

OCTOBER 2008-THE BOYS OF SUMMER

The Boys of Summer is the title of a book written by Roger Kahn about the 1955 Brooklyn Dodgers and their successful quest for a World Series championship in 1955, a time when life seemed much simpler than today's world. In today's fast paced market moves, the "Boys of Summer" would include Treasury Secretary Henry Paulson, Fed Chairman Ben Bernanke, and Congressional leaders such as Charles Schumer, Barney Frank, Harry Reid and the Chairmen of numerous financial service corporations. All of these "Boys of Summer" have been in the news throughout the entire summer. It now appears as if we are heading into the fall classic, "The World Series of Financial Strategies". We are not going to recount the history of how we got where we are; the news media has pummeled us endlessly with that information. We think it is more important to discuss the future because we all live by the results of future activities and strategies.

First of all, let me again restate that The Narmi Group sees America as the biggest, strongest, most diversified economy in the entire world. Any and all rating agencies, central banks and world economists would likely agree with this statement. We, The Narmi Group, would also agree with a statement often made by Warren Buffett in which he states "don't bet against America". There is much discussion about the dire finances of America, its budget and trade deficits, and we do acknowledge all of these facts. However, have you ever considered the "Balance Sheet of America"? A financial balance sheet acknowledges all liabilities, but it also acknowledges all assets. Allow us to acknowledge some of the un-discussed wealth of America.

America has hundreds of years of coal, oil, oil shale, natural gas, gold, silver and other precious minerals. In addition, America is the world's largest producer of food and food commodities in the world. Also, America has a vast infrastructure of bridges, highways, utilities, waterways, dams and railroads. American citizens hold trillions of dollars in money markets, bank deposits, bonds and stocks, and are contributing regularly to 401k plans. Make no mistake about it, America is the richest country in the history of the world. Are there problems? Yes. Can they be fixed? Yes. How? They can be fixed through the cooperation of the Fed, Treasury, Congress, Executive and not the least, the American public. The American public has a 232 year history of meeting any major challenge presented. I think we all need to remember this.

Let me state again, as I have in various communications the past few months, we acknowledge the serious challenges of the current environment. As you may recall, we spoke about the possibility of these events unfolding; yet, we are all surprised at the actual outcomes. When markets are difficult such as now, we are always likely to be surprised. However, the surprises of the market often present opportunities. One must act reasonably and rationally. I feel that being located in the Midwest gives us a clearer vision of those surprises and opportunities. We are not part of a bigger city "crowd". We maintain a healthy dose of skepticism and perspective. We also think that our location and size of our group allows us to be more nimble than a larger crowd mentality and could give us a greater ability to manage accounts more effectively, as well as seize opportunities more effectively as they arise.

Moving forward, it is probably safe to assume from comments made by government leaders and major economists that the de-leveraging process underway could continue. I believe the ramifications of this could be that we may see slower economic growth than we have been accustomed to; consumers may tighten their spending; corporations may move slower on capital outlays; and, the tax burden may increase for numerous reasons. However, there are bright spots on the horizon: oil seems to be in a downward price pattern and the dollar has shown signs of resurgence. These are two very positive factors for investors. Lower oil prices puts real dollars in consumer pockets and a stronger dollar makes dollar denominated assets more attractive. Hence, despite the slower growth, the financial service issues and funding of the bailout package, markets could actually respond sooner than many pundits are forecasting.

We continue to emphasize financial planning for our clients. It helps establish a road map to reach your personal goals and destination. We continue to stress blue chip, dividend paying equities. We are looking at some opportunities in the tax free bond market. We believe that fundamental market measurements of the stock market and many stocks in particular

could be very compelling. In a nutshell, we see many more opportunities for investors than the press may lead you to believe.

On a personal note, everyone's family in The Narmi Group is growing and expanding. Jim O'Laughlin is a proud grandfather of granddaughter, Neve O'Laughlin. Alec Rynaski began his college and naval career at the University of San Diego. He was sworn in as a mid-shipman on August 22, 2008. Ann Narmi earned a fourth year of cardiology fellowship at Creighton University with a sub-specialty in invasive cardiology. Ellie, Charlie and Nick's children are growing fast and Austin's dog is doing fine.

We are the first to admit that these times are very challenging. We feel very confident that we are pouring our heart and soul into our responsibilities to you. We are extremely confident that our Investment Philosophy and our Mission Statement to you are very appropriate, especially for these times. We pledge to keep working as hard as possible for you because of our professionalism and our personal relationships with you. We ask you to remember others during this time and share some of your excess with your church, family and school. Again, these are where the real returns of life are earned and enjoyed.

As the Boys of Summer, this too shall pass,

Jon

Jon L. Narmi
Senior Portfolio Manager
Senior Vice President–Wealth Management

Charlie

Charles M. Narmi
Second Vice President–Wealth Management
Financial Planning Specialist
Sales Manager – Smith Barney Omaha

Austin

Austin Fearnow
Financial Advisor

Ellie

Ellie Sweet
Registered Associate

Theresa

Theresa M. Rynaski
Second Vice President-Wealth Management
Financial Planning Specialist

Nick

Nick Vondrak
Second Vice President-Wealth Management
Financial Advisor

Jim

James W. O'Laughlin
Vice President – Wealth Management
Financial Advisor

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