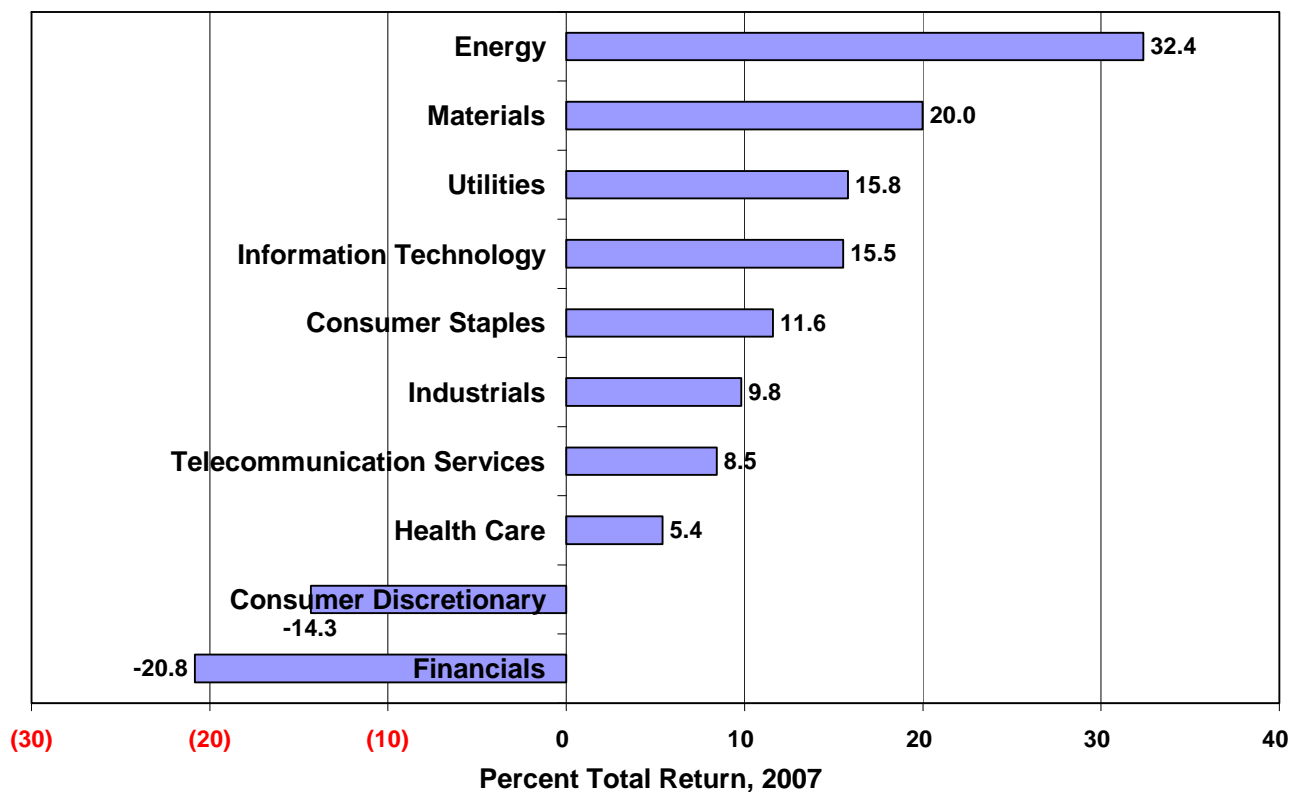
**Economic Sectors** – The most dramatic differences in equity returns were across economic sectors. The best sector by far was energy with a sizzling 32% return, while financials had a disastrous year, ending with a 21% loss<sup>4</sup>. The materials sector, which includes metals and other commodities, also had a good year at plus 20%, while consumer discretionary was the second worst sector at minus 14%. Figure 6 displays these results graphically.

The boom in oil and other commodities prices was the main reason for the great performance by energy and materials companies’ stocks. And the meltdown in the credit markets, of course, caused the similar meltdown in financial stocks. The near shutdown of the residential housing market and the slowdown in the economy were responsible for the poor showing of the consumer discretionary sector. This is the sector that includes homebuilding stocks, housing related retailers (home repairs, appliances), and other big ticket discretionary items like autos and airline travel.

