

January 5, 2001

Dear clients,

Happy New Year! First a bit of business and then some commentary and personal news. Many of you will find an extra tax-related report or two in this quarter's mailing. Please call me or have your tax preparer call me if you have any questions. You still must refer to your 1099 forms from Schwab and Vanguard for official information, but these summaries should complement nicely.

As we now know, 2000 was not the best year for stock market returns. Major diversified U.S. markets were down approximately 3% to 10% while many foreign markets were down a little more and technology heavy areas such as the NASDAQ were way down. What does this mean for you? It means more than likely I have some portfolio rebalancing to do but your long term prospects remain just as bright as they were a year ago and will be equally bright a year from now. These are the benefits of long-term,

diversified investing and responsible financial planning.

You don't have to jump for joy over your year 2000 returns but please don't worry or fret either. Without periodic and often unexpected downturns in the financial markets, responsible investors such as ourselves would not be rewarded for the prudent and necessary short-term risks we willingly accept.

Finally, on a personal note, my wife Giovanna and I are expecting our first child the end of March 😊. We're both very thankful and excited. I'll keep you posted. Best wishes to all!