



FOX Financial Services, Inc.

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October 3, 2001

Dear clients,

Greetings. For any of you who lost loved ones or friends in last month's horrific and unspeakable tragedies, my deepest condolences. Like so many, I now constantly find myself putting things in perspective and trying to appreciate all that life has to offer because indeed it can be so fleeting. I've heard many times, "Live each day like it's your last and plan as if you're going to live forever". Rest assured that even in today's troubling times, with so much uncertainty in the financial markets, your portfolios are constructed to last a very long time. By sipping away at them rather than gulping, and because you're so broadly diversified, we have essentially created an "all-weather" mix.

In working with clients over the years, many times I have been asked "Why are my retirement income projections so conservative?". Similarly, I'm often asked "Why do we invest so much in bonds and money market accounts if stocks will most likely provide the highest long-term returns?". The answer to both questions is that on a short-term basis almost anything can happen in the financial markets and we need to be as sure as we can that these temporary crises will not wreak havoc with our long-term plans. Bond and money market accounts help provide this insurance. Thankfully, for investors like us, the one huge component that we have no control over – short-term severe stock market dips such as we are experiencing now – has very little, if any, impact on our long-term success. It's only normal to be concerned in uncertain times such as these but do your best to continue reaping the 'peace-of-mind' rewards that long-term, diversified, disciplined, and cost-conscious investing brings. Sadly, we have other less controllable things to worry about for the foreseeable future.

As promised last quarter, I will now spend a little time describing and explaining the '**Portfolio Statistics**' section of your new look new statement. The percentages that you see in the three 'Allocation' sections are very important when I review your holdings. I start with your overall Portfolio Allocation. Most of you will probably have a target equity percentage somewhere between 50% and 75%. This is the range that typically balances our need for income, with our need for growth, during retirement. A higher equity percentage than 75%, or one lower than 50%, is not necessarily imprudent, but does suggest either a very aggressively constructed growth oriented portfolio, or a more cautiously invested income oriented mix.

The 'Equity Allocation' and 'Fixed Income Allocation' statistics are the sub-category percentages I look toward when rebalancing or sometimes just "tweaking" your accounts. More often than not when you look at your Domestic vs. Foreign, Large/Medium/Small, and Growth/Value/Blend breakdowns you will see significant representation in all categories (remember "Blend" means a combination of Growth and Value stocks). The 'Fixed Income' (i.e. bond) sections are reviewed in much the same fashion.

Lastly, I thank so many of you for returning the trading authorization modification form I sent out last month. It should make rebalancing a lot easier. Also, please don't forget to keep me current with your email addresses. Take care, be well, and pray that the world soon becomes a safer place for us all!!

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