

To our friends in the investment community ~

In periods of turbulence, people and their businesses are tested, and our industry is no exception, as 2008 is proving to test many of us. Having started in the industry in 1975 when our small investment management consulting firm helped institutional investors to stay committed to equities, analyze GICs and market timers, and generally clean up after the 1973-1974 equity bloodbath, we recognize some of the same feelings now that were present then. As we criss-crossed the country after Black Sunday earlier this September, we saw a lot of head shaking and heard mutterings of “never seen this before...” and doomsday remarks. Budget cuts, headcount freezes, layoffs, travel limits. Increased appetite for low-risk investment choices. More than one person used the word, “panic.” Fear is here.

At the same time, we heard voices of reason...professionals who have both experience and long-term vision... portfolio managers actively buying stocks they never thought they would see at such deep discounts...consultants helping clients adjust asset allocations to capitalize on the capital market discord. Research analysts reporting on the dismay across so many industries, but then uncovering a nugget worth patience.

During our trip to New York, we visited with a small, entrepreneurial firm barely a year old and saw the team planning for the future with its members visibly charged and excited about current and future prospects, and confident in their investment premise. Throughout the week in various meetings, we listened as various leaders of larger firms and teams advanced their strategic plans, with instructions to us and their teams to continue to stay close to their clients, continue to develop professional talent and continue to refine messaging. The sense of urgency evident in all the leaders’ words was less about the markets and more about helping their clients and growing their businesses, less on today’s chaos and more on tomorrow’s opportunities. We appreciated being with these individuals during this period of gyrating markets and impulsive and emotional reactions. They instilled a sense of calm and purpose.

We also had the pleasure on September 18<sup>th</sup> of helping PAICR (Professional Association for Investment Communications Resources) celebrate its 10<sup>th</sup> anniversary, now 600 members strong. The current Board and volunteers, under Jill Brogan’s visionary leadership, have done an outstanding job in growing the association and positioning it well for the future. We enjoyed meeting with many new young entrants into our investment management industry, and were impressed with their enthusiasm and energy as they hobnobbed with industry veterans such as Jane Buchan, Pacific Alternative Asset Management Company; John Casey, Casey, Quirk & Associates; Stewart Dier, NYC Comptroller’s Office; David Katz, Rocaton Investment Advisors and Frank Minard, XT



Capital Partners, LLC. Little did we know when we helped found the association, how vital it would become to the education, professional development and networking of so many people. You can learn more at [www.paicr.com](http://www.paicr.com).

So in summary, yes, 2008 will be a year for the history books...as were 1987, the tech bubble of the early 2000s, and 1973/1974. May 2008, however, be instructive to all of us immersed in the industry that vision and reason will prevail if we stay true to our purpose – stewardship of so many people’s futures. We are honored to work in this industry and continue to respect the great strength, commitment and talent of the many people with whom we work.

Sincerely,

Jacqueline Charnley and Christine Røstvold  
September 26, 2008

