

# Retirement Rambler

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**Rincon Park & Cupid's Span  
The Embarcadero  
San Francisco**

*The Embarcadero is a wide concrete ribbon pedestrian route that hugs the San Francisco Bay. The result of a major urban redevelopment project following the 1989 earthquake, the route boasts such finery as the restored Ferry Building (filled with eateries), the AT&T Park (home of the Giants), Rincon Park with Cupid's Span (an arrow where Tony Bennett "Left His Heart") and ends at Fisherman's Wharf.*

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## And All Shall Be Well

"All shall be well. All shall be well. And all manner of things shall be well." These words are attributed to 14th century English mystic Julian of Norwich. Repeat them, slowly, to yourself and again out loud.

By just about any financial measure, 2008 has been a tough year. The headlines have screamed of impending disaster and the media has feasted on the never-ending stream of bad news.

Consider some of the statistics. It has now been declared by the National Bureau of Economic Research that the US has officially been in a recession since December of last year. The unemployment rate is at a 14-year high of 6.7% and is expected to climb. Banks had to be propped up

by government intervention and the fate of the Big 3 US auto makers is unknown. There will likely be a big-ticket jobs program initiated by the new administration. And, oh by the way, the Dow Jones Industrial average is down 31.7% year to date (through Nov 30) and international stocks are down 46.6% (through Nov 30) as measured by the MSCI EAFE index. Is this making you feel a little queasy?

Some have asked "Why couldn't we see this downturn coming and get out of the market before it happened?" Forecasting, and therefore appropriately timing, the markets is tricky business. John Kenneth Galbraith, noted economist,

once opined that "the function of economic forecasting is to make astrology look respectable." It's just about impossible to get market timing right.

So what are we to do? Times like these call for big doses of patience and perseverance. The keys are to keep the emotions under control, the portfolio balanced, and expect that such a strategy will produce the long-term results desired.

By classic definition, there have been 16 US recessions since 1919 and the average length has been 13 months. The good news is that the resilient US economy has recovered from all of them. The question is "how long?"

On a personal note, I was finishing this column when I received a call that my Mom was likely in her final days. At her graveside service, the pastor quoted the very lines I was using to open my column. "All shall be well. . ."

So in this very special season, I invite you to reflect on the abundance that is ours and know that, indeed "All manner of things shall be well."

## Market Update

| Index                              | Nov, 2008 | YTD, 2008 |
|------------------------------------|-----------|-----------|
| Dow Jones Industrials              | -4.86%    | -31.66%   |
| S&P 500                            | -7.18%    | -37.66%   |
| Russell 2000 (small cap US stocks) | -11.83%   | -37.42%   |
| MSCI EAFE (developed foreign mkts) | -5.41%    | -46.59%   |
| Lehman Bros Aggregate Bonds        | +3.26%    | +1.46%    |
| 3-Month T-Bill                     | +0.03%    | +1.50%    |

Source: Morningstar, Inc.  
Past performance is no indication of future results.