



**Scannell Wealth Report
August 31, 2009**

The Markets

Even though the 4th of July was about two months ago, we may see some fireworks in the financial markets over the next few months.

Since Independence Day, trading volume has been rather low and volatility somewhat subdued. Traditionally, the movers and shakers on Wall Street retreat to the Hamptons and other far-flung places around the world during the summer and, as a result, we often see little action during the warm months. This summer was no exception as big drops have been rare. Instead, we've seen a steady, non-volatile rise in the major averages. We are now into the last week of this summer hiatus and, as the titans of finance return and Congress gets set to start legislating again, the sparks may fly.

Like fireworks, these sparks could do one of two things. First, they could make us "ooh and aah" over how beautiful they are, i.e., we get a big market rally. Or, second, we could get too close and get burned, i.e., the market tanks. Some would also argue that there's a third possibility – we could just muddle about and stay in an extended trading range. This might be analogous to a firework that misfires and fizzles out.

As much as we would like to dust off our crystal ball and peer into it for prescience, we know that predicting the future is not an effective investment strategy. However, thinking about possible scenarios, developing plans and being ready to adjust course as situations unfold is appropriate.

We don't know which type of sparks might fly in the next few months, or even if sparks will fly, but, if they do, we will do our best to help you enjoy and profit from them.

Data as of 8/28/09	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.3%	13.9%	-	-7.5%	-1.3%	-2.5%
DJ Global ex US (Foreign Stocks)	2.0	29.8	-14.8	-4.7	5.3	1.5
10-year Treasury Note (Yield Only)	3.5	N/A	3.8	4.8	4.2	5.9
Gold (per ounce)	0.3	9.9	14.0	15.9	18.6	14.1
DJ-UBS Commodity Index	0.2	9.0	-33.0	-9.2	-2.2	3.9
DJ Equity All REIT TR Index	2.7	12.1	-32.2	-12.7	0.7	9.0

Notes: S&P 500, DJ Global ex US, Gold, DJ-UBS Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT TR Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, Barron's, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not available.

THINK BACK TO A TIME when you saw a beautiful sunrise. Perhaps you were standing on a beach mesmerized by the quickly changing interplay of light, clouds, and water. While you were caught up in the moment, you probably didn't realize that the light you saw peaking over the horizon was already about eight

minutes old. Due to the sun's distance from earth and the speed of light, it takes about eight minutes for light from the sun to reach us.

Interestingly, using a high-powered telescope, scientists can peer into the universe and see light that goes back almost 13 billion years, according to Elizabeth Barton, an assistant professor of astronomy at the University of California-Irvine as quoted by CNN. Our naked eyes, of course, are no match for the scientists' fancy tools.

In the financial markets, we have a similar dynamic taking place. On one side, we have the main street investor who has only basic tools at his disposal to make investment decisions. They have no Bloomberg terminal, no high-frequency algorithmic trading system, and no salesman from Goldman Sachs calling them with the latest ideas from the morning "trading huddle" session. On the other side, we have the Wall Street power-players who have all these fancy tools, a legion of PhD geniuses on staff, and access to the latest and greatest information before it becomes widespread knowledge.

Which side do you think will win the investment game?

Your first reaction might be that the Wall Street power-players with all the tools will win hands down. Upon closer inspection, it turns out that the main street investor does have a chance.

Sure, the biggies on Wall Street have advantages, but look where that got them. Lehman Brothers went bust. Bear Stearns and Merrill Lynch got taken over in distress sales. Citigroup and Bank of America are in major surgery. And, the list goes on.

Sometimes you can be too fancy and sophisticated for your own good.

By contrast, the main street investor who remains calm, follows solid principles, and doesn't get swept up in the latest convoluted investment scheme, may do just fine over time.

Undoubtedly, the person who stands on the shore and admires the beautiful sunrise doesn't care that the light is eight minutes old. Likewise, we don't get caught up in the machinations of Wall Street. We simply try to do what's best for you in the most transparent way possible.

Weekly Focus – Think About It

"Simplicity is the ultimate sophistication."
--Leonardo da Vinci

Best regards,
Scannell Wealth Management Group

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we'll ask for their permission to be added.

* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

* The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks.

* The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System.

* The Dow Jones World (Ex. U.S.) is an unmanaged group of securities considered to be representative of the non-U.S. stock market in general* The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. * The Dow Jones World (Ex. U.S.) is an unmanaged group of securities considered to be representative of the non-U.S. stock market in general. * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.*To unsubscribe from the Weekly Market Commentary, please reply to this e-mail with "unsubscribe" in the subject line.

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This newsletter was prepared by PEAK