Many institutional and mutual fund managers perform something called “return attribution”, which is a way to explain the differences between their returns and the overall market’s returns, both positive and negative. How much of a portfolio’s over- or under-performance was due to its range of stock sizes (large cap to micro cap), style (growth or value) and/or economic sector, as opposed to stock picking *within those categories*. For example if a manager held the market weighting of materials sector stocks, but his materials stocks returned only 4% versus the market’s average of 20%, then a portion of his underperformance could be attributed to poor stock picking. At the other end, if the manager’s returns within each sector were pretty close to the market returns, but his portfolio held a much lower than market percentage of stocks

<sup>4</sup> Sector figures in this paper are S&P 500 economic sectors, as defined by Standard & Poors.

**Figure 6 - Equity Returns by Economic Sector - 2007**



in the energy and materials sectors, along with higher percentages in the financial and consumer discretionary sectors, then it is highly likely that he will have underperformed the market by a good amount, and that underperformance could thereby be attributed to sector weights more so than to stock picking.

In a year like last year, when there were such dramatic differences in sector returns, it is a good bet that the major portion of most portfolio managers' returns will be attributed to sector weightings. In fact, if you select some unnamed mutual fund and tell me what its relative weightings in the energy and financials sectors were, I could probably give you a pretty good guess as to how well it performed last year. Sector weightings were "where it was at" last year; stock picking skills took a back seat. It was a tough time for many managers, especially when you consider that the market weightings of the bottom two sectors started the year more than twice as large as the combined weightings of the top two sectors<sup>5</sup>.

**What This Means for Our Portfolios** – As I discussed in some detail in last quarter's report, I have been anticipating the changes in leadership by market cap and style for the past couple years, and I have been tilting our portfolios towards larger caps and more growth-oriented stocks over our last several portfolio reviews. So these tactical moves – along with that of decreasing domestic REIT exposure – have certainly helped our portfolios this year. But as I also discussed

<sup>5</sup> The financials and consumer discretionary sectors accounted for 27% of the S&P 500's market cap at the start of the year, compared to only 13% for the energy plus materials sectors. I say it was a tough year for equity managers because the market and each of its sectors is simply comprised of the combined value of all equity managers' portfolios. Therefore, the average portfolio held twice as much stock in the bottom two sectors as in the top two.

last quarter, our grander, longer term strategy continues to have portfolios that are more value-oriented and smaller cap on average than the overall market. Tilting towards larger cap and growth oriented stocks means we now have higher weightings there than *we did* in the past, not more than the overall market. I also discussed the rationale for our longer term strategy last quarter, so I will not repeat it here. But the upshot is that our portfolios will likely struggle to match the common market indices in time periods when there is strong dominance by large caps and growth stocks.

I will add that relative economic sector performance has also gone against the grain of our longer term equities strategy. Value oriented managers tend to like financial and consumer discretionary stocks. These are not typically the flashier, high fliers or “story” stocks, but they do nevertheless often offer attractive valuations and have produced enticing long term returns. Further, it seems a majority of our equity fund managers see themselves as fundamental, bottom-up stock pickers much more than top-down economic strategists. I.e., they don’t pick sectors first and then stocks, they focus on picking stocks. And because they are stock pickers, they do not often like companies whose fortunes depend so greatly on unpredictable and uncontrollable commodity prices. As a result - you guessed it - our portfolios tend to be underweighted in energy and materials.

Should we dump these kinds of managers because energy and commodity prices and the kind of companies that depend upon them have been soaring? I surely don’t think so. This is not to say we should not invest anything in energy and materials stocks -- far from it. But it is simply not a sound investment discipline to hire and fire equity managers based on which sectors or styles of investing are hot and which are cold. Further, I am not of the belief that energy and other commodity prices will continue going up nonstop for years to come. I feel like I’ve written this statement so many times before, except that the space filled by “energy and other commodity prices” was previously filled by the terms “home prices”, “tech stocks”, “Japanese stocks”, and, to come full circle, back in the 80’s, “oil prices”<sup>6</sup>.

**Other Asset Classes** – Perusing Table 1 to see how the other asset classes performed we see that emerging markets equities had a spectacular year with a 39% return. This follows up on four previous robust years for this asset class, but these period-end figures mask some breathtaking volatility within. These returns flow from a combination of rising commodity prices (emerging markets countries are big producers thereof), strengthening local currencies (or falling U.S. dollar values depending on your perspective) and general strengthening and maturation of these countries financial systems. For our portfolios I have taken the stance of letting our diversified international fund managers choose how exposed we will be to emerging markets. Indeed, the best performing fund held at MAM<sup>7</sup> in significant amounts last year was an international fund whose emerging markets stake amounted to 16% of the fund.

Commodities futures also had an excellent year, with the Dow Jones AIG index up 16%. The PIMCO fund we use to access commodity futures did even better, returning 24%, mostly because its investments of collateral did so well<sup>8</sup>.

