



ASSET MANAGEMENT

BLAME IT ALL ON THE ELECTIONS

In my 30 years in the investment industry there have been five really nasty periods in the US stock markets. Four occurred around presidential election periods with the incoming president having little, or nothing, to do with the fundamentals of the correction. (The fifth was the crash of 1987 which occurred a year before the next presidential election).

Back to the my 30 years... Using the S&P 500 incoming President Reagan had a 23% decline, Bush senior had an up market. Clinton -15%, incoming Bush jr -38%. (and the NASDAQ declined 80%). So far this most recent decline is 41% and awaits our next president.

Each of those periods were awful. The causes all varied. Every one of us felt hard, and at moments, agonizing pain.

Take heart in these S&P price points. I was a rookie in May of 1979 when the S&P500 stood at 99. Today 's value is 909, the market peaked at 1549. My stomachs is frequently frayed, but those are significant rates of return.

Despite wars, good and bad government management, disease, and on and on market leading companies have continued to introduce better products and we came up with a way to buy them. Gradually profits increased and, in anticipation, so did share prices. Bear markets do end. Panic is a good sign the we are getting close to the bottom.

Our country, people and markets will all be fine. Give us time to digest then solve the problems. The future is bright.

Roger O. Groh

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ROGER@GROHASSET.COM