



## Stanton & Castleton, Inc.

An independent firm

### *Let's Review: Our Monthly Newsletter.....02/01/08*

This month:

We want to take a moment to thank all of our clients...our experience tells us that most people find market volatility unnerving and the temptation to make reactive decisions almost overwhelming, however as a group you all have been exceedingly calm during this turbulent market. Perhaps our efforts to work with you to set reasonable expectations, be proactive in portfolio design and deliver service can account for some of your collective ease...we like to think that you all just “get it” and are seasoned investors. The point is we appreciate your collective calm; it makes our job more enjoyable.

Each month we try to add some prospective to investing in light of all the conflicting opinions that are shouted from all the financial shows, articles and “experts” each of whom are convinced they are making the right “call”. As you all know by now we confess to not knowing the future. In fact, it is trying to understand the past that may give us some insight as to what we can expect, however that falls well short of a crystal ball.

Why don't we try to be more active in attempting to “time” increasing or decreasing our market exposure? In truth, we have not developed that skill...and we think very few people ever have. Just look at the numbers: Over the last 20 years (1988-2007), the S&P 500 was up +9.3% compounded per year not counting the impact of dividends. **If you missed the 20 best performance days** in those 20 years (20 days in total, not 20 days each year), your average annual return was nearly **cut in half** to just +4.8% per year. If you **missed the best 1%** of all 5,043 trading days in those 20 years (51 days in total), your annual return was negative (source: BTN Research).

What we can do is seek out investment managers who have developed both knowledge and skill in their particular area...who also make risk management a fundamental part of their management process. We can then

apply our portfolio design tools to build your portfolio using a collection of managers, each applying their skill to an assignment within the portfolio. That is our commitment to you....again, Thanks.

*Interesting topics made fun!*

Each month we will host an early evening of cocktails and hors d'oeuvres, where a guest speaker will inform, educate and perhaps amuse...*This month:*

We are taking one more month off...the annual reviews and rebalancing will not allow enough time for us to set up something fun. Once we get caught up we will plan something enjoyable for all!

*Bob:*

New year means the boys are all back to school! Joyce and I are trying to get them back into homework and sleeping regular hours without yelling too much. We have the younger ones starting baseball season (last year I get to coach...ever...no fooling this time) and Jordan has been accepted to two colleges so far which is exciting. Some of you know I have my oldest son Ryan doing a bit of computer work for us when he has free time from school. Life is just moving along and we are trying to enjoy it all...cheers.

*Ron:*

Like Bob, our boys are back to school and we have resumed everyday living. I have been so busy at work that these past few months have just flown by. I can tell you Sunny and I now know a great guy who can fix any "plumbing" problems you have at the house...so call me if the need arises. That's all till next time, when I promise to be more interesting.

*Charity:*

Ron is not kidding we have been busy here in the office! I have to say a special thank you to our client Andrew who sent a bag of Disney gifts back from his meeting with Bob & Ron, for my little nephews...Thanks! They were very excited.

Bye

*This month "Financial Topic": One more cartoon!*



*International Herald Tribune, October 27, 1989. Kal, Cartoonists and Writers Syndicate, 1989.*

**“In the end, how your investments behave is much less important than how you behave.”**

**Benjamin Graham  
The Intelligent Investor**

***The Numbers:***

**Closing Values / 01-31-2008**

<b>DOLLAR</b>	weaker	<b>NASDAQ</b>	2,389.86	+40.86
<b>10-YR YIELD</b>	3.64%	<b>S&amp;P 500</b>	1,378.55	+22.74
<b>VOLUME</b>	2,189,759,488	<b>DJIA</b>	12,650.36	+207.53

*Provided by Standard & Poor's*

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**WELL ALL OF YOU HAVE NOTICED OUR REQUEST**

***Thanks!***

**(Referral Hotline: 877-975-0955)**

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**Manage.....Monitor.....Maintain**