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<sup>6</sup> Oil prices today are about the same as they were in 1981 after accounting for inflation.

<sup>7</sup> This was the Thornburg International Value Fund (TGVIX), with a 2007 return of 28.2%.

<sup>8</sup> When commodity futures are purchased, the buyer only has to put down about 5% of the cost. Thus, a long only fund like ours has a lot of extra money – “collateral” – to invest in something else meanwhile. The returns in the futures index assume the collateral is invested in short term T-Bills, whereas the PIMCO fund managers invest it in other types of fixed income securities, mostly TIPS, which had a standout year in 2007. But TIPS performed poorly in 2006, so the PIMCO commodities fund underperformed its index that year.

On the downside, domestic commercial real estate, represented by REIT stocks, finally had a bad year, with the NAREIT index down 16%. It is simply amazing that REIT's had performed so well for so long up until this year. Domestic REITS had beaten the S&P 500 by large amounts for seven consecutive years through 2006, ringing up an annualized return over this period of 22.1% versus only 1.1% for the S&P 500. (Remember, this period included the full equities bear market following the bursting of the tech bubble.) Although the subprime crisis that came to fruition this summer was confined to the residential real estate market, the sudden aversion to any kind of credit risk that it engendered, along with the cooling off of the economy generally, took their toll on commercial real estate values as well. It was not hard to imagine a precipitous drop in REIT prices given that the cap rates of their underlying properties had reached lows not seen in the whole twenty years or so that REIT's have been around.

We had been steadily decreasing our portfolios' targets for domestic REIT's over the past two years until now most of us have targets of only 2% to 2 ½%. This compares to targets as high as 7% in some portfolios just a few years ago. As discussed in past reports, we have added similar or larger amounts of international real estate to our portfolios in the past year. This category did not have a great year in 2007 either, but its index was only off by 1% for the year as a whole.

To encapsulate the discussion of market performance we have Table 2, which highlights the best and worst performing category of each asset class in 2007.

**Table 2 - The Good and the Bad in 2007**

	<i>The Good</i>		<i>The Bad</i>	
<b>Equities</b>				
By Economic Sector	Energy	<b>32%</b>	Financial	<b>-21%</b>
	Materials	<b>30%</b>	Consumer Discretionary	<b>-14%</b>
By Region and Size	Emerging Markets	<b>39%</b>	U.S. Microcaps	<b>-8%</b>
			International Small Caps	<b>-2%</b>
By Style and Size	Large Cap Growth	<b>12%</b>	Small Cap Value	<b>-10%</b>
<b>Alternative Asset Classes</b>	Commodity Futures	<b>16%</b>	Domestic REIT's	<b>-16%</b>
<b>Fixed Income Categories</b>	Developing Countries Local Currency	<b>14%</b>	Domestic Ultra-Short Bonds	<b>-1%</b>

**Fixed Income** – The variation and magnitudes of gains and losses were, as usual, much larger in the other asset classes than in fixed income, but relative to its own history, 2007 was a more momentous year for fixed income than for any of the others. I wrote about the turmoil caused by the so-called subprime crisis in last quarter's report, so I will not repeat it all here. The remarkable part of this story is not so much investor losses or credit defaults, but that short term liquidity appeared for a few weeks last summer to be on the verge of disappearing. I'm not talking about individual consumers getting money out of their checking accounts, but of the large financial entities and institutional investors who routinely roll over billions of dollars of short term debt every day to keep their longer term liabilities solvent. When the credit scare hit the economy, there was near panic in the street when it appeared that there might not be sufficient

supplies of funds to meet the current demands *at any price*. If this were to happen in a big way the effect on the economy would be analogous to a car engine running dry of oil. The acute crisis was avoided last summer with a big assist by the Fed, but the operation of the credit markets is still far from returning to normal.

For common individual investors like us, the impacts have been strange. We experienced a combination of falling interest rates on Treasury debt of all maturities (Figure 7), along with rapidly escalating credit spreads also across all maturities, but especially amongst the shorter term and relatively higher quality debt obligations. This led to the highly unusual situation for our portfolios wherein the fixed income categories that were supposed to be the safest and least volatile turned out to perform the worst of any. As you can see in Table 1, ultra short bonds and floating rate bank loans, as represented by the most commonly used MAM fund in each category<sup>9</sup>, had total returns of plus 2.0% and negative 1.0%, respectively. These funds have durations of 0.6 years or less and reasonably good investment grade quality ratings. In contrast, the Lehman Aggregate Bond Index, which has an average duration of 4.6 years, advanced by 7.0%, and even the CSFB High Yield, i.e., “junk bond”, index reported a positive total return of 2.7%.

