

**Date:** October, 2008

**Memo to:** Tarbox Clients

**From:** Laura Tarbox and Team

**Re:** Uncertain Times – Part 2 (Is NOW the Time to Get Out?)

My team and I have had hours of discussions, often late into the night, about whether or not the present situation calls for unprecedented action. Although we have made several adjustments and sold out of some securities in recent weeks, I'm talking about something more drastic - getting out of the market to some extent.

We have spent hours on the phone with many of you, and we know how scary, painful, and frustrating it is to see the relentless market declines of the past couple weeks. In fact, we have come close to agreeing to take such action only to be unable to "pull the trigger". Why? *Because none of us thinks it's the right thing to do.*

We have come close because we really want you to feel better. But when we go around the room and ask each one on the team, nobody wants to sell out of their own accounts, our pension plan, our parents' accounts or other family members' accounts. And ultimately, you hired us to do our best and do what we think is right in managing your investments. We think the total panic and lack of confidence in the market are the classic signs of a market bottom (along with other more technical signs) and we do not want to sell at the bottom and lock in these dramatic losses.

The other difficult aspect of making such a decision is knowing when to get back in. That also factored into our discussions here. That's why we are not market timers – you have to guess not only when to get out, but when to get back in. Usually, by the time it feels "safe" to get back in, you've missed most of the upside. (See the enclosed chart.) It can be the start of a dangerous cycle, and before you know it, you are trading on emotion, which never works out well.

We may or may not be at a market bottom already. Of course, it is your money and your call. If you need to take such action, we certainly understand and will work with you to look at alternatives for taking some money off the table.

Thank you for your continued trust and confidence.