

Sather Financial Group

Comprehensive Wealth Managers

Third Quarter 2007 Commentary—A Tale Of Four Charts

Take a look at the following charts and ask yourself how you would feel if you experienced these returns.

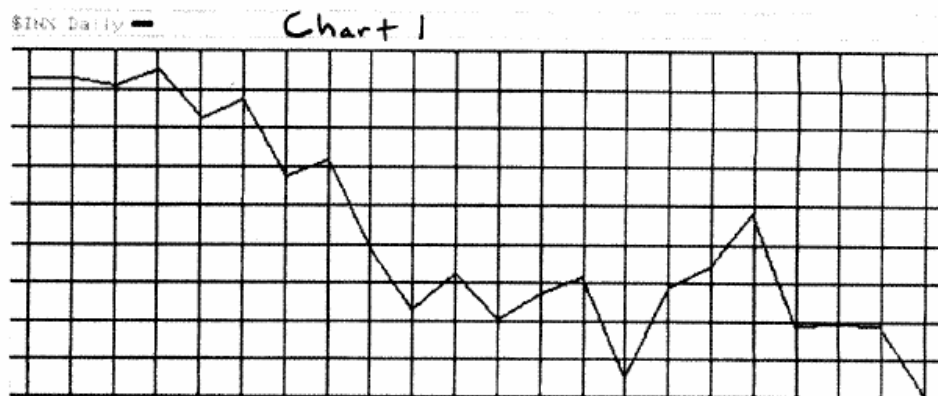


Chart 1: Negative 8% Return

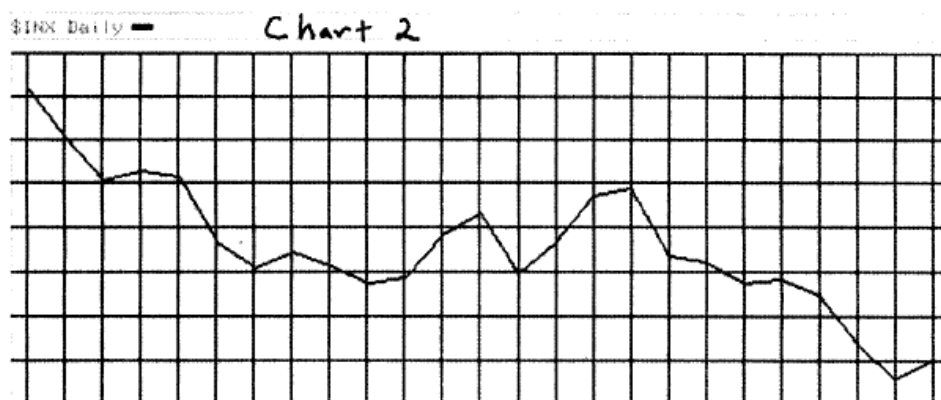


Chart 2: Negative 7% Return

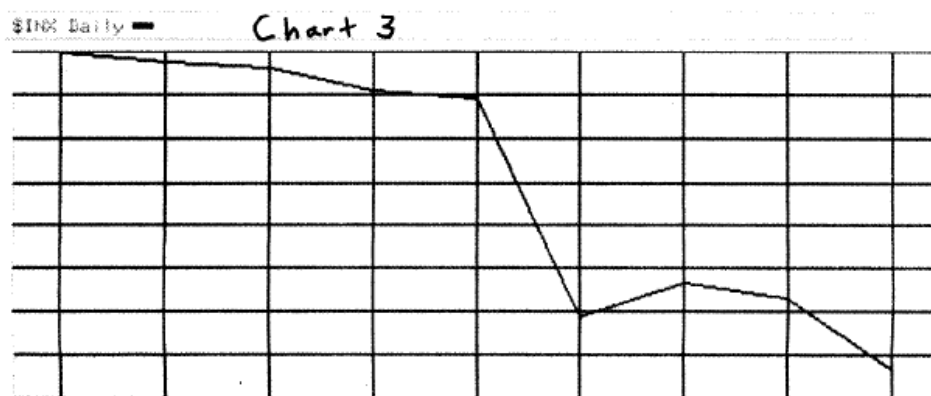


Chart 3: Negative 5% Return

When looked at in isolation, these charts look downright scary. The thought of investing and a short time later losing 10% of your money is frightening. As these actual S&P 500 market charts show losses of this nature can, and do, happen. In fact, our clients experienced this exact volatility.

However, as we have always discussed, investing is a long term proposition. Do not allow short term volatility to sway you from your logical and long term goals. These things must be viewed in perspective.

The first chart's 8% decline occurred quite recently. I am sure we all remember July 16th through August 14th of this summer. That was a "fun" three weeks.

The second chart show's the S&P 500 losing 7% over 35 days from May 10th, 2006 through June 14th of 2006.

The third chart with the 5% drop, occurred between February 20th and March 20th earlier this year.

If all we did was focus on the short term we would drive ourselves crazy and never make any progress.

The following chart might be more meaningful:

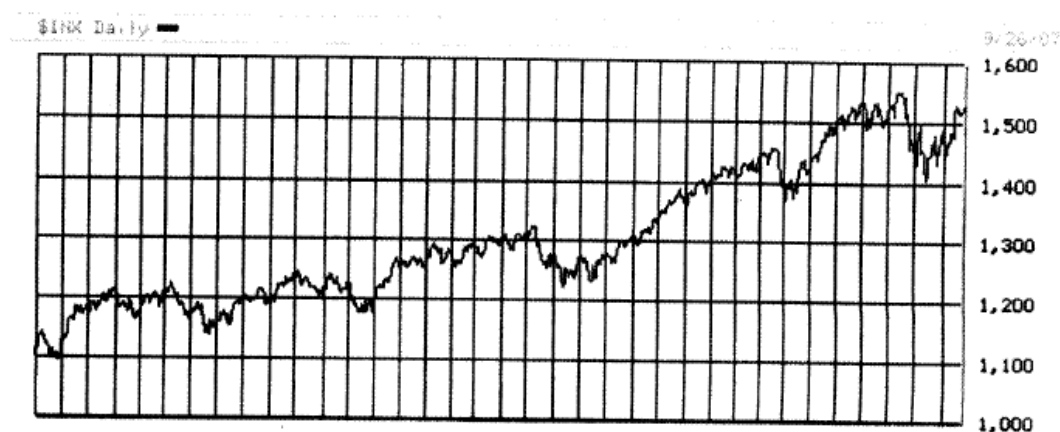


Chart 4 shows the performance of the S&P 500 over the past three years. Over that time period, factoring in all of the bumps and bruises along the way, the market has increased 38.7%. Not too bad.

In our opinion, the 38% gain produced by focusing on the long term is far more important than the short term gyrations of a market which we know will be quite irrational.

Going forward, we continue to be faced with a variety of economic maladies. We have concerns over oil at \$81 a barrel, inflation, bad mortgages and the devaluation of the dollar.

There will always be something to be concerned about. However, these concerns should not be magnified in such a manner that we become obsessed or distracted from the long term goal.

Please call or stop by with questions or comments.

Sincerely,

Dave Sather, President
CERTIFIED FINANCIAL PLANNER™