To appreciate just how unusual – in fact unprecedented - this outcome was, consider the following. Prior to this year, the worst quarterly loss *ever experienced* by the ultra-short bond fund category in Morningstar’s database was just -0.41%, which happened twenty years ago. In contrast, in the fourth quarter of this year, the Schwab Yield Plus (SWYSX) fund lost 2.53% while the Fidelity version (FUSFX) lost 4.13%<sup>10</sup>.

The two categories of foreign denominated debt, namely intermediate term, top quality bonds in developed markets and short term debt in emerging markets, rewarded us with robust results for the second year in a row. The total returns were 10.5% and 13.2%, respectively (shown in the third and fourth rows of the Fixed Income section of Table 1). As last year, the biggest reason for this excellent performance was the appreciation of foreign currencies against the U.S. dollar. In the case of the developed markets fund, more than half the total return can be so attributed<sup>11</sup>. I do not have data to prove how much exchange rate changes affected the returns of the emerging markets fund, but I am sure they can be credited with an even higher fraction of the total returns there. My concern that the U.S. dollar may continue to be weak for some time to come is why we are continuing to keep 25% or more of both our fixed income and equities investments in foreign currency denominated securities.

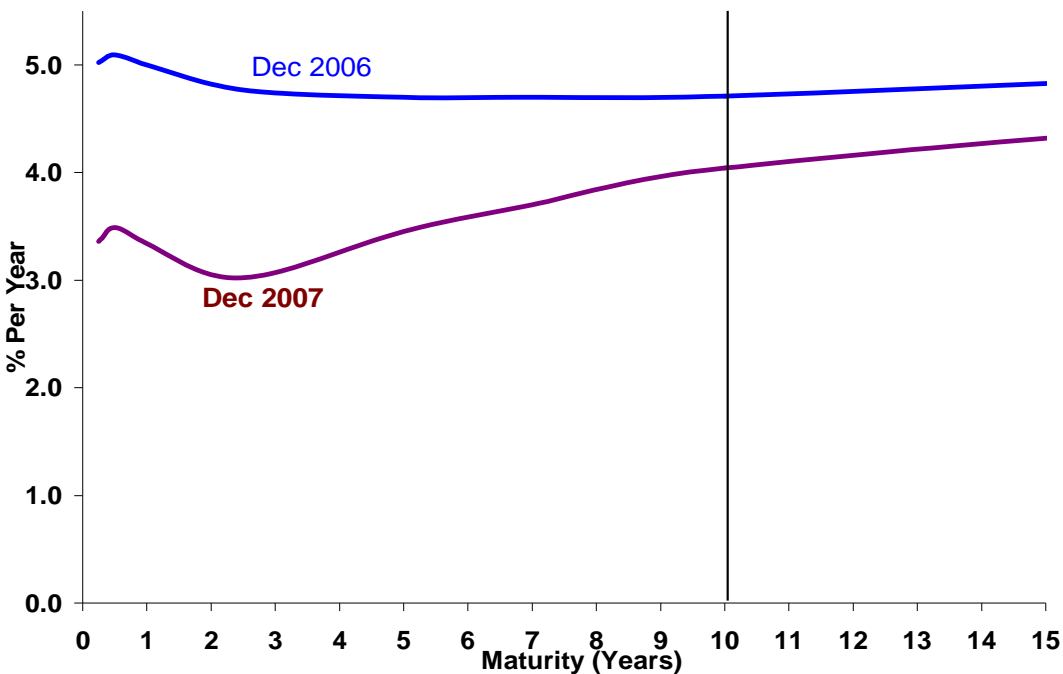
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<sup>9</sup> I have not discovered widely used and readily available market benchmarks for these or several other fixed income categories. So, along with the fact that our investments are clustered entirely or almost entirely in a single fund within each category, it seems reasonable to just report those funds returns as the indicators of the respective categories’ performances.

<sup>10</sup> For the year as a whole, SWYSX which is the fund a large number of MAM clients use, lost 1.0%, as noted in Table 1. The Fidelity version, FUSFX lost 5.1% for the year. Without doubt, 2007 was the worst year ever by a huge margin for the ultra short bond fund category.

<sup>11</sup> PIMCO offers both U.S. dollar hedged and unhedged versions of their Foreign Bond fund. Their 2007 total returns were 10.5% and 4.0%, respectively. We use the unhedged version. There is no US dollar hedged version of our developing markets fund, PLMIX, since the whole point of that fund is to obtain exposure to developing markets’ currencies.

