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January 23, 2008

Happy New Year to you all!

The New Year has certainly started with a lot of market activity, with this decline in world stock markets. The drop has been blamed on concerns that the U.S. has entered a recession and that this will lead to an economic slowdown in the rest of the world. In addition, there are fears that financial institutions may announce further losses stemming from the sub-prime mortgage meltdown.

To be certain, this kind of market activity can be unnerving, especially with the media reporting it on their front pages like a major natural disaster. However, the fact of the matter is that it's not a disaster. Market declines are a normal part of investing.

Remember why you are investing – for the long term. History has shown that market downturns have provided opportunities for people who remained committed to their long-term investment goals. By staying the course and continuing to invest – buying when prices are down – you can create enhanced potential for long-term gains.

Furthermore, your portfolio is diversified. A portfolio that is diversified by asset class (equities and bonds), sector and region will have more stable returns, because not all investments provide the same returns at the same time, or respond to events in the same way. This is how diversification helps boost returns and reduce risk at the same time.

Ultimately, your investments were chosen to help you meet your financial needs, based on your individual goals and risk tolerance. A stock market downturn can be uncomfortable, but it's no time for hasty actions. Together, we have developed a disciplined, long-term plan that can weather short-term changes in such an investment climate.

If you have concerns about your portfolio, we are here to answer your questions. Feel free to contact your Clutch Financial Advisor or myself directly at 905-361-1590.

Until next month…

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