



ELSASS FINANCIAL GROUP, INC.

Investments, Insurance, Retirement & Estate Planning Services

Winter 2008 Newsletter

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In this volatile time, what should you do?

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With stocks and investment markets off to a rocky start in 2008 and the economy slowing, possibly in a recession, there are a few points we wanted to share with you:

This is a volatile time in the markets. While clients with conservatively allocated accounts have seen little fluctuation, many of the more aggressively allocated accounts have seen much larger fluctuations. These gyrations can be painful, but normal in investing cycles. In addition, there is little credible evidence that anyone can consistently side-step bear markets by using market timing techniques.

1. We try our best to match client portfolios to their investment time horizon and risk tolerance. Time horizon includes both 'when you will start taking distributions' and 'for how long the distributions are to last'. For example, a client taking distributions in retirement likely has a longer time horizon than a client not taking distributions now, but will need all the money of a particular account in 2-3 years.
2. Clients with a longer term time horizon (with some stock exposure) have done well long term, not despite, but because of their ability to tolerate short term risks and fluctuations.
3. Although large market swings can be a true "gut check" of risk tolerance, even adjusting risk preferences during volatile times can be a difficult proposition. Doing so may require buying and selling, which comes back to the market timing issue. However, it can also make decisions more emotional than educational.

4. Don't forget the media exists to attract your attention with headlines and drama. It is OK to listen, just be careful not to do too much based on what you watch and hear alone. We can help you look at how the big picture relates to your individual situation and planning.

So in this volatile time, what should you do?

1. Make sure your investment time horizon still matches your investment. Consider your risk tolerance as well, but be careful not to make a quick emotional decision.
2. Stay broadly diversified. We can help to evaluate if you are properly diversified. This should be done by fund, asset class, manager style, and other differences.
3. Keep focusing on the long term. When looking at performance (or numbers on statements), be sure to look at long term performance. If possible, look at 1 year, 3 year, or even the 5 and 10 year performance. If your account is not that old, ask us for the history on the account you are in or ones with similar styles.
4. If you are not in one of our actively managed accounts, ask us about them and how these accounts may adjust allocations in a tactical style. It will not eliminate fluctuations, but it may help reduce volatility.
5. If you are concerned and would like to review things, please call for an appointment. We are here to assist you through both good times and difficult times to help you reach your goals.



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Serving members by appointment only at:

Canton Police & Firemen's CU*	- Canton
Community One CU*	- N. Canton/Canton
Golden Circle CU*	- Massillon/Canton/ Alliance
Summit Federal CU*	- Akron/Salem
Superior Savings CU*	- Massillon



Old Pension Plan & IRA Consolidations - If you have a 401k, Pension Plan or IRA with a former employer and/or a number of different IRA accounts, now is a great time to consider consolidating them for your convenience. So, gather up your annual statements and give us a call for an appointment ~ let's talk about your options!

Are You a Socially & Environmentally Conscious Investor?

Generally these investors:

- Have confidence that reasonable profit margins are compatible with the health & well-being of all company stakeholders—customers, employees, communities, stockholders, and the natural environment
- Support efforts to make companies more transparent and accountable to shareholders and society at large
- Are concerned about fairness, human rights, the quality of our air and water, and the health of the global environment; and
- Desire to avoid investments that support violence and armed aggression, political unrest, the suppression of minorities, harmful products, or damage to local communities.

If this sounds like you, please call us for more info.

One Convenient Place to Store Your Financial Records

One of the keys to feeling in control of your finances is having all your important personal and financial records right at your fingertips. To make this easier, we are pleased to offer you a convenient Financial Organizer. Take a few moments to record key health, insurance and financial information so, when faced with an emergency or if your situation changes, having all of this information at hand will make it easier for you to take control and make sound decisions.

Contact our office for your free Financial Organizer.

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