**Figure 7 - Treasury Yield Curves**



## Outlook for 2008

The question most investors are asking at this point is: will the troubled housing and mortgage industries take down the economy? The underlying key is consumer spending, which makes up 70% of the economy. To be sure, U.S. consumers have been resilient and have continued spending even as economists have grown worried about the housing downturn. But now, evidence is mounting that consumers are curbing their spending as they grapple with a growing load of debt. The contraction in the housing-related industries has a direct impact on employment as well as consumer spending, but it is the related credit crunch and its impact on spending that could cause the most damage. Moreover, capital has increasingly come from outside the banking system (structured notes for example), making it tougher for the Fed to restore confidence and liquidity.

It is impossible to confidently forecast how restrictive credit will be and for how long. There is also fear that credit problems will spread to other areas, with credit cards being one area of concern because of permissive underwriting standards. At this point it seems pretty clear that banks will have more write-offs over the next few months or quarters and that structured investments (pools of debt that have been turned into securities), which are often highly leveraged, will suffer through more ratings downgrades as collateral values decline further. Moreover, it is very likely that lending practices will be generally more conservative, suggesting slower growth in credit for a sustained time period. A predisposition to conservative lending will make the Fed's job harder. This all suggests that the current trend of less credit and higher costs probably has a ways to go. And, this is true not only in the mortgage market (subprime and prime alike) but in the consumer and small-business loan market as well.

It is easy to dwell on the negatives, and though some slowdown seems assured, it is not a foregone conclusion that the negatives will drag the economy into recession. Although the employment market is showing some signs of slowing, it remains healthy, and corporate earnings outside of the financial sector are still growing. Emerging markets continue to thrive (at

least for now) and remain a positive for the global economy, while a weaker dollar has helped support a boom in U.S. exports. The Fed and other central banks are aware of the economic risks and are using interest-rate policy and other measures to improve liquidity.

As usual there is a lot of information out there both pro and con, and we just can't confidently predict how the macro picture will play out. But whether or not the economy *officially* has a recession – a recession being defined as two or more consecutive quarters of negative GDP growth – it seems the odds of a meaningful slowdown have moved sharply higher than a few months ago.

So what does this all mean for our investment policy? I think the answer is little to nothing. This may sound surprising to some of our newer readers, but those who have been with us for several years would probably have guessed the same. This is not to say a recession or severe slowdown would have no effect on the stock market – in fact, it would almost surely be accompanied by poor stock market performance. But the *prospect* of recession has *already* taken a big toll on the stock market, seeing as stock prices are based on investors' forecasts of *future* company prospects. The trouble is, even if we knew for sure the future path of GDP growth or decline, there is no reliable way of knowing just when to decrease equity exposure nor when to ramp it back up again as the slowdown begins to reverse itself. As a leading indicator of upcoming macroeconomic outcomes the stock market attempts to foresee and adjust to them something like six months *before* they happen. We have no way of knowing what or how much is already priced into the markets right now. So when to get out of stocks and when to get back in remains unknown, even if we had the ultimate macroeconomic oracle by our side.

Looking ahead, we should understand that the possibility of a rough year lies ahead. Diversification in our portfolios helps a great deal – especially over multi-year periods – but for portfolios that have a high percentage of assets in equities, it does not protect us from losses each and every year. Indeed, this is the burden we must be willing to bear if we want to achieve greater long term total returns.

As you know, our investment decisions are always made based on a multi-year outlook. This allows us to focus on underlying fundamentals and valuations - the factors that ultimately drive returns - and distance ourselves emotionally from the day-to-day “noise” of the markets and the financial media. Over shorter time periods these relationships - between fundamentals, valuations, and returns - don't always hold. This is the point made in the legendary Benjamin Graham saying “In the short-term the market is a voting machine but in the long-term it is a weighing machine.” And I continue to strongly believe that our portfolios are well prepared for the “weighing machine”.

## **A Personal Note in Closing**

Marshalla Asset Management has now completed its fifth year in business. Amy and I are very thankful for your continued trust, and we remain here to serve your financial needs in whatever capacity you may choose. I always enjoy any feedback you have to offer about my commentaries, as well as our services, so please let me know what you think! Here's to avoiding a repeat of last year's market turbulence, that our economic slowdown may be mild, and that the “weighing machine” may treat us kindly.

*Best Regards,*

*Bob Marshalla  
Your Financial Advisor*